



Traditional Funds plc

Annual Report and Audited Financial Statements

31 March 2014

Annual Report and Audited Financial Statements

TRADITIONAL FUNDS plc

(An investment company with variable capital structured as an umbrella fund
with segregated liability between Funds and incorporated under the laws of Ireland)

For the year ended 31 March 2014

TRADITIONAL FUNDS plc

TABLE OF CONTENTS

| | |
|---|-----|
| Management and Administration | 2 |
| Investment Managers' Reports | |
| – <i>F&C High Income Bond Fund</i> | 3 |
| – <i>Eastern European Fund</i> | 4 |
| – <i>F&C Global Emerging Markets Fund</i> | 5 |
| – <i>F&C Macro Global Bond Fund (£)</i> | 6 |
| – <i>F&C Macro Global Bond Fund (€)</i> | 6 |
| – <i>F&C Macro Global Bond Fund (\$)</i> | 6 |
| – <i>F&C Emerging Asia Fund</i> | 7 |
| – <i>F&C Water and Agriculture Equity Long/Short Fund</i> | 8 |
| – <i>F&C Real Estate Securities Fund</i> | 10 |
| – <i>F&C Global Emerging Markets Equity Long/Short Fund (terminated 29 August 2013)</i> | 11 |
| – <i>F&C Global High Yield Fund (terminated 30 December 2013)</i> | 12 |
| – <i>F&C Real Estate Equity Long/Short Fund</i> | 13 |
| Directors' Report | 14 |
| Independent Auditors' Report | 19 |
| Custodian's Report | 20 |
| Portfolio Statements | 21 |
| Balance Sheet | 50 |
| Profit and Loss Account | 52 |
| Statement of Changes in Net Assets Attributable to Redeemable Participating Shareholders | 56 |
| Notes to the Financial Statements | 58 |
| Significant Portfolio Movements (unaudited) | 132 |
| General Information (unaudited) | 144 |
| Enquiries | 150 |

TRADITIONAL FUNDS plc

MANAGEMENT AND ADMINISTRATION

Registered Office

78 Sir John Rogerson's Quay
Dublin 2
Ireland

Directors

David Hammond (Irish) (Chairman)*
John Fitzpatrick (Irish)*
Toby Hampden-Acton (British)
(appointed 1 November 2013 &
resigned 31 December 2013)
Victor Holmes (British)*
Gerald Moloney (Irish)*
Hugh Moir (British)
(appointed 25 February 2014)

Investment Managers

Thames River Capital LLP
Exchange House
Primrose Street
London EC2A 2NY
United Kingdom

F&C Management Limited
Exchange House
Primrose Street
London EC2A 2NY
United Kingdom

Nevsky Capital LLP
10 Old Burlington Street
London W1S 3AG
United Kingdom

Administrator, Registrar and Secretary

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

Custodian

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

Legal Advisers

In the United Kingdom
Dechert LLP
160 Queen Victoria Street
London EC4V 4QQ
United Kingdom

In Ireland

Dillon Eustace
33 Sir John Rogerson's Quay
Dublin 2
Ireland

Independent Auditors

PricewaterhouseCoopers
Chartered Accountants & Registered Auditors
1 Spencer Dock
North Wall Quay
Dublin 1
Ireland

Sponsoring Broker

J & E Davy
Davy House
49 Dawson Street
Dublin 2
Ireland

* Non-executive Directors independent of the Investment Managers

TRADITIONAL FUNDS plc

INVESTMENT MANAGER'S REPORT

F&C High Income Bond Fund

Performance

The F&C High Income Bond Fund (the "Fund") returned +1.02%¹ (net of management fees and expenses) in the twelve months to the 31st March 2014. Reference market indices, JP Morgan EMBI Global Diversified (EM Sovereign), JP Morgan CEMBI Diversified (EM Credit) and JP Morgan GBI-EM Global Diversified (EM Local) returned +0.6%, +1.2% and -7.1% respectively.

Performance Review

The review period proved a challenging time for emerging market assets amid heightened volatility in debt and equity markets. Behind this lay a change in the Federal Reserve's monetary policy stance, as it signalled it intended to pare back its asset purchase programme. A tilt towards tighter US monetary policy, although widely expected, had an adverse impact on emerging market assets, as it increased the attraction of owning developed market debt. One important consequence of the rise in emerging market bond yields is that it has increased the cost of capital, implying a slowdown in the rate of economic growth in emerging markets in the medium-term. A less optimistic growth outlook for emerging markets reinforced negative sentiment towards the asset class. The most intense phase of the market sell-off took place between April and September. During this period, the worst performing segment of the emerging debt market was local currency debt, which became a litmus test for investor sentiment, as bond yields rose whilst emerging market currencies weakened. The best performing part of the market, in contrast, was emerging market credit, which benefited from defensive features such as lower duration and higher spread levels. From September, investors began to pay more interest to emerging market debt, as cheaper valuations increased the relative attraction of owning the asset class. A start to the Federal Reserve's tapering programme in December, alongside a rise in geopolitical tensions in Russia and the Ukraine in the New Year, failed to undermine the rally in emerging market debt, as investors focused on capturing value and avoided obvious trouble spots such as Eastern Europe.

Strategy

The fund benefited from active hedging, asset allocation and security selection strategies. At the start of April 2013, we began to increase the fund's credit hedges, using liquid credit indices so that we could dampen the impact of credit market downside. Strengthening economic growth in the US had made it clear that the major risk facing emerging market debt was not idiosyncratic but rather systemic in nature, as the Federal Reserve prepared to tighten monetary policy. With emerging market debt particularly hard hit in an environment where investors sought to lighten interest rate risk, this tactical hedging strategy proved beneficial. At an asset allocation level, performance also profited from our decision to maintain approximately 20% of the fund invested in European high yield debt. European high yield debt outperformed emerging market high yield debt, as investors looked to stronger economic growth in Europe, attractive European high yield valuations and avoided volatility in emerging debt markets. The fund also benefited from security selection strategies in both developed and emerging markets.

Outlook

Emerging market debt faces several headwinds: tightening external and internal financing conditions; slowing economic growth; and a cyclical shift in investor demand in favour of developed market assets. In the short-term, we are likely to see emerging market debt continue to adjust to a higher global rate environment, implying upward pressure on yield levels. This should unlock value in the asset class, creating opportunities for income and growth in the longer term. The greater risk of investing in emerging market debt (relative to other markets) is reflected in the higher risk premia that these securities offer. Access to this risk premia should remain one of the primary reasons for investing in emerging market debt.

¹ USD Accumulation Share Class

TRADITIONAL FUNDS plc

INVESTMENT MANAGER'S REPORT

Eastern European Fund

Performance

In the twelve months to 31 March 2014 the Eastern European Fund (the "Fund") declined by 8.59%. This compared to a fall in the regional index of 7.95%.

Performance Review

At the start of the period, returns were hit by the exposure to the Russian market which fell in response to a dip in the price of oil. Hungary was a strong performer on the back of a rising euro and forint and our underweight positioning was a negative contributor. In June, when the sentiment towards emerging markets fell sharply in response to the US Federal Reserve's announcement that it was planning to scale back its quantitative easing policy, the Fund profited by being underweight a particularly weak Turkish market. We had restored some exposure by the time the market rallied in September after the Fed postponed its tapering of quantitative easing which was also helpful. Being underweight Poland was beneficial as the government presented a number of proposals for the reform of the private pension fund sector in an attempt to lower the country's debt-to-GDP ratio.

Despite an improvement in CE-3 PMI's driven by the western European recovery, the region struggled in the second half of the period as political risk rose markedly. In Turkey the ruling AKP party of Tayyip Erdogan became engulfed in a major corruption scandal surrounding government infrastructure contracts. This led to multiple arrests and the resignation of three senior ministers (with one of them subsequently accusing Prime Minister Erdogan of tacit involvement). More worryingly, the Prime Minister's response to this revelation was almost identical to that which followed the Gezi Park protests earlier this year – namely to paint the arrests as part of a foreign orchestrated attempt to sow discord in Turkey. In addition the Prime Minister removed hundreds of senior police officers and judicial officials from their posts and stifled the judiciary in order to prevent further arrests, one of which was rumoured to be that of his own son. We saw this as a very negative development for the long-term outlook in Turkey and further reduced our underweight exposure. At the end of the period Russia's de-facto annexation of the Crimea again further ratcheted up political risk. The Fund, having maintained a 5-10% precautionary cash balance throughout the period, outperformed as a result.

Strategy

Despite worries about the oil price at the start of the period, we maintained our exposure to Russia and increased our holding as the price started to recover. In May, whilst closely monitoring the Turkish government's reaction to civil unrest we slightly reduced our exposure to the market 16% and trimmed it further in June as investors sold down markets with high current account deficits. We maintained our long-term underweighting of Poland. We have long struggled to find attractively valued companies in the market as a result of the captive monies allocated to private pension funds. We felt that the trigger to reduce these would be a higher allowance for overseas assets rather than them being absorbed back into the government's balance sheet. July saw us increase the exposure to central Europe via Austria. This followed a successful capital increase at Erste Bank which made it look well capitalised and attractively valued relative to the other banking stocks in the region. Focus switched to political events in the latter half of the year with the long term outlook of both Turkey and Russia becoming significantly impaired by the actions of their leaders.

Outlook

Given the very uncertain political backdrop in the region we remain with a significant cash balance of around 10%.

Nevsky Capital LLP
May 2014

TRADITIONAL FUNDS plc

INVESTMENT MANAGER'S REPORT

F&C Global Emerging Markets Fund

Performance

The F&C Global Emerging Markets Fund (the "Fund") fell by 4.03% in the twelve months to 31 March 2014. Over the same period the MSCI EM (Emerging Markets) TR Index fell by 1.20% in US dollar terms.

Performance Review

The main detractor was Brazil, both from asset allocation and stock selection. Investor sentiment turned against Brazil last year due to rising interest rates, government policy in some regulated sectors and a deteriorating growth outlook, which worked against the Fund's overweight allocation and some of our key positions such as Banco Bradesco, BR Malls and CCR. The next weakest contributors were Korean stock selection as well as an overweight in Russia as the market sold off sharply in March on concerns about the diplomatic impasse with Ukraine over the Crimea. On the positive side, value was added by the overweighting of India and some effective stock selection within the market. Other notable stock contributions came from overweight positions in Mediatek (Taiwan), China Mengniu Dairy and Polish banks.

Strategy

Our strategy and investment process was unchanged over the review period. This entails structuring the portfolio through bottom-up stock selection, where we consider both 'quality' and valuations. At the start of the period, market volatility led to opportunities to add to stocks that we like at attractive valuations. Purchases included high-quality company Wharf, which is benefiting from an increasing number of visitors from China and a strong Chinese property market. We also added Tata Motors as we felt it would benefit from upcoming model launches. We sold the Taiwanese technology company Hon Hai because of a weaker outlook for a key customer. Continued cost pressure led us to sell the Chinese shoe retailer Belle International. We opened a new position in the high-quality Korean consumer goods stock LG Household & Health after a run of weak performance left it trading at an attractive valuation. In the second half of the period we bought Tencent, which is a play on growing internet usage in China. In India, we increased our position in HDFC Bank as its aggressive branch expansion over the past three years will help push loan growth. We sold LG Chem on concerns about future refining margins in Asia and switched some of our exposure to Agricultural Bank China into China Construction Bank.

Outlook

We believe that the asset class offers good value for medium-term investors. Our focus continues to be on high-quality companies in emerging markets such as Samsung Electronics, HDFC Bank, Ultrapar and AIA. This strategy of quality at a reasonable valuation has worked well so far this year and we are confident that it will deliver attractive relative returns on a medium-term basis. The main risk to the asset class is a sharper than expected tightening of US monetary policy.

F&C Management Limited
May 2014

TRADITIONAL FUNDS plc

INVESTMENT MANAGER'S REPORT

F&C Macro Global Bond Fund (£), (€), (\$)

The F&C Global Bond Fund (£), F&C Global Bond Fund (€) and F&C Global Bond Fund (\$) (the "Funds") are all managed on a similar basis, reflecting identical investment themes, except that they each have a different currency base: sterling, euro and US dollar respectively. The investment process aims to identify value investment opportunities in investment grade government bond markets and currencies with a worldwide universe. These investment ideas and policies are reflected in each Fund with appropriate currency exposure adjustments.

Three separate funds have been created to enable investors to choose the base currency most appropriate to their liability match.

Performance

During the year to 31 March 2014 the F&C Macro Global Bond Fund (£) accumulating share class A returned 0.58% compared to the benchmark index return of -5.11%. The F&C Macro Global Bond Fund (€) accumulating share class returned -0.57% compared to the benchmark index return of -0.01% and the F&C Macro Global Bond Fund (\$) accumulating share class returned 3.26% compared to the benchmark index return of 0.09%.

Strategy

The Funds' investment strategy since the interim report to 30 September 2013 continued to build further long duration positions in the thirty-year part of the US Treasury yield curve. At the beginning of the period the duration of the Funds was 2.5 years, made up of 4.5 years in 30 year US Treasury strips, coupon and inflation linked bonds, and partially hedged with a short 2.0 year position in 10 year futures. We took advantage of the weakness in bond markets during Q4 2013 to eliminate the short futures position and also to add to the long US Treasury weighting. Therefore, by the end of the period the Funds' duration was 7.0 years, made up of long dated US Treasuries. This proved to be a positive move as bond yields have subsequently fallen from their peak at the end of 2013. In addition, we changed our stance on currency weightings. For most of the year we had adopted a positive stance on the USD in the belief that the US would be ahead of the rest of the world in terms of the interest cycle and also the USD would come into its own in a crisis situation. The relative economic outturn favouring the US failed to support the USD, particularly versus the EUR and GBP. Consequently, we eliminated the long USD position held through US Treasuries on an unhedged basis and replaced it with out of the money, twelve-month USD call options. The Funds are now fully hedged back into base currencies but have exposure to the USD via cheap options bought when volatility was back to historic lows and we believe that this strategy will perform well during periods of general financial market stress which we think is likely to come about in the near future.

Outlook

The change in strategy was based on the fact that policy makers have failed to reflate the global economy. Extremely loose monetary policy in the major economies was designed to inflate away the debt mountain that caused the 2008 financial crisis. Instead of worrying about inflation, as we were for most of 2013, we now believe that deflation is the most likely outcome. In aggregate, global debt is now some 30% higher now than it was before the crisis. Excessively loose policy has encouraged a debt driven recovery that is now mature in terms of length by any historical standards, while corporates have been spending their cash piles to buy back equity to increase return-on-equity and pay shareholders dividends. The lukewarm global recovery is not sustainable because it has been built on debt and not on capital investment. The problems that caused the 2008 crisis, that is unsustainable levels of debt, have become a bigger issue. In summary, we think that deflationary pressures will cause another collapse in risk assets, including poor and illiquid areas of the bond markets, and that as a result long dated US Treasury yields will revisit their old lows. In addition, USD calls will prove very profitable in this environment as the greenback benefits from its safe haven status and volatility increases substantially.

Thames River Capital LLP
May 2014

TRADITIONAL FUNDS plc

INVESTMENT MANAGER'S REPORT

F&C Emerging Asia Fund

Performance

The F&C Emerging Asia Fund (the "Fund") fell by 1.05% in the year to 31 March 2014. Over the same period the MSCI EM Emerging Asia TR Index rose by 3.39% in US dollar terms.

Performance Review

The main cause of the fund's underperformance was stock selection, notably in China and Korea. During the period we were underweight internet based companies such as Tencent in China and NHN in Korea. Both stocks rose strongly along with internet stocks globally on hopes that they could monetise customer traffic for new services.

Also detracting from performance was our holdings in a number of Chinese property companies such as China Overseas Land, Wharf Holdings and Shimao Property. These have fallen to historically low earnings valuations on worries that property demand in China will slow and send the market into oversupply. We view this as too simplistic given that the leading operators are based mainly in the largest cities which are seeing strong population growth.

The strongest performance came from consumer stocks. Matahari Department Store in Indonesia, and China Mengnui Dairy in China both delivered strong returns as they increased their distribution footprint and demonstrated improved product management.

Strategy

Our strategy and investment process remains focused on higher quality stocks which can execute well, even in difficult economic conditions, and demonstrate solid business models that can earn good financial performance. This generally is demonstrated by consistent high weightings towards leading franchises in the consumer and financials sectors, which are steadily gaining market share in growing industries, and have the pricing power and cost advantages that lead to industry leading returns on capital. The likes of HDFC Bank in India and Kasikorn Bank in Thailand are prime examples of such long-term holdings. Leading technology companies such as Samsung Electronics and Taiwan Semiconductor, which enjoy self-reinforcing scale and technology leadership, are also an area where we hold sizeable positions. Conversely we are significantly underweight 'deep cyclical' businesses in the materials and industrials sector, where pricing power is weak and competition intense.

Outlook

We continue to believe that current valuations, with the asset class trading at a large discount to developed market equities, offer the prospect of strong medium term returns. Whilst there are structural challenges facing a number of economies, governments are increasingly acknowledging these and are taking measures to enact reforms to ensure the sustainability of growth. Examples include growing deregulation of the service sector in China and a more co-ordinated process to facilitate investment in India. At the macro level we have seen a marked improvement in current account balances in a number of countries where deficits were seen as a problem in 2013, including India, Indonesia, and Thailand.

Whilst ongoing periods of uncertainty regarding economic growth and global monetary policy will buffet the asset class periodically, the combination of downside protection from discounted valuations and continued reform efforts to support economic growth should provide an attractive risk/return trade-off for investors.

F&C Management Limited
May 2014

TRADITIONAL FUNDS plc

INVESTMENT MANAGER'S REPORT

F&C Water and Agriculture Equity Long/Short Fund

Performance

The F&C Water and Agriculture Equity Long/Short Fund (the "Fund") rose by 1.68% in the twelve months ending 31 March 2014. The Fund's benchmark, 3m Libor +2%, rose by 2.23%.

Performance Review

At the beginning of the review period the Fund was positioned with a negative stance on fertilizers as production levels had been showing no signs of slowing down at a time of historically high inventories. The potash industry has been controlled on the supply side by two cartels, Canpotex and the Belarusian Potash Company (BPC), who between them control three-quarters of current production. The existence of the cartel has allowed producers to manage supply and thereby reduce potential volatility in pricing.

The best quality potash deposits are only to be found in Canada and Russia, take at least five years to bring to production and cost billions of dollars to develop. Given the capital and lead time required for such projects, we estimate that long-term potash prices need to be at least \$500-600/mt to justify investment in a new greenfield mine. That said, with lifting costs for potash no more than \$200/tonne, producers selling at \$400/mt to \$1,000/mt over the past five years have enjoyed very healthy cash margins and returns on capital. Yet, Uralkali, the largest potash producer in the world announced a dramatic change in its marketing strategy from price-over-volume to volume maximisation. With the Russian side of the potash oligopoly (BPC) representing ~42% of the export trade, the North American (Canpotex) side will not exert any pricing leverage over the buyers, which in turn will lead to a permanent break in cartel discipline.

In the second half of the period, the Fund adopted a more positive stance on US water infrastructure and construction. This relates to higher municipal tax receipts, which are related to rising property prices. The improving outlook for municipal budgets allows investment programmes to begin. This view was formed in the context of improving US industrial production and broader aggregate demand recovery as industrial capacity utilization broke through the 80% level. This area of investment helped performance at the end of the 2013 calendar year, but has been a drag since Jan 1, as cold weather limited activity in January and February.

Strategy

Now that farmers no longer need to pay unjustifiably high prices for fertilizers, they are able to spend more money on other soil technologies. It is our strong view therefore that once the capitulation trade related to potash has run its course, those parts of the agriculture space that have hitherto been held back by reduced farmer profitability can start to outperform.

The combined price of soy, corn and wheat fell double digits in 2013, despite the improving demand dynamics. Short positions in the soft commodity complex, in our view, are therefore vulnerable at this stage, with lofty acreage and yield expectations potentially subject to disappointment. An early frost in Iowa would result in significant acreage losses, whilst a swathe of armyworms poses threat in Minnesota. We therefore began to build long positions in the grains complex and have switched most short positions in fertilizers into longs. These long positions were useful, but have now been closed, as grain inventories remain high after the record 2013 harvests, theoretically capping the upside in our view. As a result the long side of the portfolio is primarily focused on water infrastructure and related capital equipment. These sectors will benefit from improving budgets and demand characteristics. A number of holdings are set to benefit from infrastructure related to US energy production and its related water requirements.

TRADITIONAL FUNDS plc

INVESTMENT MANAGER'S REPORT

F&C Water and Agriculture Equity Long/Short Fund (continued)

Outlook

The Russian invasion of Crimea pre-empted the seasonal trade we saw in agricultural commodities. Wheat prices were the biggest beneficiary, as they also had the support of high winter kill in the US. But the rally in prices is already softening, and we think there is upside to the USDA's modest prospective planting estimates. At this early stage, we expect farmers to react to the \$5/bsl corn price signal and to plant near 94m acres of corn versus the USDA at 91.5m. So the next leg is down here, in our view.

We have limited exposure in the emerging markets, with shorts offsetting long positions. We hold long positions in cheap manufactures including First Tractor and China Liansu (a pipe manufacturer) and shorts in cash flow negative water utilities and food manufacturers on >20x earnings. We like the stock specific stories here, but don't feel that there have been enough structural changes to increase our gross or net exposure in the region. Recent moves are explained by positioning rather than reform, as we see it.

Thames River Capital LLP

May 2014

TRADITIONAL FUNDS plc

INVESTMENT MANAGER'S REPORT

F&C Real Estate Securities Fund

Performance

The F&C Real Estate Securities Fund (the "Fund") returned 21.36% in the 12 months to 31st March 2014, whilst the benchmark, the FTSE EPRA/NAREIT Developed Europe Capped Total Return (Net) Index in sterling, rose 14.81%.

German residential holdings added value over the period. The bulk of this outperformance was generated in August 2013 through our conviction pair trade. Prior to the deal announcement on 20 August 2013 the Fund had GSW Immobilien as one of its largest overweight positions (+311bp vs. benchmark) and Deutsche Wohnen as one of its largest underweight positions (-207bp vs. benchmark). Deutsche Wohnen announced a public exchange offer for GSW paid in shares and reflecting a 15% takeover premium. The newly created entity will create a new listed German residential leader (€4.2bn market cap), with 147,000 residential units of which 72% are located in Berlin, one of the most attractive residential real estate markets in Germany. Post-announcement we reduced our active positions in both to a slight overweight in both GSW and Deutsche Wohnen. Our biggest single stock overweight position in Unite Group, the UK student accommodation landlord, was the second top contributor over the period (+132bp) followed by French offices (+105bp), Central London offices (+80bp), European shopping centres (+68bp) and Swedish residential (+74bp). The main detractors were Capital and Counties (Central London retail and residential play), UK opportunistic companies (Helical Bar and Development Securities), UK offshore property companies, Nordic diversified companies and UK Industrials (Segro).

Fund Strategy

We maintained exposure to those markets where we saw positive trends in real estate fundamentals. The fund remained focused on underlying asset quality and those businesses with better balance sheets (i.e. LTV limits, number of banks, short-term refinancing risk, amount of hedged debt etc). Through this volatile period we stuck with the rotation of assets to minimise debt risk in the underlying portfolio. We maintained the Swiss underweight. We remained overweight the UK (Central London offices, student housing and selective regional exposure), France (Paris only), high quality retail (large malls, supermarkets/hypermarkets), Scandinavia (on GDP and export driven fundamentals) and Germany (offices, retail). We maintained an underweight in Italian offices, Dutch offices, Belgium, France (ex-Paris), Industrial across Europe (except Scandinavia). We continue to see evidence to support our view that listed real estate companies enjoy superior access to capital – both equity and debt.

Market Outlook

We remain positive about the outlook for the European property sector. Importantly, we expect the dispersion of returns between property stocks to remain elevated, driven by diverging property fundamental prospects. Over the last 24 months the differential between top and bottom decile stock performers was around 200%. This creates significant opportunity for stock pickers like ourselves. Overall we anticipate that the volatility will persist on the back of the uncertainty about the amount of slack in the US and UK economies and therefore the timing of the exit of central banks from unconventional monetary policies in the main developed economies. There are also worries about a rising interest rate cycle and renewed fears over a housing bubble in Sweden and the UK. Consequently we will continue to manage our gross and net exposures actively.

Thames River Capital LLP
May 2014

TRADITIONAL FUNDS plc

INVESTMENT MANAGER'S REPORT

F&C Global Emerging Markets Equity Long/Short Fund

Closing Report

Performance

The F&C Global Emerging Market Equity Long/Short Fund (the "Fund") fell by 4.47% in the period from 31 March 2013 to 29 August 2013. The Fund was terminated on 29 August 2013. Although the Fund is measured against a benchmark of Libor + 2%, for reference, the MSCI EM Index fell 0.41% during this period.

Performance Review

Given the liquidity and trade channel dependence of emerging markets (EM) on developed markets, we were cautious on EM equities. Timing entry and exit was therefore important, so only a large and bold deviation from the benchmark had any hope of generating returns. We ran a high conviction and relatively concentrated portfolio with a focus on very close coverage of our positions and appropriate risk measures in place to limit downside volatility.

We continued to like Mexico from a structural standpoint, believing that improvements in Mexican competitiveness had only just begun. Reform on fostering more competition in key sectors of the economy were expected to help spur investment, and after a decade of losses in global export market share (predominantly to the likes of lower-cost manufacturers such as China), the tide appeared to have turned. We believed Thailand was the best positioned value market in Southeast Asia, with 5% GDP growth, an infrastructure spending bonanza, 18% expected earnings growth, compelling valuations at 13 times forward earnings and a 3.4% dividend yield.

We had little conviction in Russia, where it is proving impossible to invest without an insight into the rival siloviki clans within the Kremlin. We are equally negative on India, which is labouring under Asia's largest current account deficit, fiscal indiscipline, a downgraded 5% GDP growth, a volatile rupee and overly optimistic earnings predictions.

Strategy

Investing requires both conviction enough to express an idea and flexibility enough to remove the idea from the portfolio when it is not working. On this basis, we struggled to understand the continued underperformance of the Chinese bourse. The risk-reward of owning Chinese stocks at that juncture was thus extremely favourable in our view.

In the belief that multiple expansion alone could take regional markets higher we covered short exposures and added to long positions. We were fully aware of the main bear story, whereby it was now taking more and more credit growth to deliver less and less economic growth. However, everything has a price, and heavy reliance on debt-fuelled consumption is also part of the developed world landscape, without the safety-net of a large domestic savings base that China at least has.

Thames River Capital LLP
May 2014

TRADITIONAL FUNDS plc

INVESTMENT MANAGER'S REPORT

F&C Global High Yield Fund

Performance

The F&C Global High Yield Fund (the "Fund") returned 2.88% (net of management fees and expenses) in the nine months to the Fund's closure on 30th December 2013.

Performance Review

May saw US monetary policy appear to reach a turning point after Ben Bernanke, the Federal Reserve Chairman, remarked in a speech to Congress that the US central bank might scale back its asset purchases if economic conditions warranted it. His words had an immediate impact on financial markets, which interpreted any scaling back of asset purchases, as a first step towards tighter monetary policy. Expectations of tapering sent ripples far beyond the US Treasury market, affecting a wide range of asset classes such as emerging market debt and credit. The Federal Reserve, however, caught markets off guard by delaying its tapering decision from an expected start date in September to January 2014, stating that it wanted to see further evidence of a recovery in the US labour market before taking any action. Although global bond markets initially rallied, bond yields soon began to rise, as the market focused on strengthening economic growth, lifting equity and credit valuations. During this period, one of the best performing fixed income asset classes was high yield, as investors continued to target high yielding investments in a low interest rate environment.

Strategy

Strategy for the Global High Yield Fund remained focused on security selection over much of the period. The Fund maintained a strong bias for European high yield bonds from the consumer, financial and industrial sectors. The strong performance of European high yield debt over the summer months led us to take profits on some of the fund's European holdings in September and to reallocate capital to new issues from Latin America. Although high yield markets were less impacted by the general rise in market volatility, we sought to minimise market downside risk by maintaining a low average duration within the fund and by hedging credit risk. After the decision was taken to close the fund following a significant decline in assets, we took advantage of intermittent periods of market strength to redeem the fund's holdings into cash. By the time of its closure, the Fund was fully invested in cash, enabling the quick return of capital to all investors.

Thames River Capital LLP
May 2014

TRADITIONAL FUNDS plc

INVESTMENT MANAGER'S REPORT

F&C Real Estate Equity Long/Short Fund

Performance

In the twelve months to 31 March 2014 the F&C Real Estate Equity Long/Short Fund (the "Fund") returned 2.48%.

The Fund daily returns have exhibited a much reduced volatility due to the strict enforcement of market neutrality and symmetric beta profiles on the long and short books. The Fund's volatility remains exceptionally low at around 2%, reflecting our cautious management approach. Under normal conditions we expect the Fund to deliver single digit basis point daily returns (8.2bp since end of October 2013). Encouragingly the Fund exhibited its absolute return capabilities at time of heightened market stress. The Fund produced either a positive or flat return during each of the three market sell-offs of circa -5%: in December 2013 (Fed's policy uncertainty), January 2014 (emerging markets fears) and March 2014 (Crimea annexation).

Strategy

We undertook a strategic overhaul of the Fund at the end of October 2013 to re-position the Fund strategy as truly equity market neutral. Alban Lhonneur was promoted to lead fund manager. The revised strategy aims to extract the alpha from F&C benchmark-beating long-only product F&C Real Estate Securities (F&C RES), in a market neutral fashion.

The portfolio's construction is now based upon F&C RES's stock, country and cluster active weightings. Over time the benchmark divergence of F&C RES (the sum of the overweight and underweight positions) has averaged 63%. Effectively this represents our level of positive/negative convictions (the sum of overweights and underweights for each individual stock position of the benchmark's 82 constituents).

The new portfolio construction leverages F&C RES active benchmark divergence (63% average) by around 1.5 times, in a market neutral fashion, to derive a gross exposure between 70% and 120%. For example, a high conviction call such as Unite Group Plc. with c.3.25% overweight in F&C RES would translate into a 5% long position in the Fund. A large conviction underweight in F&C RES such as Intu Properties (-2.4%) in the fourth quarter of 2013 translates into a -3.75% short position in the Fund. By design the new portfolio has a more granular profile (number of holdings up to 40-50 from 20 previously).

Outlook

We remain positive about the outlook for the European property sector overall. Importantly we expect the dispersion of returns between property stocks to remain elevated driven by diverging property fundamental prospects. Over the last 24 months the differential between top and bottom decile stock performers was around 200% which creates significant opportunity for stock pickers like ourselves in constructing our long/short portfolio.

Overall we anticipate that the volatility will persist on the back of the uncertainty about the amount of slack in the US and UK economies and therefore the exit from unconventional monetary policies in the main developed economies, a rising rate cycle and renewed fears over a housing bubble in Sweden and the UK. Consequently we will continue to manage our gross exposure actively and keep our net exposure tight around zero. By doing so we aim to capture relation valuation opportunities whilst almost eliminating entirely overall equity market risk.

Thames River Capital LLP
May 2014

TRADITIONAL FUNDS plc

DIRECTORS' REPORT

For the year ended 31 March 2014

The Directors of Traditional Funds plc ("the Company") submit their report together with the audited financial statements of the Company for the year ended 31 March 2014.

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 Financial Reporting Council 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 these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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 books of account which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in Ireland and Irish statute comprising the Irish Companies Acts, 1963 to 2013 (the "Companies Acts") and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011, as amended (the "UCITS Regulations"). They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under the UCITS Regulations, the Directors are required to entrust the assets of the Company to a custodian for safe-keeping. In carrying out this duty, the Directors have delegated custody of the Company's assets to State Street Custodial Services (Ireland) Limited (the "Custodian").

Books of account

The measures taken by the Directors to secure compliance with the Company's obligation to keep proper books of account are the use of appropriate systems and procedures and employment of competent persons. The books of account have been kept by State Street Fund Services (Ireland) Limited, 78 Sir John Rogerson's Quay, Dublin 2, Ireland.

Review of business and future developments

The Company is an open-ended investment company with variable capital which has been authorised by the Central Bank of Ireland (the "Central Bank") under the UCITS Regulations. There was no change in the nature of the Company's business during the year. The Investment Managers' Reports contain a review of the factors which contributed to the performance for the year.

The F&C Global Emerging Markets Equity Long/Short Fund and the F&C Global High Yield Fund terminated on 29 August 2013 and 30 December 2013 respectively.

Risk management objectives and policies

The principal risks and uncertainties faced by the Company are the investment risk associated with the portfolios maintained by the Company in relation to its Funds and the operational risks arising from their management. These risks are further discussed in note 10.

TRADITIONAL FUNDS plc

DIRECTORS' REPORT (continued)

For the year ended 31 March 2014

Results and dividends

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

Significant events during the year

The following Funds changed their names with effect from 6 April 2013:

| Former name: | Revised name effective 6 April 2013: |
|---|--|
| Thames River High Income Fund | F&C High Income Bond Fund |
| Thames River Global Emerging Markets Fund | F&C Global Emerging Markets Fund |
| Thames River Global Bond Fund (£) | F&C Macro Global Bond Fund (£) |
| Thames River Global Bond Fund (€) | F&C Macro Global Bond Fund (€) |
| Thames River Global Bond Fund (\$) | F&C Macro Global Bond Fund (\$) |
| Thames River Emerging Asia Fund | F&C Emerging Asia Fund |
| Thames River Water and Agriculture Absolute Return Fund | F&C Water and Agriculture Equity Long/Short Fund |
| Thames River Real Estate Securities Fund | F&C Real Estate Securities Fund |
| Thames River Global Emerging Markets Absolute Return Fund | F&C Global Emerging Markets Equity Long/Short Fund |
| Thames River Global High Yield Fund | F&C Global High Yield Fund |

The F&C Global Emerging Markets Equity Long/Short Fund and the F&C Global High Yield Fund terminated on 29 August and 30 December 2013 respectively.

The F&C High Income Bond Fund Class C Sterling Accumulating launched on 10 June 2013. The F&C Macro Global Bond Fund (€) Class C Euro Accumulating launched on 23 September 2013 and terminated on 18 March 2014 and the Class C Euro Distributing launched on 29 November 2013. The F&C Macro Global Bond Fund (\$) Class C US Dollar Distributing launched on 11 November 2013. The F&C Emerging Asia Fund Class C Sterling Accumulating launched on 5 April 2013.

The Eastern European Fund has moved to bid pricing from 11 March 2014 valuation point. This was due to the announcement of Nevsky Capital LLP resigning as Fund Manager and was introduced to protect investors from the subsequent outflows expected as a result of the announcement. This is been reviewed on a weekly basis with reference to ongoing redemptions by two directors.

Toby Hampden-Acton was appointed as a Director of the Company with effect from 1 November 2013. He then resigned as a Director of the Company with effect from the 31 December 2013. Hugh Moir was appointed as a Director of the Company with effect from 25 February 2014.

There were no other significant events affecting the Company during the year.

TRADITIONAL FUNDS plc

DIRECTORS' REPORT (continued)

For the year ended 31 March 2014

Significant events after the year end

The Investment Manager of the Eastern European Fund changed from Nevsky Capital LLP to F&C Management Limited with effect from 1 May 2014.

The F&C High Income Bond Fund made a distribution from its 9 distributing share classes (see note 13) with an ex date of 1 April 2014 and a payment date of 30 April 2014. The total amount distributed was US\$1,849,820.

The F&C Real Estate Securities Fund made a distribution from its 2 distributing share classes (see note 13) with an ex date of 24 April 2014 and a payment date of 30 April 2014. The total amount distributed was £156,552.

The Board agreed on 30 May 2014 to change the Investment Manager of the F&C Global Macro Funds (£, \$ & €) from Thames River Capital to F&C Management Limited.

There were no other significant events affecting the Company after the year end.

Directors

The Directors of the Company at 31 March 2014 are stated on page 2. Directors' interests in the shares of the Company at the year end and in any transactions with related parties are disclosed in note 16.

Corporate Governance Statement

The European Communities (Directive 2006/46/EC) Regulations (S.I.450 of 2009 and S.I.83 of 2010) (the "Regulations") require the inclusion of a corporate governance statement in the Directors' Report.

The Directors have adopted the Corporate Governance Code for Collective Investment Schemes and Management Companies published by the Irish Fund Industry Association, the text of which is available on the IFIA website, www.irishfunds.ie. The IFIA Code is available to be voluntarily adopted on a 'comply or explain' basis by Irish authorised funds. The Directors confirm that the Company has complied in full with all of the provisions of the Code.

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

- (i) The Irish Companies Acts 1963-2013 which are available for inspection at the registered office of the Company; and may also be obtained at www.irishstatutebook.ie
- (ii) The Articles of Association of the Company which are available for inspection at the registered office of the Company and at 33 Sir John Rogerson's Quay, Dublin 2, Ireland and at the Companies Registration Office in Ireland;
- (iii) The Central Bank of Ireland in their UCITS Notices and Guidance Notes which can be obtained from the Central Bank's website at www.centralbank.ie and are available for inspection at the registered office of the Company; and
- (iv) The Irish Stock Exchange ("ISE") through the ISE Code of Listing Requirements and Procedures which can be obtained from the ISE's website at: www.ise.ie

Internal control and risk management systems

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

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

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

TRADITIONAL FUNDS plc

DIRECTORS' REPORT (continued)

For the year ended 31 March 2014

Operation of the shareholder meeting, the key powers of the shareholder meeting, shareholders' rights and the exercise of such rights

The convening and conduct of shareholders' meetings are governed by the Articles of Association of the Company and the Companies Acts.

Although the Directors may convene an extraordinary general meeting of the Company at any time, the Directors are required to convene an annual general meeting of the Company within fifteen months of the date of the previous annual general meeting. Annual general meetings shall be held each year within six months of the accounting date. Not less than twenty one days notice of every annual general meeting and any meeting convened for the passing of a special resolution must be given to shareholders.

Three shareholders present either in person or by proxy constitute a quorum at a general meeting. A representative of a corporation authorised pursuant to Article 22.13 of the Memorandum and Articles of Association and present at any meeting of the Company or at any meeting of a Fund or class of Shareholders shall be deemed to be a Shareholder for the purpose of a quorum.

Every holder of participating shares or management shares present in person or by proxy who votes on a show of hands is entitled to one vote. On a poll, every holder of participating shares present in person or by proxy is entitled to one vote in respect of each share held by him and every holder of management shares is entitled to one vote in respect of all management shares held by him. The chairman of a general meeting of the Company or at least five shareholders present in person or by proxy or any holder or holders of participating shares present in person or by proxy representing at least one tenth of the shares in issue having the right to vote at such meeting may demand a poll.

Shareholders may resolve to sanction an ordinary resolution or special resolution at a shareholders' meeting. An ordinary resolution of the Company or of the shareholders of a particular class requires a simple majority of the votes cast by the shareholders voting in person or by proxy at the meeting at which the resolution is proposed. A special resolution of the Company or of the shareholders of a particular class requires a majority of not less than 75% of the shareholders present in person or by proxy and voting in general meeting in order to pass a special resolution including a resolution to amend the Articles of Association.

Composition and operation of the Board of Directors

Unless otherwise determined by an ordinary resolution of the Company in general meeting, the number of Directors may not be less than two nor more than nine. Currently the Board of Directors of the Company is composed of five Directors, being those listed in the directory in these financial statements.

The business of the Company is managed by the Directors, who exercise all such powers of the Company as are not required by the Companies Acts or by the Articles of Association of the Company to be exercised by the Company in general meeting.

Mr. Hammond and Mr. Moloney were appointed Directors on 11 March 1999. Mr. Holmes was appointed a Director on 31 January 2003, and Mr. Fitzpatrick was appointed Director on 30 December 2005. Mr. Hampden-Acton was appointed Director on 1 November 2013 and resigned on 31 December 2013. Mr. Moir was appointed a Director on 25 February 2014.

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

TRADITIONAL FUNDS plc

DIRECTORS' REPORT (continued)

For the year ended 31 March 2014

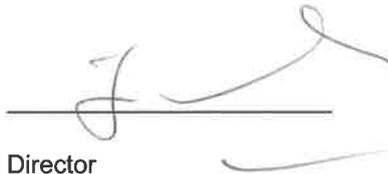
Independent Auditors

The Directors will propose the re-appointment of the auditors, PricewaterhouseCoopers, for shareholders' approval at the AGM in accordance with section 160(2) of the Companies Act, 1963.

On behalf of the Board



Director
26 June 2014



Director

The Investment Managers are responsible for the maintenance and integrity of the corporate and financial information regarding the Company included on the Investment Managers' website. Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TRADITIONAL FUNDS PLC

We have audited the financial statements of Traditional Funds plc for the year ended 31 March 2014 which comprise the Balance Sheet, the Profit and Loss Account, the Statement of Changes in Net Assets Attributable to Redeemable Participating Shares and the related notes for the Company and for each of its Funds and the Portfolio Statements for each of the Funds. The financial reporting framework that has been applied in their preparation is Irish law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 14, the directors are responsible for the preparation of the financial statements giving a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Section 193 of the Companies Act, 1990 and for no other purpose. We do not, in giving these opinions, 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.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

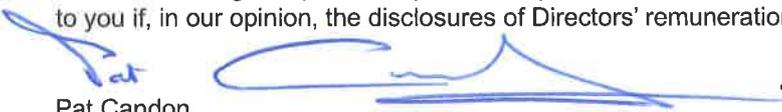
- give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland of the state of the company's and Funds' affairs as at 31 March 2014 and of their results for the year then ended; and
- have been properly prepared in accordance with the requirements of the Companies Acts 1963 to 2013 and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended).

Matters on which we are required to report by the Companies Acts 1963 to 2013

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion proper books of account have been kept by the company.
- The 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the provisions in the Companies Acts 1963 to 2013 which require us to report to you if, in our opinion, the disclosures of Directors' remuneration and transactions specified by law are not made.


Pat Candon

for and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
Dublin

26 June 2014

TRADITIONAL FUNDS plc

CUSTODIAN'S REPORT

Report of the Custodian to the Shareholders

We have enquired into the conduct of Traditional Funds plc (the "Company") for the year ended 31 March 2014, in our capacity as Custodian of the Company.

This report including the opinion has been prepared for and solely for the shareholders in the Company, 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 & Articles of Association and by the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, (the "Regulations"); and

(ii) otherwise in accordance with the provisions of the Memorandum & Articles of Association and the Regulations.



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

26 June 2014

TRADITIONAL FUNDS plc

PORTFOLIO STATEMENT as at 31 March 2014

F&C High Income Bond Fund

| Financial assets at fair value through profit or loss | | | | | | | | | |
|---|---|----------|-----------------|--------------------|--------|-------------------|-------------------|-------|--|
| Country | Bonds | Currency | Nominal Holding | Fair Value US\$000 | | Mar 2014 % of NAV | Mar 2013 % of NAV | | |
| Argentina | YPF 8.875% 19.12.2018 | USD | 220,000 | | 229 | | 0.16 | – | |
| Austria | JBS Investments GmbH 7.750% 28.10.2020 | USD | 1,500,000 | 3,000 | | 2.13 | | | |
| | JBS Investments GmbH 7.250% 03.04.2024 | USD | 3,000,000 | 1,583 | | 1.13 | | | |
| | | | | | 4,583 | | 3.26 | | |
| Azerbaijan | | | | | – | | – | 0.47 | |
| Brazil | Banco do Brasil/Cayman 6.250% 29.10.2049 | USD | 200,000 | 162 | | 0.12 | | | |
| | Brazil Letras do Tesouro Nacional 0.000% 01.01.2017 | BRL | 35,187,000 | 11,212 | | 7.97 | | | |
| | Brazilian Government International Bond 2.875% 01.04.2021 | EUR | 1,000,000 | 1,373 | | 0.98 | | | |
| | Brazilian Government International Bond 5.625% 07.01.2041 | USD | 2,000,000 | 2,025 | | 1.44 | | | |
| | Marfrig Overseas 9.500% 04.05.2020 | USD | 2,300,000 | 2,315 | | 1.65 | | | |
| | Vale 5.625% 11.09.2042 | USD | 1,800,000 | 1,683 | | 1.20 | | | |
| | | | | | 18,770 | | 13.36 | 19.95 | |
| Canada | Pacific Rubiales Energy 5.125% 28.03.2023 | USD | 1,630,000 | 1,585 | | 1.13 | | – | |
| | Pacific Rubiales Energy 5.375% 26.01.2019 | USD | 200,000 | 208 | | 0.15 | | – | |
| | | | | | 1,793 | | 1.28 | – | |
| Chile | AES Gener 8.375% 18.12.2073 | USD | 1,000,000 | 1,065 | | 0.76 | | | |
| | Corp Nacional del Cobre de Chile 4.500% 13.08.2023 | USD | 400,000 | 412 | | 0.29 | | | |
| | E.CL 5.625% 15.01.2021 | USD | 280,000 | 298 | | 0.21 | | | |
| | Empresa Nacional del Petroleo 4.750% 06.12.2021 | USD | 310,000 | 318 | | 0.23 | | | |
| | Empresa Nacional del Petroleo 5.250% 10.08.2020 | USD | 200,000 | 212 | | 0.15 | | | |
| | ENTEL Chile 4.875% 30.10.2024 | USD | 200,000 | 203 | | 0.14 | | | |
| | MCC Holding Hong Kong Corp 4.875% 29.07.2016 | USD | 200,000 | 199 | | 0.14 | | | |
| | | | | | 2,707 | | 1.92 | – | |
| China | CNOOC Finance 2013 1.750% 09.05.2018 | USD | 230,000 | 225 | | 0.16 | | | |
| | CNPC General Capital 2.750% 19.04.2017 | USD | 220,000 | 225 | | 0.16 | | | |
| | Franshion Brilliant 5.375% 17.10.2018 | USD | 200,000 | 199 | | 0.14 | | | |
| | Kai Group Holdings 8.875% 19.03.2018 | USD | 1,200,000 | 1,159 | | 0.82 | | | |
| | Sinochem Global Capital 5.000% 31.12.2049 | USD | 200,000 | 194 | | 0.14 | | | |
| | Star Energy Geothermal Wayang Windu 6.125% 27.03.2020 | USD | 200,000 | 195 | | 0.14 | | | |
| | Yingde Gases Investment 8.125% 22.04.2018 | USD | 1,000,000 | 1,000 | | 0.71 | | | |
| | | | | | 3,197 | | 2.27 | 3.67 | |
| Colombia | Banlombia 6.125% 26.07.2020 | USD | 420,000 | 445 | | 0.32 | | | |
| | Colombia Telecomunicaciones 5.375% 27.09.2022 | USD | 470,000 | 460 | | 0.33 | | | |
| | Epetrol 4.250% 18.09.2018 | USD | 400,000 | 423 | | 0.30 | | | |
| | Epetrol 7.375% 18.09.2043 | USD | 300,000 | 343 | | 0.24 | | | |
| | | | | | 1,671 | | 1.19 | – | |
| Costa Rica | Banco Nacional de Costa Rica 4.875% 01.10.2018 | USD | 200,000 | | 201 | | 0.14 | – | |
| Dominican Republic | | | | | – | | – | 1.55 | |
| France | CMA CGM 8.750% 15.12.2018 | EUR | 1,000,000 | 1,380 | | 0.98 | | | |
| | SMCP 8.875% 15.06.2020 | EUR | 750,000 | 1,131 | | 0.80 | | | |
| | | | | | 2,511 | | 1.78 | 1.88 | |
| Germany | Grohe Holding 4.209% 15.09.2017 | EUR | – | – | | – | | | |
| | Heckler & Koch 9.500% 15.05.2018 | EUR | 1,500,000 | 2,166 | | 1.54 | | | |
| | | | | | 2,166 | | 1.54 | 1.84 | |
| Guatemala | Comcel Trust 6.875% 06.02.2024 | USD | 300,000 | | 314 | | 0.22 | – | |
| Hong Kong | CITIC Pacific 6.800% 17.01.2023 | USD | 200,000 | 211 | | 0.15 | | – | |
| | CITIC Pacific 6.625% 31.12.2049 | USD | 200,000 | 214 | | 0.15 | | – | |
| | PCCW-HKT Capital No 4 4.250% 24.02.2016 | USD | 280,000 | 293 | | 0.21 | | – | |
| | PCCW-HKT Capital No 5 3.750% 08.03.2023 | USD | 330,000 | 307 | | 0.22 | | – | |
| | | | | | 1,025 | | 0.73 | – | |

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

TRADITIONAL FUNDS plc

PORTFOLIO STATEMENT as at 31 March 2014 (continued)

F&C High Income Bond Fund (continued)

Financial assets at fair value through profit or loss (continued)

| Country | Bonds (continued) | Currency | Nominal Holding | Fair Value US\$000 | Mar 2014 % of NAV | Mar 2013 % of NAV |
|--------------------|---|----------|-----------------|--------------------|-------------------|-------------------|
| Hungary | Hungary Government International Bond 5.375% 25.03.2024 | USD | 1,500,000 | 1,503 | 1.07 | |
| | Magyar Export-Import Bank 5.500% 12.02.2018 | USD | 380,000 | 400 | 0.28 | |
| | | | | | 1,903 | 1.35 |
| India | Export-Import Bank of India 3.875% 02.10.2019 | USD | 200,000 | 201 | 0.14 | |
| | ICICI Bank 5.750% 16.11.2020 | USD | 150,000 | 160 | 0.11 | |
| | Indian Railway Finance 3.917% 26.02.2019 | USD | 200,000 | 200 | 0.14 | |
| | Reliance Holding 4.500% 19.10.2020 | USD | 300,000 | 304 | 0.22 | |
| | State Bank of India 4.125% 01.08.2017 | USD | 300,000 | 310 | 0.22 | |
| | | | | 1,175 | 0.83 | |
| Indonesia | Indosat Palapa 7.375% 29.07.2020 | USD | 440,000 | 477 | 0.34 | 1.43 |
| Iraq | Republic of Iraq 5.800% 15.01.2028 | USD | 2,000,000 | 1,760 | 1.25 | |
| Ireland | Ardagh Packaging Finance 6.250% 31.01.2019 | USD | 2,000,000 | 2,090 | 1.49 | |
| | Baggot Securities 10.240% 29.12.2049 | EUR | 1,000,000 | 1,499 | 1.07 | |
| | Bank of Ireland 10.000% 30.07.2016 | EUR | 1,000,000 | 1,509 | 1.07 | |
| | Metallinvest Finance 5.625% 17.04.2020 | USD | 200,000 | 188 | 0.13 | |
| | SCF Capital 5.375% 27.10.2017 | USD | 200,000 | 188 | 0.13 | |
| | | | | 5,474 | 3.89 | 1.76 |
| Israel | Israel Electric 5.625% 21.06.2018 | USD | 200,000 | 212 | 0.15 | |
| | Israel Electric 6.875% 21.06.2023 | USD | 360,000 | 393 | 0.28 | |
| | | | | 605 | 0.43 | |
| Italy | | | | | | 3.98 |
| Ivory Coast | Ivory Coast Government International Bond 5.750% 31.12.2032 | USD | 1,500,000 | 1,402 | 1.00 | |
| | | | | | | |
| Kazakhstan | Halyk vings Bank of Kazakhstan 7.250% 03.05.2017 | USD | 230,000 | 243 | 0.17 | |
| Korea, Republic of | Korea Hydro & Nuclear Power 3.000% 19.09.2022 | USD | 200,000 | 192 | 0.14 | |
| Kuwait | Kuwait Projects 8.875% 17.10.2016 | USD | 230,000 | 263 | 0.19 | |
| | Kuwait Projects 9.375% 15.07.2020 | USD | 380,000 | 475 | 0.34 | |
| | | | | 738 | 0.53 | |
| Luxembourg | Albea Beauty Holdings 8.750% 01.11.2019 | EUR | 750,000 | 1,140 | 0.81 | |
| | Alrosa Finance 7.750% 03.11.2020 | USD | 210,000 | 221 | 0.16 | |
| | INEOS Group Holdings 6.500% 15.08.2018 | EUR | 1,500,000 | 2,170 | 1.54 | |
| | KION Finance 4.718% 15.02.2020 | EUR | 1,150,000 | 1,605 | 1.14 | |
| | | | | 5,136 | 3.65 | |
| Malaysia | Petronas Capital 5.250% 12.08.2019 | USD | 270,000 | 303 | 0.22 | |
| Mexico | Alfa 6.875% 25.03.2044 | USD | 2,000,000 | 2,058 | 1.46 | |
| | Alpek 4.500% 20.11.2022 | USD | 310,000 | 306 | 0.22 | |
| | Axtel 8.000% 31.01.2020 | USD | 1,000,000 | 994 | 0.71 | |
| | BBVA Bancomer 6.500% 10.03.2021 | USD | 420,000 | 454 | 0.32 | |
| | Cemex 5.875% 25.03.2019 | USD | 250,000 | 259 | 0.18 | |
| | Comision Federal de Electricidad 4.875% 15.01.2024 | USD | 200,000 | 204 | 0.15 | |
| | Credito Real 7.500% 13.03.2019 | USD | 1,500,000 | 1,523 | 1.08 | |
| | Empresas ICA 8.375% 24.07.2017 | USD | 1,500,000 | 1,501 | 1.07 | |
| | Grupo Cementos de Chihuahua 8.125% 08.02.2020 | USD | 1,300,000 | 1,396 | 0.99 | |
| | Mexican Bonos 7.750% 13.11.2042 | MXN | 35,000,000 | 2,869 | 2.04 | |
| | Mexico Generadora de Energia 5.500% 06.12.2032 | USD | 1,700,000 | 1,656 | 1.18 | |
| | Mexico Government International Bond 5.750% 12.10.2049 | USD | 2,000,000 | 1,966 | 1.40 | |
| | Petroleos Mexicanos 2.257% 18.07.2018 | USD | 200,000 | 208 | 0.15 | |
| | Petroleos Mexicanos 6.625% 29.09.2049 | USD | 300,000 | 309 | 0.22 | |
| | | | | 15,703 | 11.17 | 4.27 |
| Mongolia | Mongolia Government International Bond 4.125% 05.01.2018 | USD | 2,000,000 | 1,799 | 1.28 | |

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

TRADITIONAL FUNDS plc

PORTFOLIO STATEMENT as at 31 March 2014 (continued)

F&C High Income Bond Fund (continued)

Financial assets at fair value through profit or loss (continued)

| Country | Bonds (continued) | Currency | Nominal Holding | Fair Value US\$000 | Mar 2014 % of NAV | Mar 2013 % of NAV |
|----------------------|--|----------|-----------------|--------------------|-------------------|-------------------|
| Netherlands | Grupo Isolux Corsan Finance 6.625% 15.04.2021 | EUR | 1,500,000 | 2,070 | 1.47 | |
| | Lukoil International Finance 4.563% 24.04.2023 | USD | 240,000 | 220 | 0.16 | |
| | Petrobras Global Finance 3.113% 17.03. 2020 | USD | 210,000 | 210 | 0.15 | |
| | Petrobras Global Finance 4.375% 20.05.2023 | USD | 1,000,000 | 913 | 0.65 | |
| | | | | 3,413 | | 2.43 |
| Nigeria | Nigeria Government International Bond 5.125% 12.07.2018 | USD | 1,500,000 | 1,526 | 1.09 | – |
| Oman | BankMuscat 2.500% 26.03.2018 | USD | 200,000 | 199 | 0.14 | – |
| Peru | Banco Internacional del Peru 6.625% 19.03.2029 | USD | 1,500,000 | 1,507 | 1.07 | |
| | Corp Financiera de Derrollo 4.750% 08.02.2022 | USD | 490,000 | 496 | 0.35 | |
| | | | | 2,003 | | 1.42 |
| Philippines | Philippine Government International Bond 6.250% 14.01.2036 | PHP | 90,000,000 | 2,022 | 1.44 | 1.96 |
| Qatar | Ras Laffan Liquefied Natural Gas III 6.750% 30.09.2019 | USD | 320,000 | 380 | 0.27 | – |
| Russia | Sberbank of Russia 6.125% 07.02.2022 | USD | 200,000 | 206 | 0.15 | 4.54 |
| Singapore | PSA International 4.625% 11.09.2019 | USD | 270,000 | 297 | 0.21 | |
| | SingTel Group Treasury 4.500% 08.09.2021 | USD | 280,000 | 302 | 0.21 | |
| | | | | 599 | | 0.42 |
| South Africa | Eskom Holdings 6.750% 06.08.2023 | USD | 200,000 | 210 | 0.15 | |
| | Transnet 4.000% 26.07.2022 | USD | 220,000 | 202 | 0.14 | |
| | | | | 412 | | 0.29 |
| South Korea | SK Telemcom 2.125% 01.05.2018 | USD | 310,000 | 307 | 0.22 | – |
| Spain | Almirall 4.625% 01.04.2021 | EUR | 1,500,000 | 2,112 | 1.50 | |
| | Banco Bilbao Vizcaya Argentaria 7.000% 31.12.2049 | EUR | 2,000,000 | 2,781 | 1.98 | |
| | | | | 4,893 | | 3.48 |
| Sri Lanka | National Savings Bank 8.875% 18.09.2018 | USD | 240,000 | 267 | 0.19 | |
| | Sri Lanka Government International Bond 6.000% 14.01.2019 | USD | 1,000,000 | 1,048 | 0.75 | |
| | Sri Lanka Government International Bond 6.250% 27.07. 2021 | USD | 1,000,000 | 1,040 | 0.74 | |
| | | | | 2,355 | | 1.68 |
| Switzerland | Credit Suisse 7.500% 31.12.2049 | USD | 2,000,000 | 2,173 | 1.55 | 1.42 |
| Turkey | Turkiye Garanti Bankasi 4.000% 13.09.2017 | USD | 200,000 | 199 | 0.14 | |
| | Turkiye Garanti Bankasi 6.250% 20.04.2021 | USD | 200,000 | 205 | 0.15 | |
| | Turkiye Halk Bankasi 4.875% 19.07.2017 | USD | 290,000 | 292 | 0.21 | |
| | Turkiye Sise ve Cam Fabrikalari 4.250% 09.05.2020 | USD | 300,000 | 273 | 0.19 | |
| | | | | | 969 | |
| Ukraine | | | | – | | – |
| United Arab Emirates | Abu Dhabi National Energy 3.625% 12.01.2023 | USD | 200,000 | 196 | 0.14 | |
| | Dolphin Energy 5.500% 15 .12.2021 | USD | 280,000 | 316 | 0.22 | |
| | DP World 6.850% 02.07.2037 | USD | 300,000 | 324 | 0.23 | |
| | Dubai Electricity & Water Authority 7.375% 21.10.2020 | USD | 300,000 | 362 | 0.26 | |
| | Emirates NBD 4.875% 28.03.2023 | USD | 200,000 | 205 | 0.15 | |
| | National Bank of Abu Dhabi 3.000% 13.08.2019 | USD | 310,000 | 310 | 0.22 | |
| | Sukuk Funding No 3 4.348% 03.12.2018 | USD | 200,000 | 205 | 0.15 | |
| | | | | 1,918 | | 1.37 |
| | | | | | | 1.00 |

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

TRADITIONAL FUNDS plc

PORTFOLIO STATEMENT as at 31 March 2014 (continued)

F&C High Income Bond Fund (continued)

Financial assets at fair value through profit or loss (continued)

| Country | Bonds (continued) | Currency | Nominal Holding | Fair Value US\$000 | Mar 2014 % of NAV | Mar 2013 % of NAV |
|--|---|----------|-----------------|--------------------|-------------------|-------------------|
| United Kingdom | Afren 6.625% 09.12.2020 | USD | 200,000 | 204 | 0.15 | |
| | Gala Electric Casinos 11.500% 01.06.2019 | GBP | 1,650,000 | 2,990 | 2.13 | |
| | Nationwide Building Society 6.875% 11.03.2049 | GBP | 1,250,000 | 2,102 | 1.50 | |
| | Phosphorus Holdco 10.000% 01.04.2019 | GBP | 1,000,000 | 1,600 | 1.14 | |
| | Vedanta Resources 7.125% 31.05.2023 | USD | 200,000 | 198 | 0.14 | |
| | | | | 7,094 | 5.06 | 1.50 |
| United States | ADCB Finance Cayman 4.500% 06.03.2023 | USD | 200,000 | 201 | 0.14 | |
| | Baidu 3.500% 28.11.2022 | USD | 200,000 | 190 | 0.14 | |
| | Braskem America Finance 7.125% 22.07.2041 | USD | 200,000 | 191 | 0.14 | |
| | Braskem Finance 6.450% 03.02.2024 | USD | 200,000 | 205 | 0.15 | |
| | Cemex Finance 6.000% 01.04.2024 | USD | 2,000,000 | 2,004 | 1.42 | |
| | CIFI Holdings Group 12.250% 15.04.2018 | USD | 1,500,000 | 1,566 | 1.11 | |
| | CNPC General Capital 3.400% 16.04.2023 | USD | 200,000 | 186 | 0.13 | |
| | Country Garden Holdings 7.500% 10.01.2023 | USD | 320,000 | 298 | 0.21 | |
| | Dar Al-Arkan Sukuk 5.750% 24.05.2018 | USD | 200,000 | 198 | 0.14 | |
| | DEWA Sukuk 2013 3.000% 05.03.2018 | USD | 200,000 | 203 | 0.14 | |
| | Digicel Group 6.000% 15.04.2021 | USD | 1,576,000 | 1,608 | 1.14 | |
| | Digicel Group 8.250% 30.09.2020 | USD | 300,000 | 320 | 0.23 | |
| | Fibria Overseas Finance 6.750% 03.03.2021 | USD | 270,000 | 297 | 0.21 | |
| | HCA 5.875% 15.03.2022 | USD | 1,500,000 | 1,612 | 1.15 | |
| | Hertz 6.250% 15.10.2022 | USD | 1,500,000 | 1,600 | 1.14 | |
| | Hutchison Whampoa International 10 6.000% 31.12.2049 | USD | 250,000 | 264 | 0.19 | |
| | Hutchison Whampoa International 11 4.625% 13.01.2022 | USD | 290,000 | 306 | 0.22 | |
| | MAF Global Securities 5.250% 05.07.2019 | USD | 290,000 | 312 | 0.22 | |
| | MCE Finance 5.000% 15.02.2021 | USD | 310,000 | 310 | 0.22 | |
| | Momentive Performance Materials 8.875% 15.10.2020 | USD | 1,500,000 | 1,618 | 1.15 | |
| | Myriad International Holdings 6.000% 18.07.2020 | USD | 300,000 | 326 | 0.23 | |
| | Odebrecht Finance 5.125% 26.06.2022 | USD | 430,000 | 427 | 0.30 | |
| | Offshore Drilling Holding 8.375% 20.09.2020 | USD | 1,700,000 | 1,855 | 1.32 | |
| | Ooredoo International Finance 3.250% 21.02.2023 | USD | 600,000 | 563 | 0.40 | |
| | Petrobras Global Finance 6.25% 17.03.2024 | USD | 1,120,000 | 1,147 | 0.82 | |
| Southern Copper 5.250% 08.11.2042 | USD | 530,000 | 455 | 0.32 | | |
| Tencent Holdings 3.375% 05.03.2018 | USD | 300,000 | 307 | 0.22 | | |
| Turkiye Vakiflar Bankasi 6.000% 01.11.2022 | USD | 200,000 | 182 | 0.13 | | |
| Vale Overseas 4.375% 11.01.2022 | USD | 330,000 | 328 | 0.23 | | |
| | | | | 19,079 | 13.56 | 7.63 |
| Venezuela | Petroleos de Venezuela 5.250% 12.04.2017 | USD | 270,000 | 202 | 0.14 | |
| | Petroleos de Venezuela 5.375% 12.04.2027 | USD | 200,000 | 106 | 0.08 | |
| | | | | 308 | 0.22 | - |
| Vietnam | Vietnam Government International Bond 6.875% 15.01.2016 | USD | 2,000,000 | 2,155 | 1.53 | - |
| | Total Bonds | | | 128,088 | 91.11 | 66.84 |
| | FX Options | | | | | |
| Europe | EUR CHF Calls | EUR | 5,000,000 | 18 | 0.01 | |
| United States | USD INR Puts | USD | 10,000,000 | 121 | 0.09 | |
| Norway | | | | - | - | 0.03 |
| United Kingdom | | | | - | - | 0.02 |
| | Total FX Options | | | 139 | 0.10 | 0.05 |
| | Options | | | | | |
| Europe | | | | - | - | 0.46 |
| United States | | | | - | - | 0.02 |
| | Total Options | | | - | - | 0.48 |

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

TRADITIONAL FUNDS plc

PORTFOLIO STATEMENT as at 31 March 2014 (continued)

F&C High Income Bond Fund (continued)

Financial assets at fair value through profit or loss (continued)

| Country | Interest Rate Swaps | Maturity Date | Currency | Nominal Holding | Fair Value US\$000 | Mar 2014 % of NAV | Mar 2013 % of NAV |
|---|--|---------------|------------------------|-------------------------|--------------------------------|-------------------|-------------------|
| South Africa | USD 6M Libor | 09.08.2014 | ZAR | 215,400,000 | 485 | 0.34 | – |
| Turkey | USD 6M Libor | 09.08.2014 | TRY | 44,140,000 | 663 | 0.47 | 0.12 |
| Total Interest Rate Swaps | | | | | 1,148 | 0.81 | 0.12 |
| | Futures | | | No. of Contracts | | | |
| United States | US 10 Year Treasury Note Futures June 2014 | | USD | (25) | 13 | 0.01 | |
| | US 5 Year Treasury Note Futures June 2014 | | USD | (75) | 42 | 0.03 | |
| Total Futures | | | | | 55 | 0.04 | – |
| Credit Default Swaps Fixed (Buy Protection) | | | | | | | |
| Brazil | | | | | – | – | 0.17 |
| Europe | | | | | – | – | 0.17 |
| Italy | | | | | – | – | 0.25 |
| United States | Turkey CDS 100 | 20.06.2019 | USD | 5,000,000 | 272 | 0.19 | |
| Credit Default Swaps Fixed (Sell Protection) | | | | | | | |
| Europe | iTraxx Main CDS 100 | 20.12.2018 | EUR | (1,000,000) | 21 | 0.01 | |
| | iTraxx X-Over CDS 500 | 20.12.2018 | EUR | (4,000,000) | 654 | 0.47 | |
| | iTraxx X-Over CDS 500 | 20.12.2018 | EUR | (15,000,000) | 2,455 | 1.75 | |
| | iTraxx X-Over CDS 500 | 20.06.2019 | EUR | (5,000,000) | 688 | 0.49 | |
| | iTraxx X-Over CDS 500 | 20.12.2017 | EUR | (20,000,000) | 3,921 | 2.79 | |
| United States | CDX EM CDS 500 | 20.12.2018 | USD | (10,000,000) | 7,739 | 5.51 | 1.25 |
| | | | | | 887 | 0.63 | |
| Total Credit Default Swaps | | | | | 8,898 | 6.33 | 1.84 |
| Open Forward Foreign Currency Transactions | | | | | | | |
| | Currency Sold | | Currency Bought | | Unrealised Gain US\$000 | | |
| Investment Level | | | | | | | |
| | USD 11,029,013 | | BRL | | 279 | 0.20 | |
| | EUR 12,195,563 | | USD | | 14 | 0.01 | |
| | EUR 1,500,000 | | USD | | 2 | – | |
| | EUR 1,750,000 | | USD | | 1 | – | |
| | EUR 1,031,700 | | USD | | 1 | – | |
| | EUR 1,000,000 | | USD | | 1 | – | |
| | EUR 994,600 | | USD | | 1 | – | |
| | USD 49,833 | | GBP | | –* | – | |
| | USD 33,938 | | GBP | | –* | – | |
| | USD 32,557 | | EUR | | –* | – | |
| | USD 9,739 | | EUR | | –* | – | |
| | USD 71 | | GBP | | –* | – | |
| | | | | | 299 | 0.21 | 0.56 |
| Share Class Level | | | | | | | |
| Open Forward Foreign Currency Transactions – A New Euro Accumulating Class | | | | | 43 | 0.03 | – |
| Open Forward Foreign Currency Transactions – A New Euro Distributing Class | | | | | 83 | 0.06 | – |
| Open Forward Foreign Currency Transactions – A New Sterling Accumulating Class | | | | | 4 | – | – |
| Open Forward Foreign Currency Transactions – A New Sterling Distributing Class | | | | | 86 | 0.06 | 0.02 |
| Open Forward Foreign Currency Transactions – A New Norwegian Krone Distributing Class | | | | | 2 | – | – |
| Open Forward Foreign Currency Transactions – C Sterling Accumulating Class | | | | | – | – | – |

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

TRADITIONAL FUNDS plc

PORTFOLIO STATEMENT as at 31 March 2014 (continued)

F&C High Income Bond Fund (continued)

Financial assets at fair value through profit or loss (continued)

Open Forward Foreign Currency Transactions (continued)

| Share Class Level (continued) | Currency Bought | Unrealised Gain US\$000 | Mar 2014 % of NAV | Mar 2013 % of NAV |
|---|-----------------|-------------------------|-------------------|-------------------|
| Open Forward Foreign Currency Transactions – C Sterling Distributing Class | | –* | – | – |
| Open Forward Foreign Currency Transactions – A Euro Distributing Class | | 47 | 0.03 | – |
| Open Forward Foreign Currency Transactions – A Norwegian Krone Distributing Class | | 1 | – | – |
| Open Forward Foreign Currency Transactions – A Sterling Distributing Class | | 26 | 0.02 | 0.01 |
| Total Open Forward Foreign Currency Transactions | | 591 | 0.41 | 0.59 |
| Total financial assets at fair value through profit or loss | | 138,919 | 98.80 | 69.92 |

Financial liabilities at fair value through profit or loss

| Country | FX Options | Currency Bought | Nominal Holding | Fair value US\$000 | | |
|---------------|-----------------------------------|----------------------|-----------------|--------------------|---------------|---------------|
| Europe | EUR CHF Calls | EUR | 5,000,000 | (3) | – | – |
| | Total FX Options | | | (3) | – | – |
| | Options | Currency | | | | |
| Europe | | | | – | – | (0.04) |
| United States | | | | – | – | (0.01) |
| | Total Options | | | – | – | (0.05) |
| | Credit Default Swaps | | | | | |
| | Fixed (Buy Protection) | Maturity Date | | | | |
| Europe | iTraxx Main CDS 100 | 20.12.2018 | EUR 1,000,000 | (21) | (0.01) | |
| | iTraxx X-Over CDS 500 | 20.12.2018 | EUR 10,000,000 | (1,635) | (1.16) | |
| | iTraxx X-Over CDS 500 | 20.06.2019 | EUR 15,000,000 | (2,066) | (1.47) | |
| | iTraxx X-Over CDS 500 | 20.12.2017 | EUR 20,000,000 | (3,351) | (2.38) | |
| | iTraxx X-Over CDS 500 | 20.12.2018 | EUR 9,000,000 | (1,471) | (1.05) | |
| | | | | (8,544) | (6.07) | (1.28) |
| United States | China CDS 100 | 20.06.2019 | USD 10,000,000 | (48) | (0.03) | |
| | CDX EM CDS 500 | 20.12.2018 | USD 10,000,000 | (887) | (0.63) | |
| | | | | (935) | (0.66) | |
| | Credit Default Swaps | | | | | |
| | Fixed (Sell Protection) | | | | | |
| Europe | | | | – | – | (0.16) |
| Italy | | | | – | – | (0.21) |
| | Total Credit Default Swaps | | | (9,479) | (6.73) | (1.65) |

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

TRADITIONAL FUNDS plc

PORTFOLIO STATEMENT as at 31 March 2014 (continued)

F&C High Income Bond Fund (continued)

Financial liabilities at fair value through profit or loss (continued)

Open Forward Foreign Currency Transactions

| Currency Sold | Currency Bought | Unrealised Loss US\$000 | Mar 2014 % of NAV | Mar 2013 % of NAV |
|---|-----------------|-------------------------|-------------------|-------------------|
| Investment Level | | | | |
| USD 14,658 | EUR | -* | - | |
| USD 20,841 | EUR | -* | - | |
| USD 105,586 | EUR | -* | - | |
| ZAR 235,765 | USD | (1) | - | |
| USD 2,459,912 | EUR | (1) | - | |
| TRY 54,658 | USD | (1) | - | |
| USD 1,169,911 | EUR | (1) | - | |
| MXN 37,658,503 | USD | (35) | (0.02) | |
| GBP 4,216,331 | USD | (77) | (0.05) | |
| BRL 25,505,300 | USD | (267) | (0.19) | |
| BRL 25,659,000 | USD | (414) | (0.29) | |
| ZAR 222,320,000 | USD | (580) | (0.41) | |
| SEK 16,081,005 | USD | (833) | (0.60) | |
| | | | (2,210) | (1.56) |
| | | | | (0.43) |
| Share Class Level | | | | |
| Open Forward Foreign Currency Transactions – | | | | |
| A New Euro Accumulating Class | | | | |
| | | -* | - | (0.06) |
| Open Forward Foreign Currency Transactions – | | | | |
| A New Euro Distributing Class | | | | |
| | | - | - | (0.06) |
| Open Forward Foreign Currency Transactions – | | | | |
| A New Sterling Accumulating Class | | | | |
| | | -* | - | - |
| Open Forward Foreign Currency Transactions – | | | | |
| A New Sterling Distributing Class | | | | |
| | | -* | - | - |
| Open Forward Foreign Currency Transactions – | | | | |
| C Sterling Distributing Class | | | | |
| | | -* | - | - |
| Open Forward Foreign Currency Transactions – | | | | |
| A Euro Distributing Class | | | | |
| | | -* | - | (0.04) |
| Open Forward Foreign Currency Transactions – | | | | |
| A Sterling Distributing Class | | | | |
| | | -* | - | - |
| Total Open Forward Foreign Currency Transactions | | | (2,210) | (1.56) |
| Total financial liabilities at fair value through profit or loss | | | (11,692) | (8.29) |
| Total investments at fair value through profit or loss | | | 127,227 | 90.51 |
| Cash at bank | | | 6,654 | 22.80 |
| Margin cash | | | 12,325 | 4.15 |
| Other net (liabilities)/assets | | | (5,622) | 5.42 |
| Total Net Assets | | | 140,584 | 100.00 |

Analysis of Portfolio (unaudited)

| | % of Total Assets |
|--|-------------------|
| Transferable securities admitted to an official stock exchange listing or traded on a regulated market | 76.32 |
| Financial derivative instruments traded on an exchange | - |
| OTC financial derivative instruments | 6.45 |
| Other assets | 17.23 |
| | 100.00 |

The counterparties to the OTC derivative contracts held on this sub-fund at 31 March 2014 are as follows:

Forwards: JP Morgan, HSBC, State Street
 FX Options: JP Morgan
 Credit Default Swaps: Barclays Bank, Goldman Sachs, JP Morgan, HSBC
 Interest Rate Swaps: JP Morgan

* Values are less than US\$500

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

TRADITIONAL FUNDS plc

PORTFOLIO STATEMENT as at 31 March 2014 (continued)

Eastern European Fund

| | | Financial assets at fair value through profit or loss | | | | | |
|----------------|--|---|-----------------|--------------------|--------------------------------|-------------------|-------------------|
| Country | Equities | Currency | Nominal Holding | Fair Value US\$000 | | Mar 2014 % of NAV | Mar 2013 % of NAV |
| Austria | | | | | – | – | 0.18 |
| Czech Republic | Ceske Energeticke Zavody | CZK | 259,900 | 7,475 | | 1.94 | |
| | Komerčni Banka | CZK | 51,400 | 12,278 | | 3.18 | |
| | Telefonica O2 Czech Republic | CZK | 522,990 | 7,864 | | 2.04 | |
| | | | | | 27,617 | 7.16 | 5.97 |
| Hungary | Richter Gedeon | HUF | 282,700 | 4,911 | | 1.27 | 1.60 |
| Kazakhstan | Dragon Oil | GBP | 610,600 | 5,687 | | 1.47 | 1.95 |
| Netherlands | | | | | – | – | 0.11 |
| Poland | Bank Pekao | PLN | 282,412 | 18,166 | | 4.71 | |
| | KGHM Polska Miedz | PLN | 140,893 | 5,055 | | 1.31 | |
| | PGE | PLN | 362,225 | 2,260 | | 0.59 | |
| | Polski Koncern Naftowy Orlen | PLN | 761,785 | 10,821 | | 2.81 | |
| | Powszechna Kasa Oszczedności Bank Polski | PLN | 984,000 | 13,744 | | 3.56 | |
| | Powszechny Zakład Ubezpieczeń | PLN | 77,820 | 11,036 | | 2.86 | |
| | Telekomunikacja Polska | PLN | 1,483,100 | 5,061 | | 1.31 | |
| | | | | | 66,143 | 17.15 | 9.63 |
| Russia | AK Transneft Pref | USD | 3,117 | 6,727 | | 1.74 | |
| | Gazprom ADR | USD | 3,166,960 | 24,354 | | 6.31 | |
| | Lukoil ADR | USD | 480,000 | 26,602 | | 6.90 | |
| | Magnit GDR | USD | 240,251 | 13,094 | | 3.39 | |
| | MegaFon GDR | USD | 931,500 | 26,138 | | 6.78 | |
| | MMC Norilsk Nickel ADR | USD | 552,005 | 9,163 | | 2.38 | |
| | Mobile Telesystems ADR | USD | 289,600 | 5,033 | | 1.31 | |
| | NovaTek GDR | USD | 41,900 | 4,555 | | 1.18 | |
| | Polyus Gold International | GBP | 413,538 | 1,416 | | 0.37 | |
| | Rosneft GDR | USD | 1,407,000 | 9,348 | | 2.42 | |
| | Sberbank of Russia ADR | USD | 3,488,975 | 33,843 | | 8.78 | |
| | Surgutneftegas ADR | USD | 613,850 | 4,527 | | 1.17 | |
| | Surgutneftegas ADR Pref | USD | 588,970 | 4,216 | | 1.09 | |
| | TGK-5 GDR* | USD | 8 | – | | – | |
| | X5 Retail Group GDR | USD | 60,200 | 940 | | 0.24 | |
| | | | | | 169,956 | 44.06 | 52.98 |
| Turkey | Turk Telekomunikasyon | TRY | 785,100 | 2,172 | | 0.56 | |
| | Turkcell İletişim Hizmetleri | TRY | 5,166,100 | 28,396 | | 7.36 | |
| | Türkiye Garanti Bankası | TRY | 3,552,300 | 12,162 | | 3.15 | |
| | Türkiye Halk Bankası | TRY | 940,600 | 5,805 | | 1.51 | |
| | Türkiye İş Bankası | TRY | 1,161,100 | 2,564 | | 0.67 | |
| | | | | | 51,099 | 13.25 | 18.32 |
| | Total Equities | | | | 325,413 | 84.36 | 90.74 |
| | | | | | Unrealised Gain US\$000 | | |
| United States | Contracts for Difference | | | | | | |
| | RTS Index Future June 14 (CS SWAP) | USD | 182 | | 2,548 | 0.66 | – |
| | Total Contracts for Difference | | | | 2,548 | 0.66 | – |
| | Total financial assets at fair value through profit or loss | | | | 327,961 | 85.02 | 90.74 |

* unlisted security

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

TRADITIONAL FUNDS plc

PORTFOLIO STATEMENT as at 31 March 2014 (continued)

Eastern European Fund (continued)

| Financial liabilities at fair value through profit or loss | | Unrealised | Mar 2014 | Mar 2013 |
|--|---|----------------|---------------|---------------|
| Country | Futures | Loss US\$000 | % of NAV | % of NAV |
| Russia | | – | – | (0.01) |
| | Total Futures | – | – | (0.01) |
| | Total financial liabilities at fair value through profit or loss | – | – | (0.01) |
| | Total investments at fair value through profit or loss | 327,961 | 85.02 | 90.73 |
| | Cash at bank | 55,084 | 14.28 | 10.39 |
| | Margin cash | 12,406 | 3.22 | 0.91 |
| | Other net liabilities | (9,713) | (2.52) | (2.03) |
| | Total Net Assets | 385,738 | 100.00 | 100.00 |

Analysis of Portfolio (unaudited)

| | % of Total Assets |
|---|----------------------|
| Transferable securities admitted to an official stock exchange listing or traded on a regulated market | 82.25 |
| OTC financial derivative instruments | 0.64 |
| Other assets | 17.11 |
| | 100.00 |

The counterparty to CFDs held on this sub-fund at 31 March 2014 is Credit Suisse.

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

TRADITIONAL FUNDS plc

PORTFOLIO STATEMENT as at 31 March 2014 (continued)

F&C Global Emerging Markets Fund

| Financial assets at fair value through profit or loss | | | | | | |
|---|---|----------|-----------------|--------------------|-------------------|-------------------|
| Country | Equities | Currency | Nominal Holding | Fair Value US\$000 | Mar 2014 % of NAV | Mar 2013 % of NAV |
| Brazil | AMBEV ADR | USD | 280,475 | 2,079 | 3.00 | |
| | BR Properties | BRL | 97,900 | 803 | 1.16 | |
| | CCR | BRL | 106,400 | 820 | 1.18 | |
| | Estacio Participacoes | BRL | 81,200 | 821 | 1.18 | |
| | Souza Cruz | BRL | 58,300 | 530 | 0.76 | |
| | Totvs | BRL | 46,200 | 729 | 1.05 | |
| | Ultrapar Participacoes | BRL | 86,300 | 2,086 | 3.01 | |
| | | | | 7,868 | | 11.34 |
| China | Anhui Conch Cement | HKD | 227,000 | 973 | 1.40 | |
| | China Construction Bank | HKD | 1,304,000 | 911 | 1.31 | |
| | Industrial & Commercial Bank of China | HKD | 3,018,385 | 1,852 | 2.67 | |
| | PetroChina | HKD | 1,164,000 | 1,267 | 1.83 | |
| | Tencent Holdings | HKD | 33,500 | 2,328 | 3.36 | |
| | | | | 7,331 | | 10.57 |
| Hong Kong | AAC Technologies Holdings | HKD | 172,000 | 890 | 1.28 | |
| | AIA Group | HKD | 303,400 | 1,437 | 2.07 | |
| | China Mengniu Dairy | HKD | 166,000 | 830 | 1.20 | |
| | China Overseas Land & Investment | HKD | 601,800 | 1,556 | 2.24 | |
| | China State Construction International Holdings | HKD | 390,000 | 659 | 0.95 | |
| | Shimao Property Holdings | HKD | 312,500 | 683 | 0.99 | |
| | Wharf Holdings | HKD | 144,000 | 918 | 1.32 | |
| | | | | 6,973 | | 10.05 |
| India | Tata Motors ADR | USD | 28,500 | 1,009 | 1.45 | 0.15 |
| Indonesia | Bank Mandiri Persero | IDR | 1,404,300 | 1,168 | 1.68 | 3.98 |
| Malaysia | CIMB | MYR | 555,600 | 1,213 | 1.75 | 0.86 |
| Mexico | Fomento Economico Mexicano ADR | USD | 15,900 | 1,482 | 2.14 | |
| | Grupo Aeroportuario del Sureste ADR | USD | 7,800 | 957 | 1.38 | |
| | Grupo Financiero Banorte | MXN | 212,800 | 1,429 | 2.06 | |
| | | | | 3,868 | | 5.58 |
| Peru | Credicorp | USD | 9,000 | 1,237 | 1.78 | 0.98 |
| Philippines | Puregold Price Club | PHP | 742,500 | 728 | 1.05 | 1.24 |
| Poland | Alior Bank | PLN | 31,069 | 900 | 1.30 | 1.71 |
| Russia | Lukoil ADR | USD | 28,432 | 1,580 | 2.28 | |
| | Magnit GDR | USD | 22,454 | 1,228 | 1.77 | |
| | Sberbank of Russia | USD | 584,724 | 1,391 | 2.00 | |
| | | | | 4,199 | | 6.05 |
| South Africa | Mr Price Group | ZAR | 62,656 | 935 | 1.35 | |
| | MTN Group | ZAR | 86,638 | 1,775 | 2.56 | |
| | | | | 2,710 | | 3.91 |
| South Korea | Grand Korea Leisure | KRW | 13,390 | 550 | 0.79 | |
| | Hyundai Motor | KRW | 9,655 | 2,272 | 3.28 | |
| | LG Household & Health Care | KRW | 2,820 | 1,217 | 1.75 | |
| | Samsung Electronics | KRW | 3,460 | 4,362 | 6.29 | |
| | Samsung Fire & Marine Insurance | KRW | 3,320 | 744 | 1.07 | |
| | SK Hynix | KRW | 28,120 | 951 | 1.37 | |
| | | | | 10,096 | | 14.55 |
| Taiwan | MediaTek | TWD | 103,000 | 1,519 | 2.19 | |
| | Taiwan Semiconductor | TWD | 796,000 | 3,084 | 4.44 | |
| | | | | 4,603 | | 6.63 |
| Thailand | Kasikornbank PCL NVDR | THB | 211,200 | 1,156 | 1.67 | |
| | Siam Commercial Bank PCL NVDR | THB | 150,100 | 726 | 1.05 | |
| | Supalai PCL NVDR | THB | 1,239,200 | 676 | 0.97 | |
| | | | | 2,558 | | 3.69 |
| Turkey | BIM Birlesik Magazalar | TRY | 51,249 | 1,152 | 1.66 | |
| | TAV Havalimanlari Holding | TRY | 85,684 | 687 | 0.99 | |
| | | | | 1,839 | | 2.65 |

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

TRADITIONAL FUNDS plc

PORTFOLIO STATEMENT as at 31 March 2014 (continued)

F&C Global Emerging Markets Fund (continued)

Financial assets at fair value through profit or loss (continued)

| Country | Equities (continued) | Currency | Nominal Holding | Fair Value US\$000 | Mar 2014 % of NAV | Mar 2013 % of NAV |
|--|---|----------|-----------------|--------------------|-------------------|-------------------|
| United Kingdom | BHP Billiton | GBP | 64,707 | 1,989 | 2.87 | |
| | SABMiller | ZAR | 23,396 | 1,170 | 1.68 | |
| | | | | 3,159 | 4.55 | 1.97 |
| Total Equities | | | | 61,459 | 88.58 | 93.16 |
| Equity Linked Notes | | | | | | |
| India | Cairn India (BNP Paribas Warrant) | USD | 129,478 | 720 | 1.04 | |
| | HDFC Bank (CS Warrant) | USD | 85,554 | 1,072 | 1.55 | |
| | HDFC Bank (UBS Warrant) | USD | 83,850 | 1,051 | 1.51 | |
| | Icici Bank (Barclays Warrant) | USD | 42,782 | 889 | 1.28 | |
| | ITC (Barclays Warrant) | USD | 202,540 | 1,196 | 1.72 | |
| | ITC (CS Warrant) | USD | 69,494 | 411 | 0.59 | |
| | Larsen & Toubro (Barclays Warrant) | USD | 5,188,600 | 1,102 | 1.59 | |
| | Tata Consultancy Services (BNP Paribas Warrant) | USD | 5,681 | 203 | 0.29 | |
| | Tata Consultancy Services (DB Warrant) | USD | 28,665 | 1,026 | 1.48 | |
| | | | 7,670 | 11.05 | 6.40 | |
| Total Equity Linked Notes | | | | 7,670 | 11.05 | 6.40 |
| Total financial assets at fair value through profit or loss | | | | 69,129 | 99.63 | 99.56 |
| Total investments at fair value through profit or loss | | | | 69,129 | 99.63 | 99.56 |
| Cash at bank | | | | 400 | 0.58 | (0.38) |
| Margin cash | | | | 1 | – | 0.76 |
| Other net (liabilities)/assets | | | | (146) | (0.21) | 0.06 |
| Total Net Assets | | | | 69,384 | 100.00 | 100.00 |

Analysis of Portfolio (unaudited)

| | % of Total Assets |
|--|-------------------|
| Transferable securities admitted to an official stock exchange listing or traded on a regulated market | 98.20 |
| Other assets | 1.80 |
| | 100.00 |

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

TRADITIONAL FUNDS plc

PORTFOLIO STATEMENT as at 31 March 2014 (continued)

F&C Macro Global Bond Fund (£)

| Financial assets at fair value through profit or loss | | | | Nominal Holding | Fair Value £000 | Mar 2014 % of NAV | Mar 2013 % of NAV |
|---|--|----------|-------------------------|-----------------|-----------------------------|-------------------|-------------------|
| Country | Bonds | Currency | | | | | |
| Australia | Australia Government 4.500% Bonds 21.10.2014 | AUD | 30,150,000 | | 16,942 | 4.76 | 4.68 |
| Canada | Canadian Government 0.750% Bonds 01.05.2014 | CAD | 22,000,000 | | 11,955 | 3.36 | 3.14 |
| Germany | German Government 0% Bills 16.07.2014 | EUR | 94,050,000 | 77,729 | | 21.83 | |
| | German Government 0% Bills 29.10.2014 | EUR | 27,480,000 | 22,699 | | 6.38 | |
| | | | | | 100,428 | | 28.21 |
| South Africa | | | | | - | | - |
| United Kingdom | United Kingdom Treasury 0% Bills 07.04.2014 | GBP | 12,000,000 | 11,999 | | 3.37 | 3.74 |
| | United Kingdom Treasury 0% Bills 14.04.2014 | GBP | 10,000,000 | 9,999 | | 2.81 | |
| | United Kingdom Treasury 0% Bills 28.04.2014 | GBP | 7,500,000 | 7,498 | | 2.11 | |
| | United Kingdom Treasury 0% Bills 12.05.2014 | GBP | 21,000,000 | 20,990 | | 5.89 | |
| | United Kingdom Treasury 0% Bills 23.06.2014 | GBP | 9,000,000 | 8,992 | | 2.52 | |
| | United Kingdom Treasury 0% Bills 07.07.2014 | GBP | 11,000,000 | 10,988 | | 3.09 | |
| | United Kingdom Treasury 0% Bills 28.07.2014 | GBP | 20,000,000 | 19,973 | | 5.61 | |
| | | | | | 90,439 | | 25.40 |
| United States | United States Treasury 0% Bills 22.05.2014 | USD | 12,000,000 | 7,197 | | 2.02 | 24.72 |
| | United States Treasury 0% Bills 21.08.2014 | USD | 6,300,000 | 3,778 | | 1.06 | |
| | United States Treasury 2.750% Bonds 15.08.2042 | USD | 8,880,000 | 4,544 | | 1.28 | |
| | United States Treasury 2.750% Bonds 15.11.2042 | USD | 8,820,000 | 4,503 | | 1.27 | |
| | United States Treasury 2.875% Bonds 15.05.2043 | USD | 8,600,000 | 4,497 | | 1.26 | |
| | United States Treasury 3.000% Bonds 15.05.2042 | USD | 8,330,000 | 4,501 | | 1.27 | |
| | United States Treasury 3.125% Bonds 15.02.2043 | USD | 8,220,000 | 4,534 | | 1.27 | |
| | United States Treasury 0% Strip Principal 15.05.2043 | USD | 211,400,000 | 42,611 | | 11.97 | |
| | United States Treasury Inflation Indexed 0.625% Bonds 15.02.2043 | USD | 59,959,662 | 30,087 | | 8.45 | |
| | | | | | 106,252 | | 29.85 |
| | | | | | 326,016 | | 91.58 |
| | | | | | | | 89.95 |
| Total Bonds | | | | | | | |
| Open Forward Foreign Currency Transactions | | | | | | | |
| | Currency Sold | | Currency Bought | | Unrealised Gain £000 | | |
| | Investment Level | | | | - | - | 0.92 |
| | Total Open Forward Foreign Currency Transactions | | | | - | - | 0.92 |
| | FX Options | | Nominal Holding | | Fair Value £000 | | |
| | GBP USD Put | GBP | 1,530,000,000 | | 1,127 | 0.32 | - |
| | Total FX Options | | | | 1,127 | 0.32 | - |
| | Total financial assets at fair value through profit or loss | | | | 327,143 | 91.90 | 90.87 |
| Financial liabilities at fair value through profit or loss | | | | | | | |
| | Futures | | No. of contracts | | Unrealised Loss £000 | | |
| Germany | | | | | - | - | (0.08) |
| United Kingdom | | | | | - | - | (1.51) |
| United States | | | | | - | - | (0.01) |
| | Total Futures | | | | - | - | (1.60) |

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

TRADITIONAL FUNDS plc

PORTFOLIO STATEMENT as at 31 March 2014 (continued)

F&C Macro Global Bond Fund (£) (continued)

Financial liabilities at fair value through profit or loss (continued)

Open Forward Foreign Currency Transactions

| Currency Sold | Currency Bought | Unrealised Loss £000 | Mar 2014 % of NAV | Mar 2013 % of NAV |
|---|-----------------|----------------------|-------------------|-------------------|
| Investment Level | | | | |
| AUD 31,700,000 | GBP | (744) | (0.21) | |
| CAD 22,000,000 | GBP | (111) | (0.03) | |
| EUR 126,000,000 | GBP | (385) | (0.11) | |
| USD 152,265,000 | GBP | (291) | (0.08) | |
| | | | (1,531) | (0.43) |
| | | | | (0.04) |
| Share Class Level | | | | |
| Open Forward Foreign Currency Transactions – Euro Distributing Class | | –* | – | – |
| Open Forward Foreign Currency Transactions – US Dollar Distributing Class | | (1) | – | – |
| Total Open Forward Foreign Currency Transactions | | | (1,532) | (0.43) |
| | | | | (0.04) |
| Total financial liabilities at fair value through profit or loss | | | (1,532) | (0.43) |
| | | | | (1.64) |
| Total investments at fair value through profit or loss | | 325,611 | 91.47 | 89.23 |
| Cash at bank | | 32,954 | 9.26 | 11.95 |
| Margin cash | | – | – | 4.85 |
| Other net assets liabilities | | (2,585) | (0.73) | (6.03) |
| Total Net Assets | | 355,980 | 100.00 | 100.00 |

Analysis of Portfolio (unaudited)

| | % of Total Assets |
|--|-------------------|
| Transferable securities admitted to an official stock exchange listing or traded on a regulated market | 90.34 |
| OTC financial derivative instruments | 0.31 |
| Other assets | 9.35 |
| | 100.00 |

The counterparties to the derivative contracts held on this sub-fund at 31 March 2014 are as follows:

Forwards: Barclays Bank, State Street
 FX Options: Barclays Bank, Goldman Sachs

* Values are less than £500

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

TRADITIONAL FUNDS plc

PORTFOLIO STATEMENT as at 31 March 2014 (continued)

F&C Macro Global Bond Fund (€)

| Financial assets at fair value through profit or loss | | | | Nominal Holding | Fair Value €000 | Mar 2014 % of NAV | Mar 2013 % of NAV |
|---|--|----------|------------------------|-----------------|-----------------------------|-------------------|-------------------|
| Country | Bonds | Currency | | | | | |
| Australia | Australia Government 4.500% Bonds 21.10.2014 | AUD | 6,530,000 | | 4,439 | 5.18 | 2.68 |
| Canada | Canadian Government 0.750% Bonds 01.05.2014 | CAD | 7,700,000 | | 5,061 | 5.91 | 2.91 |
| Germany | German Treasury 0% Bills 16.04.2014 | EUR | 500,000 | 500 | | 0.58 | |
| | German Treasury 0% Bills 30.04.2014 | EUR | 7,000,000 | 7,000 | | 8.18 | |
| | German Treasury 0% Bills 28.05.2014 | EUR | 18,000,000 | 17,998 | | 21.02 | |
| | German Treasury 0% Bills 27.08.2014 | EUR | 6,600,000 | 6,596 | | 7.71 | |
| | German Treasury 0% Bills 29.10.2014 | EUR | 500,000 | 500 | | 0.58 | |
| | German Treasury 0% Bills 25.02.2015 | EUR | 2,000,000 | 1,997 | | 2.33 | |
| | | | | | 34,591 | 40.40 | 53.41 |
| Netherlands | | | | | - | - | 4.94 |
| Norway | Norway Government 5.000% Bonds 15.05.2015 | NOK | 35,400,000 | | 4,456 | 5.21 | 2.52 |
| South Africa | | | | | - | - | 2.07 |
| United States | United States Treasury 0% Bills 22.05.2014 | USD | 9,100,000 | 6,602 | | 7.71 | |
| | United States Treasury 0% Bills 21.08.2014 | USD | 3,000,000 | 2,176 | | 2.54 | |
| | United States Treasury 2.750% Bonds 15.11.2042 | USD | 2,510,000 | 1,550 | | 1.81 | |
| | United States Treasury 2.875% Bonds 15.05.2043 | USD | 2,450,000 | 1,550 | | 1.81 | |
| | United States Treasury 3.125% Bonds 15.02.2043 | USD | 2,340,000 | 1,561 | | 1.83 | |
| | United States Treasury 0% Strip Principal 15.05.2043 | USD | 38,975,000 | 9,503 | | 11.10 | |
| | United States Treasury Inflation Indexed 0.625% Bonds 15.02.2043 | USD | 14,038,740 | 8,521 | | 9.95 | |
| | | | | | 31,463 | 36.75 | 23.97 |
| | Total Bonds | | | | 80,010 | 93.45 | 92.50 |
| Open Forward Foreign Currency Transactions | | | | | | | |
| | Currency Sold | | Currency Bought | | Unrealised Gain €000 | | |
| | Investment Level | | | | | | |
| | USD 41,645,000 | | EUR | | 15 | 0.02 | 0.04 |
| | Total Open Forward Foreign Currency Transactions | | | | 15 | 0.02 | 0.04 |
| | FX Options | | Nominal Holding | | Fair Value €000 | | |
| | EUR USD Put | EUR | 247,000,000 | | 454 | 0.52 | - |
| | Total FX Options | | | | 454 | 0.52 | - |
| | Total financial assets at fair value through profit or loss | | | | 80,479 | 93.99 | 92.54 |
| Financial liabilities at fair value through profit or loss | | | | | | | |
| | Futures | | No of contracts | | Unrealised Loss €000 | | |
| Germany | | | | | - | - | (0.62) |
| United Kingdom | | | | | - | - | (0.36) |
| United States | | | | | - | - | (0.03) |
| | Total Futures | | | | - | - | (1.01) |

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

TRADITIONAL FUNDS plc

PORTFOLIO STATEMENT as at 31 March 2014 (continued)

F&C Macro Global Bond Fund (€) (continued)

Financial liabilities at fair value through profit or loss (continued)

Open Forward Foreign Currency Transactions

| Currency Sold Investment Level | Currency Bought | Unrealised Loss €000 | Mar 2014 % of NAV | Mar 2013 % of NAV |
|---|-----------------|----------------------|-------------------|-------------------|
| AUD 6,600,000 | EUR | (172) | (0.20) | |
| CAD 7,700,000 | EUR | (28) | (0.03) | |
| NOK 35,685,000 | EUR | (44) | (0.05) | |
| | | | <u>(0.28)</u> | <u>(0.18)</u> |
| Total Open Forward Foreign Currency Transactions | | (244) | (0.28) | (0.18) |
| Total financial liabilities at fair value through profit or loss | | (244) | (0.28) | (1.19) |
| Total investments at fair value through profit or loss | | 80,235 | 93.71 | 91.35 |
| Cash at bank | | 6,841 | 7.99 | 12.95 |
| Margin cash | | - | - | 3.43 |
| Other net liabilities | | (1,455) | (1.70) | (7.73) |
| Total Net Assets | | 85,621 | 100.00 | 100.00 |

Analysis of Portfolio (unaudited)

| | % of Total Assets |
|--|-------------------|
| Transferable securities admitted to an official stock exchange listing or traded on a regulated market | 91.19 |
| OTC financial derivative instruments | 0.53 |
| Other assets | 8.28 |
| | <u>100.00</u> |

The counterparties to the derivative contracts held on this sub-fund at 31 March 2014 are as follows:

Forwards: Barclays Bank
 FX Options: Barclays Bank, Goldman Sachs

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

TRADITIONAL FUNDS plc

PORTFOLIO STATEMENT as at 31 March 2014 (continued)

F&C Emerging Asia Fund

| Financial assets at fair value through profit or loss | | | | | | |
|---|---|----------|-----------------|--------------------|-------------------|-------------------|
| Country | Equities | Currency | Nominal Holding | Fair Value US\$000 | Mar 2014 % of NAV | Mar 2013 % of NAV |
| China | Agricultural Bank of China | HKD | 715,000 | 310 | 1.92 | |
| | Anhui Conch Cement | HKD | 76,500 | 328 | 2.04 | |
| | China Communications Construction | HKD | 333,000 | 232 | 1.44 | |
| | China Construction Bank | HKD | 1,110,000 | 776 | 4.81 | |
| | China Life Insurance | HKD | 140,000 | 395 | 2.45 | |
| | PetroChina | HKD | 218,000 | 237 | 1.47 | |
| | Tencent Holdings | HKD | 4,800 | 333 | 2.07 | |
| | | | | | 2,611 | 16.20 |
| Hong Kong | AAC Technologies Holdings | HKD | 41,000 | 212 | 1.32 | |
| | AIA Group | HKD | 110,000 | 521 | 3.23 | |
| | Bank of China Hong Kong Holdings | HKD | 68,500 | 195 | 1.21 | |
| | China Mengniu Dairy | HKD | 47,000 | 235 | 1.46 | |
| | China Overseas Land & Investment | HKD | 245,000 | 633 | 3.93 | |
| | China State Construction International Holdings | HKD | 136,000 | 230 | 1.42 | |
| | China Unicom Hong Kong | HKD | 151,720 | 199 | 1.24 | |
| | Shimao Property Holdings | HKD | 185,500 | 406 | 2.52 | |
| | Wharf Holdings | HKD | 33,000 | 210 | 1.30 | |
| | | | | | 2,841 | 17.63 |
| India | Tata Motors ADR | USD | 11,500 | 407 | 2.53 | – |
| Indonesia | Bank Mandiri Persero | IDR | 590,500 | 491 | 3.05 | |
| | Matahari Department Store | IDR | 347,600 | 419 | 2.60 | |
| | | | | 910 | 5.65 | 5.65 |
| Malaysia | Malayan Banking | MYR | 106,834 | 315 | 1.95 | 1.12 |
| Philippines | Ayala Land | PHP | 349,000 | 232 | 1.44 | |
| | Puregold Price Club | PHP | 192,500 | 189 | 1.17 | |
| | | | | 421 | 2.61 | 1.61 |
| South Korea | Grand Korea Leisure | KRW | 2,760 | 113 | 0.70 | |
| | Hyundai Department Store | KRW | 695 | 93 | 0.58 | |
| | Hyundai Motor | KRW | 3,401 | 800 | 4.97 | |
| | Kolao Holdings | KRW | 418 | 10 | 0.06 | |
| | LG Chemical | KRW | 962 | 229 | 1.42 | |
| | LG Display | KRW | 8,380 | 210 | 1.30 | |
| | LG Household & Health Care | KRW | 620 | 268 | 1.66 | |
| | Samsung Electronics | KRW | 1,160 | 1,462 | 9.08 | |
| | SK Hynix | KRW | 6,580 | 223 | 1.38 | |
| | | | | 3,408 | 21.15 | 27.40 |
| Taiwan | E.Sun Financial Holding | TWD | 493,000 | 297 | 1.84 | |
| | MediaTek | TWD | 10,000 | 147 | 0.92 | |
| | Novatek Microelectronics | TWD | 40,000 | 183 | 1.14 | |
| | Taiwan Semiconductor | TWD | 354,000 | 1,372 | 8.51 | |
| | | | | 1,999 | 12.41 | 17.18 |
| Thailand | Kasikornbank PCL NVDR | THB | 96,700 | 529 | 3.28 | |
| | Supalai PCL NVDR | THB | 326,100 | 178 | 1.11 | |
| | | | | 707 | 4.39 | 4.66 |
| Vietnam | Viet Nam Dairy Products | VND | 20,000 | 134 | 0.83 | – |
| | Total Equities | | | 13,753 | 85.35 | 89.52 |
| | Equity Linked Notes | | | | | |
| India | Cairn India (BNP Paribas Warrant) | USD | 46,459 | 258 | 1.60 | |
| | Glenmark Pharmaceuticals (Barclays Warrant) | USD | 23,055 | 219 | 1.36 | |
| | HDFC Bank (CS Warrant) | USD | 25,831 | 324 | 2.01 | |
| | HDFC Bank (DB Warrant) | USD | 24,991 | 313 | 1.94 | |
| | ITC (Barclays Warrant) | USD | 69,572 | 411 | 2.55 | |
| | ITC (CS Warrant) | USD | 3,450 | 20 | 0.13 | |
| | Macquarie Bank (Macquarie Bank Warrant) | USD | 6,223 | 78 | 0.49 | |

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

TRADITIONAL FUNDS plc

PORTFOLIO STATEMENT as at 31 March 2014 (continued)

F&C Emerging Asia Fund (continued)

| Financial assets at fair value through profit or loss (continued) | | | | | | |
|---|--|----------|-------------------------|--------------------------------|-------------------|--------------------------|
| Country | Equity Linked Notes (continued) | Currency | Nominal Holding | Fair Value US\$000 | Mar 2014 % of NAV | Mar 2013 % of NAV |
| India (continued) | Tata Consultancy Services (DB Warrant) | USD | 11,697 | 419 | 2.60 | |
| | | | | 2,042 | 12.68 | 9.40 |
| | Total Equity Linked Notes | | | 2,042 | 12.68 | 9.40 |
| | Futures | | No. of contracts | Unrealised Gain US\$000 | | |
| India | | | | - | - | 0.02 |
| | Total Futures | | | - | - | 0.02 |
| | Total financial assets at fair value through profit or loss | | | 15,795 | 98.03 | 98.94 |
| | Financial liabilities at fair value through profit or loss | | | | | |
| | Futures | | No. of contracts | Unrealised Loss US\$000 | | |
| China | | | | - | - | (0.01) |
| | Total Futures | | | - | - | (0.01) |
| | Total financial liabilities at fair value through profit or loss | | | - | - | (0.01) |
| | Total investments at fair value through profit or loss | | | 15,795 | 98.03 | 98.93 |
| | Cash at bank | | | 517 | 3.21 | 2.12 |
| | Margin cash | | | - | - | 0.09 |
| | Other net liabilities | | | (199) | (1.24) | (1.14) |
| | Total Net Assets | | | 16,113 | 100.00 | 100.00 |
| | Analysis of Portfolio (unaudited) | | | | | % of Total Assets |
| | Transferable securities admitted to an official stock exchange listing or traded on a regulated market | | | | | 96.25 |
| | Other assets | | | | | 3.75 |
| | | | | | | 100.00 |

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

TRADITIONAL FUNDS plc

PORTFOLIO STATEMENT as at 31 March 2014 (continued)

F&C Water and Agriculture Equity Long/Short Fund

| Financial assets at fair value through profit or loss | | | | | | |
|---|--|----------|-----------------|--------------------|-------------------|-------------------|
| Country | Bonds | Currency | Nominal Holding | Fair Value US\$000 | Mar 2014 % of NAV | Mar 2013 % of NAV |
| Brazil | | | | - | - | 4.98 |
| Mexico | | | | - | - | 4.77 |
| Russia | | | | - | - | 3.44 |
| | Total Bonds | | | - | - | 13.19 |
| | Equities | | | | | |
| Argentina | | | | - | - | 0.84 |
| Australia | | | | - | - | 1.62 |
| Brazil | | | | - | - | 0.82 |
| Canada | Agrium | USD | 20,000 | 1,931 | 5.90 | |
| | Potash of Saskatchewan | USD | 25,000 | 898 | 2.76 | |
| | | | | 2,829 | 8.66 | |
| Chile | | | | - | - | 0.69 |
| China | First Tractor | HKD | 1,000,000 | 543 | 1.66 | - |
| Denmark | | | | - | - | 0.68 |
| Faeroe Islands | Bakkafrost P/F | NOK | 30,000 | 493 | 1.51 | |
| France | Suez Environnement | EUR | 90,000 | 1,828 | 5.59 | |
| Germany | Bayer | EUR | 10,000 | 1,365 | 4.18 | |
| | GEA Group | EUR | 10,000 | 459 | 1.40 | |
| | | | | 1,824 | 5.58 | 1.86 |
| Hong Kong | China Lesso Group Holdings | HKD | 1,000,000 | 557 | 1.70 | 4.14 |
| India | | | | - | - | 1.13 |
| Malaysia | | | | - | - | 0.60 |
| Netherlands | Aalberts Industries | EUR | 40,000 | 1,401 | 4.29 | |
| | Arcadis | EUR | 30,000 | 1,149 | 3.51 | |
| | | | | 2,550 | 7.80 | 1.24 |
| Philippines | | | | - | - | 1.75 |
| Singapore | | | | - | - | 0.90 |
| Sweden | | | | - | - | 0.84 |
| Switzerland | Pentair | USD | 15,000 | 1,187 | 3.63 | 1.51 |
| United Kingdom | | | | - | - | 2.26 |
| United States | Agilent Technologies | USD | 10,000 | 559 | 1.71 | |
| | American Water Works | USD | 25,000 | 1,132 | 3.46 | |
| | AO Smith | USD | 30,000 | 1,381 | 4.22 | |
| | Aqua America | USD | 30,000 | 745 | 2.28 | |
| | Cheniere Energy | USD | 30,000 | 1,671 | 5.12 | |
| | Danaher | USD | 20,000 | 1,494 | 4.57 | |
| | Flowserve | USD | 20,000 | 1,551 | 4.74 | |
| | Golar LNG | USD | 25,000 | 1,044 | 3.19 | |
| | IDEX | USD | 10,000 | 724 | 2.21 | |
| | Kirby | USD | 10,000 | 1,014 | 3.10 | |
| | Masco | USD | 50,000 | 1,110 | 3.40 | |
| | Roper Industries | USD | 10,000 | 1,336 | 4.09 | |
| | Thermo Fisher Scientific | USD | 25,000 | 3,009 | 9.21 | |
| | | | | 16,770 | 51.30 | 32.48 |
| | Total Equities | | | 28,581 | 87.43 | 53.36 |
| | Collective Investment Schemes | | | | | |
| United Kingdom | | | | - | - | 6.98 |
| | Total Collective Investment Schemes | | | - | - | 6.98 |

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

TRADITIONAL FUNDS plc

PORTFOLIO STATEMENT as at 31 March 2014 (continued)

F&C Water and Agriculture Equity Long/Short Fund (continued)

| Financial assets at fair value through profit or loss (continued) | | | | | | | |
|---|---------------------------------|------------------------|------------------------|--------------------------------|------------------------|-------------------|--|
| Country | Contracts for Difference | Currency | Nominal Holding | Unrealised Gain US\$000 | Mar 2014 % of NAV | Mar 2013 % of NAV | |
| Canada | | | | – | – | 0.05 | |
| Germany | | | | – | – | 0.05 | |
| Hong Kong | Shenguan Holdings Group | HKD | (1,000,000) | 2 | 0.01 | – | |
| Netherlands | Nutreco | EUR | (20,000) | 38 | 0.11 | – | |
| United Kingdom | | | | – | – | 0.20 | |
| United States | | | | – | – | 0.07 | |
| Total Contracts for Difference | | | | 40 | 0.12 | 0.37 | |
| | | | | | No of Contracts | | |
| Germany | Euro Stoxx 50 Futures June 2014 | EUR | 50 | 81 | 0.25 | – | |
| Unites States | | | | – | – | 0.22 | |
| Total Futures | | | | 81 | 0.25 | 0.22 | |
| Open Forward Foreign Currency Transactions | | | | | | | |
| Currency Sold | | Currency Bought | | | | | |
| Investment Level | | | | | | | |
| USD 974 | | GBP | | – | – | – | |
| Share Class Level | | | | | | | |
| Open Forward Foreign Currency Transactions – Class A Euro Accumulating | | | | 18 | 0.06 | 0.01 | |
| Open Forward Foreign Currency Transactions – Class A Euro Distributing | | | | 1 | – | – | |
| Open Forward Foreign Currency Transactions – Class A Norwegian Krone Accumulating | | | | 3 | 0.01 | – | |
| Open Forward Foreign Currency Transactions – Class A Sterling Accumulating | | | | 6 | 0.02 | 0.01 | |
| Open Forward Foreign Currency Transactions – Class A Sterling Distributing | | | | 26 | 0.08 | 0.02 | |
| Open Forward Foreign Currency Transactions – Class C Sterling Accumulating | | | | 3 | 0.01 | – | |
| Open Forward Foreign Currency Transactions – Class C Sterling Distributing | | | | 1 | – | – | |
| Total Open Forward Foreign Currency Transactions | | | | 58 | 0.18 | 0.04 | |
| Total financial assets at fair value through profit or loss | | | | 28,760 | 87.98 | 74.16 | |
| Financial liabilities at fair value through profit or loss | | | | | | | |
| Contracts for Difference | | | Nominal Holding | Unrealised Loss US\$000 | | | |
| Denmark | | | | – | – | (0.06) | |
| Germany | | | | – | – | (0.08) | |
| Hong Kong | Beijing Enterprises Water Group | HKD | (1,000,000) | (118) | (0.36) | – | |
| India | | | | – | – | (0.07) | |
| Spain | Viscofan | EUR | (10,000) | (10) | (0.03) | – | |
| Switzerland | Syngenta | CHF | (2,000) | (37) | (0.11) | – | |
| United Kingdom | | | | – | – | (0.01) | |
| United States | AGCO | USD | (10,000) | (27) | (0.08) | | |
| | Archer-Daniels-Midland | USD | (20,000) | (53) | (0.16) | | |
| | BRF | USD | (20,000) | (49) | (0.15) | | |
| | | | | (129) | (0.39) | (2.13) | |
| Total Contracts for Difference | | | | (294) | (0.89) | (2.35) | |

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

TRADITIONAL FUNDS plc

PORTFOLIO STATEMENT as at 31 March 2014 (continued)

F&C Water and Agriculture Equity Long/Short Fund (continued)

| Financial liabilities at fair value through profit or loss (continued) | | | No of Contracts | Unrealised Loss US\$000 | Mar 2014 % of NAV | Mar 2013 % of NAV |
|--|---|----------|--------------------|----------------------------|----------------------|----------------------|
| Country | Futures | Currency | | | | |
| United States | Mini MSCI Emerging Market Futures June 2014 | USD | (50) | (136) | (0.42) | (0.02) |
| Total Futures | | | | (136) | (0.42) | (0.02) |
| Open Forward Foreign Currency Transactions | | | | | | |
| Currency Sold Investment Level | | | | | | |
| | | | | – | – | (0.01) |
| Share Class Level | | | | | | |
| Open Forward Foreign Currency Transactions – Class A Euro Accumulating | | | | – | – | (0.04) |
| Open Forward Foreign Currency Transactions – Class A Sterling Accumulating | | | | –* | – | – |
| Open Forward Foreign Currency Transactions – Class A Sterling Distributing | | | | –* | – | – |
| Open Forward Foreign Currency Transactions – Class C Sterling Accumulating | | | | –* | – | – |
| Total Open Forward Foreign Currency Transactions | | | | – | – | (0.05) |
| Total financial liabilities at fair value through profit or loss | | | | (430) | (1.31) | (2.42) |
| Total investments at fair value through profit or loss | | | | 28,330 | 86.67 | 71.74 |
| Cash at bank | | | | 872 | 2.67 | 19.75 |
| Margin cash | | | | 3,765 | 11.52 | 7.87 |
| Other net (liabilities)/assets | | | | (278) | (0.86) | 0.64 |
| Total Net Assets | | | | 32,689 | 100.00 | 100.00 |

Analysis of Portfolio (unaudited)

| | % of Total Assets |
|--|----------------------|
| Transferable securities admitted to an official stock exchange listing or traded on a regulated market | 84.59 |
| Financial derivative instruments dealt on a regulated market | 0.24 |
| OTC financial derivative instruments | 0.29 |
| Other assets | 14.88 |
| | 100.00 |

The counterparties to the OTC derivative contracts held on this sub-fund at 31 March 2014 are as follows:

Forwards: State Street
CFDs: Bank of America – Merrill Lynch

* Values are less than US\$500

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

TRADITIONAL FUNDS plc

PORTFOLIO STATEMENT as at 31 March 2014 (continued)

F&C Real Estate Securities Fund

| | | Financial assets at fair value through profit or loss | | | | | | |
|----------------|--|---|-----------------|-----------------|---------------|-------------------|-------------------|--|
| Country | Bonds | Currency | Nominal Holding | Fair Value £000 | | Mar 2014 % of NAV | Mar 2013 % of NAV | |
| Germany | | | | | - | - | 0.86 | |
| | Total Bonds | | | | - | - | 0.86 | |
| | Equities | | | | | | | |
| Austria | CA Immobilien Anlagen | EUR | 51,235 | | 552 | 1.24 | 1.77 | |
| Belgium | Befimmo | EUR | 3,000 | 128 | | 0.28 | | |
| | Cofinimmo | EUR | 3,814 | 272 | | 0.61 | | |
| | Warehouses De Pauw | EUR | 9,441 | 422 | | 0.95 | | |
| | | | | | 822 | 1.84 | 2.38 | |
| Finland | | | | | - | - | 0.84 | |
| France | ANF Immobilier | EUR | 350 | 7 | | 0.01 | | |
| | CFI Cie Fonciere Internationale | EUR | 18,993 | 1,041 | | 2.33 | | |
| | Fonciere des Geme et 7eme Arrondissements de Paris | EUR | 2,101 | 30 | | 0.07 | | |
| | Societe de la Tour Eiffel | EUR | 5,518 | 226 | | 0.51 | | |
| | Terreis | EUR | 15,096 | 300 | | 0.67 | | |
| | | | | | 1,604 | 3.59 | 10.37 | |
| Germany | Alstria Office | EUR | 59,760 | 477 | | 1.07 | | |
| | Deutsche Annington Immobilien | EUR | 43,934 | 750 | | 1.68 | | |
| | Deutsche Euroshop | EUR | 30,583 | 833 | | 1.86 | | |
| | Deutsche Wohnen | EUR | 26,134 | 336 | | 0.75 | | |
| | Deutsche Wohnen (convertible) | EUR | 21,988 | 276 | | 0.62 | | |
| | LEG Immobilien | EUR | 56,201 | 2,206 | | 4.94 | | |
| | TAG Immobilien | EUR | 2,184 | 16 | | 0.04 | | |
| | | | | | 4,894 | 10.96 | 11.45 | |
| Italy | Beni Stabili | EUR | 302,115 | 156 | | 0.35 | | |
| | Immobiliare Grande Distribuzione | EUR | 6,109 | 6 | | 0.01 | | |
| | | | | | 162 | 0.36 | 0.67 | |
| Luxembourg | GAGFAH | EUR | 51,828 | | 471 | 1.05 | - | |
| Netherlands | Corio | EUR | 26,805 | 735 | | 1.64 | | |
| | Eurocommercial Properties | EUR | 6,429 | 170 | | 0.38 | | |
| | Nieuwe Steen Investments | EUR | 23,487 | 85 | | 0.19 | | |
| | Vastned Retail | EUR | 7,954 | 235 | | 0.53 | | |
| | Wereldhave | EUR | 8,901 | 454 | | 1.02 | | |
| | | | | | 1,679 | 3.76 | 2.35 | |
| Norway | Norwegian Property | NOK | 187,535 | | 136 | 0.31 | 0.64 | |
| Spain | Hispania Activos Inmobiliarios | EUR | 75,730 | | 654 | 1.46 | - | |
| Sweden | Atrium Ljungberg | SEK | 41,611 | 379 | | 0.85 | | |
| | Fastighets Balder | SEK | 76,923 | 557 | | 1.25 | | |
| | Kungsleden | SEK | 147,265 | 725 | | 1.62 | | |
| | Wihlborgs Fastigheter | SEK | 26,417 | 307 | | 0.69 | | |
| | | | | | 1,968 | 4.41 | 1.50 | |
| Switzerland | PSP Swiss Property | CHF | 32,073 | 1,809 | | 4.05 | | |
| | Swiss Prime Site | CHF | 6,181 | 315 | | 0.71 | | |
| | | | | | 2,124 | 4.76 | 7.64 | |
| United Kingdom | British Land | GBP | 56,085 | 367 | | 0.82 | | |
| | Intu Properties | GBP | 392 | 1 | | - | | |
| | Safestore Holdings | GBP | 116,282 | 275 | | 0.62 | | |
| | Shaftesbury | GBP | 44,541 | 293 | | 0.66 | | |
| | St. Modwen Properties | GBP | 49 | - | | - | | |
| | Unite Group | GBP | 231,204 | 1,002 | | 2.24 | | |
| | | | | | 1,938 | 4.34 | 3.58 | |
| | Total Equities | | | | 17,004 | 38.08 | 43.19 | |

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

TRADITIONAL FUNDS plc

PORTFOLIO STATEMENT as at 31 March 2014 (continued)

F&C Real Estate Securities Fund (continued)

Financial assets at fair value through profit or loss (continued)

| Country | Rights | Currency | Nominal Holding | Fair Value £000 | Mar 2014 % of NAV | Mar 2013 % of NAV |
|----------------|---|----------|-----------------|-----------------|-------------------|-------------------|
| United Kingdom | Intu Properties RTS | GBP | 112 | – | – | – |
| | Total Rights | | | – | – | – |
| | Collective Investment Schemes | | | | | |
| United Kingdom | Picton Property Income | GBP | 1,148,849 | 652 | 1.46 | – |
| | Total Collective Investment Schemes | | | 652 | 1.46 | – |
| | Contracts for Difference | | | | | |
| Austria | Conwert Immobilien Invest | EUR | (13,806) | 1 | – | 0.03 |
| Belgium | | | | – | – | 0.01 |
| France | Atrium European Real Estate | EUR | (20,178) | 5 | 0.01 | |
| | Fonciere Des Regions | EUR | 35,568 | 87 | 0.20 | |
| | Gecina | EUR | 11,947 | 32 | 0.07 | |
| | Mercialys | EUR | 19,822 | 12 | 0.03 | |
| | Societe de la Tour Eiffel | EUR | 2,191 | 1 | – | |
| | | | | 137 | 0.31 | 0.58 |
| Germany | DIC Asset | EUR | 911 | 1 | – | |
| | FTSE EPRA Eurozone Public Real Estate Index | EUR | 350 | 53 | 0.12 | |
| | TAG Immobilien | EUR | (181) | – | – | |
| | | | | 54 | 0.12 | 0.01 |
| Italy | | | | – | – | 0.02 |
| Netherlands | Eurocommercial Properties | EUR | 8,839 | 2 | 0.01 | 0.01 |
| Spain | Lar Espana Real Estate Socimi | EUR | (13,208) | 5 | 0.01 | – |
| Sweden | Atrium Ljungberg | SEK | 134 | –* | – | |
| | Wihlborgs Fastigheter | SEK | 10,428 | 5 | 0.01 | |
| | | | | 5 | 0.01 | 0.07 |
| United Kingdom | Big Yellow Group | GBP | 55,131 | 72 | 0.16 | |
| | Derwent London | GBP | 60,459 | 47 | 0.10 | |
| | Helical Bar | GBP | 35,852 | 31 | 0.07 | |
| | Intu Properties | GBP | 54,016 | 51 | 0.11 | |
| | Londonmetric Property | GBP | (399,162) | 19 | 0.04 | |
| | Quintain Estates & Development | GBP | 194,091 | 80 | 0.18 | |
| | Safestore Holdings | GBP | 88,405 | 33 | 0.07 | |
| | Shaftesbury | GBP | 17,438 | 7 | 0.02 | |
| | St. Modwen Properties | GBP | 210,243 | 12 | 0.03 | |
| | Unite Group | GBP | 119,506 | 25 | 0.06 | |
| | | | | 377 | 0.84 | 0.91 |
| | Total Contracts for Difference | | | 581 | 1.30 | 1.64 |

Open Forward Foreign Currency Transactions

| Currency Sold | Investment Level | Currency Bought | Unrealised Gain £000 |
|---------------|------------------|-----------------|----------------------|
| GBP 802,760 | | CHF | 1 |
| GBP 192,437 | | SEK | –* |
| SEK 8,981,000 | | GBP | 1 |
| | | | 2 |
| | | | 0.01 |

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

TRADITIONAL FUNDS plc

PORTFOLIO STATEMENT as at 31 March 2014 (continued)

F&C Real Estate Securities Fund (continued)

Financial assets at fair value through profit or loss (continued)

Open Forward Foreign Currency Transactions (continued)

| Share Class Level | Unrealised Gain £000 | Mar 2014 % of NAV | Mar 2013 % of NAV |
|---|-------------------------|----------------------|----------------------|
| Open Forward Foreign Currency Transactions – Class A Euro Accumulating | –* | – | – |
| Open Forward Foreign Currency Transactions – Class B Euro Accumulating | –* | – | – |
| Open Forward Foreign Currency Transactions – Class A Norwegian Krone Accumulating | –* | – | 0.02 |
| Total Open Forward Foreign Currency Transactions | 2 | – | 0.03 |

| | | | |
|--|---------------|--------------|--------------|
| Total financial assets at fair value through profit or loss | 18,239 | 40.84 | 45.72 |
|--|---------------|--------------|--------------|

Financial liabilities at fair value through profit or loss

| Country | Contracts for Difference | Currency | Nominal Holding | Unrealised Loss £000 | | | |
|----------------|---|----------|--------------------|-------------------------|--|---------------|---------------|
| Belgium | Aedifica | EUR | (4,679) | (10) | | (0.02) | (0.01) |
| Finland | Citycon | EUR | 90,858 | (16) | | (0.04) | |
| | Sponda | EUR | 94,533 | (25) | | (0.06) | |
| | Technopolis | EUR | 55,267 | (15) | | (0.03) | |
| | | | | (56) | | (0.13) | (0.01) |
| France | FTSE EPRA/NAREIT Developed Europe Index | EUR | 1,500 | (8) | | (0.02) | |
| | Icade | EUR | (13,664) | (21) | | (0.05) | |
| | Klepierre | EUR | 37,628 | (10) | | (0.02) | |
| | Unibail-Rodamco | EUR | 22,841 | (59) | | (0.13) | |
| | | | | (98) | | (0.22) | (0.04) |
| Germany | Hamborner | EUR | (29,217) | (4) | | (0.01) | – |
| Sweden | Castellum | SEK | 85,201 | (6) | | (0.01) | |
| | Fabege | SEK | 34,820 | (7) | | (0.02) | |
| | Hufvudstaden | SEK | 81,221 | (24) | | (0.05) | |
| | Klovern | SEK | (68,262) | (37) | | (0.08) | |
| | Wallenstam | SEK | (5,000) | (8) | | (0.02) | |
| | | | | (82) | | (0.18) | (0.22) |
| United Kingdom | British Land | GBP | 413,748 | (55) | | (0.12) | |
| | Capital & Counties Properties | GBP | 270,431 | (82) | | (0.18) | |
| | Grainger | GBP | 193,427 | (14) | | (0.03) | |
| | Great Portland Estates | GBP | 229,003 | (3) | | (0.01) | |
| | Hammerson | GBP | 277,517 | (75) | | (0.17) | |
| | Land Securities Group | GBP | 280,507 | (186) | | (0.42) | |
| | Intu Properties | GBP | 300,169 | (62) | | (0.14) | |
| | Picton Property Income | GBP | 153,904 | (1) | | – | |
| | Segro | GBP | 304,018 | (27) | | (0.06) | |
| | Workspace Group | GBP | (16,034) | (1) | | – | |
| | | | | (506) | | (1.13) | (0.47) |
| United States | | | | – | | – | (0.03) |
| | Total Contracts for Difference | | | (756) | | (1.69) | (0.78) |

Open Forward Foreign Currency Transactions

| Currency Sold | Investment Level | Currency Bought | | | |
|------------------|------------------|--------------------|------|--------|--------|
| EUR 320,000 | | GBP | –* | – | |
| GBP 960,932 | | EUR | (5) | (0.02) | |
| GBP 2,231,541 | | SEK | (42) | (0.09) | |
| | | | (47) | (0.11) | (0.03) |

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

TRADITIONAL FUNDS plc

PORTFOLIO STATEMENT as at 31 March 2014 (continued)

F&C Real Estate Securities Fund (continued)

Financial liabilities at fair value through profit or loss (continued)

Open Forward Foreign Currency Transactions (continued)

| Share Class Level | Unrealised Loss £000 | Mar 2014 % of NAV | Mar 2013 % of NAV |
|---|-------------------------|----------------------|----------------------|
| Open Forward Foreign Currency Transactions – Class A Euro Accumulating | (3) | (0.01) | (0.01) |
| Open Forward Foreign Currency Transactions – Class B Euro Accumulating | (3) | – | (0.03) |
| Open Forward Foreign Currency Transactions – Class A Norwegian Krone Accumulating | –* | – | – |
| Total Open Forward Foreign Currency Transactions | (53) | (0.12) | (0.07) |
| Total financial liabilities at fair value through profit or loss | (809) | (1.81) | (0.85) |
| Total investments at fair value through profit or loss | 17,430 | 39.03 | 44.87 |
| Cash at bank | 19,355 | 43.34 | 41.36 |
| Margin cash | 7,897 | 17.68 | 16.01 |
| Other net liabilities | (27) | (0.05) | (2.24) |
| Total Net Assets | 44,655 | 100.00 | 100.00 |

Analysis of Portfolio (unaudited)

| | % of Total Assets |
|---|----------------------|
| Transferable securities admitted to an official stock exchange listing or traded on a regulated market | 36.71 |
| OTC financial derivative instruments | 1.26 |
| Collective investment schemes | 1.41 |
| Other assets | 60.62 |
| | 100.00 |

The counterparties to the derivative contracts held on this sub-fund at 31 March 2014 are as follows:

Forwards: State Street
CFDs: Goldman Sachs

* Values are less than £500

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

TRADITIONAL FUNDS plc

PORTFOLIO STATEMENT as at 31 March 2014 (continued)

F&C Real Estate Equity Long/Short Fund

| Financial assets at fair value through profit or loss | | | | | | |
|---|--|----------|-----------------|-----------------------------|-------------------|-------------------|
| Country | Bonds | Currency | Nominal Holding | Fair Value €000 | Mar 2014 % of NAV | Mar 2013 % of NAV |
| France | France Government 0% Bills 28.05.2014 | EUR | 2,000,000 | 1,999 | 5.09 | – |
| | Total Bonds | | | 1,999 | 5.09 | – |
| | Equities | | | | | |
| Austria | CA Immobilien Anlagen | EUR | 22,806 | 297 | 0.75 | – |
| Belgium | Warehouses De Pauw | EUR | 6,398 | 346 | 0.88 | – |
| France | CFI Cie Fonciere Internationale | EUR | 477 | 32 | 0.08 | |
| | Societe de la Tour Eiffel | EUR | 3,200 | 158 | 0.40 | |
| | Terreis | EUR | 23,480 | 564 | 1.44 | |
| | | | | 754 | 1.92 | – |
| Germany | Alstria Office | EUR | 39,662 | 383 | 0.97 | |
| | Deutsche Annington Immobilien | EUR | 13,301 | 275 | 0.70 | |
| | Deutsche Euroshop | EUR | 12,733 | 420 | 1.06 | |
| | LEG Immobilien | EUR | 40,356 | 1,917 | 4.87 | |
| | | | | 2,995 | 7.60 | 15.97 |
| Netherlands | | | | – | – | 4.69 |
| Spain | Hispania Activos Inmobiliarios | EUR | 58,115 | 607 | 1.54 | – |
| Sweden | Fastighets Balder | SEK | 48,312 | 423 | 1.08 | |
| | Kungsleden | SEK | 97,269 | 580 | 1.47 | |
| | | | | 1,003 | 2.55 | 4.01 |
| Switzerland | PSP Swiss Property | CHF | 19,155 | 1,307 | 3.32 | 4.71 |
| United Kingdom | Safestore Holdings | GBP | 48,160 | 138 | 0.35 | |
| | Shaftesbury | GBP | 46,572 | 370 | 0.94 | |
| | Unite Group | GBP | 35,420 | 186 | 0.47 | |
| | | | | 694 | 1.76 | – |
| | Total Equities | | | 8,003 | 20.32 | 29.38 |
| | Collective Investment Schemes | | | | | |
| United Kingdom | Picton Property Income | GBP | 1,298,454 | 891 | 2.26 | – |
| | Total Collective Investment Schemes | | | 891 | 2.26 | – |
| | Contracts for Difference | | | Unrealised Gain €000 | | |
| Belgium | Cofinimmo | EUR | (4,118) | 15 | 0.04 | – |
| France | Atrium European Real Estate | EUR | (23,206) | 7 | 0.02 | |
| | Fonciere Des Regions | EUR | 23,978 | 19 | 0.05 | |
| | Gecina | EUR | 4,789 | 18 | 0.04 | |
| | Klepierre | EUR | (2,414) | 1 | – | |
| | Mercialys | EUR | 3,373 | – | – | |
| | Terreis | EUR | 974 | 4 | 0.01 | |
| | | | | 49 | 0.12 | 0.30 |
| Germany | Deutsche Wohnen | EUR | (50,264) | 10 | 0.02 | |
| | Deutsche Wohnen (convertible) | EUR | (25,309) | 2 | 0.01 | |
| | DIC Asset | EUR | 1,454 | 1 | – | |
| | TAG Immobilien | EUR | (58,670) | 15 | 0.04 | |
| | | | | 28 | 0.07 | 0.06 |
| Italy | | | | – | – | 0.23 |
| Norway | Norwegian Property | NOK | (13,603) | 1 | – | – |
| Spain | Lar Espana Real Estate Socimi | EUR | (15,001) | 6 | 0.02 | – |
| Sweden | Atrium Ljungberg | SEK | 8,493 | 11 | 0.03 | |
| | Klovern | SEK | (124,578) | 5 | 0.01 | |
| | | | | 16 | 0.04 | 0.22 |
| Switzerland | Mobimo Holding | CHF | (3,566) | 2 | 0.01 | – |

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

TRADITIONAL FUNDS plc

PORTFOLIO STATEMENT as at 31 March 2014 (continued)

F&C Real Estate Equity Long/Short Fund (continued)

Financial assets at fair value through profit or loss (continued)

| Country | Contracts for Difference (continued) | Currency | Nominal Holding | Unrealised Gain €000 | Mar 2014 % of NAV | Mar 2013 % of NAV |
|----------------|---|----------|------------------------|----------------------|-------------------|-------------------|
| United Kingdom | British Land | GBP | 50,845 | 22 | 0.06 | |
| | Great Portland Estates | GBP | 94,162 | 27 | 0.07 | |
| | Intu Properties | GBP | (24,223) | 13 | 0.03 | |
| | Land Securities Group | GBP | (70,795) | 18 | 0.05 | |
| | Londonmetric Property | GBP | (768,774) | 28 | 0.07 | |
| | Primary Health Properties | GBP | (54,489) | 8 | 0.02 | |
| | Safestore Holdings | GBP | 116,444 | 53 | 0.13 | |
| | St. Modwen Properties | GBP | 164,804 | 96 | 0.24 | |
| | Unite Group | GBP | 262,274 | 89 | 0.23 | |
| | | | | | | |
| | | | | 354 | 0.90 | 0.23 |
| | Total Contracts for Difference | | | 471 | 1.20 | 1.04 |
| | Open Forward Foreign Currency Transactions | | | | | |
| | Currency Sold | | Currency Bought | | | |
| | Investment Level | | | | | |
| | CHF 1,500,000 | | EUR | 5 | 0.01 | |
| | EUR 600,730 | | GBP | 8 | 0.02 | |
| | GBP 1,705,000 | | EUR | 8 | 0.02 | |
| | SEK 16,858,000 | | EUR | 10 | 0.03 | |
| | | | | | | |
| | | | | 31 | 0.08 | 0.02 |
| | Share Class Level | | | | | |
| | Open Forward Foreign Currency Transactions – C GBP Accumulation Class | | | 13 | 0.03 | 0.13 |
| | Open Forward Foreign Currency Transactions – A GBP Accumulation Class | | | – | – | – |
| | Open Forward Foreign Currency Transactions – A USD Accumulation Class | | | – | – | – |
| | Total Open Forward Foreign Currency Transactions | | | 44 | 0.11 | 0.15 |
| | Total financial assets at fair value through profit or loss | | | 11,408 | 28.98 | 30.57 |

Financial liabilities at fair value through profit or loss

| | Contracts for Difference | Currency | Nominal Holding | Unrealised Loss €000 | | |
|-------------|---------------------------|----------|-----------------|----------------------|--------|--------|
| Austria | Conwert Immobilien Invest | EUR | (46,092) | (2) | (0.01) | – |
| Belgium | Befimmo | EUR | (5,136) | (1) | – | – |
| Finland | Technopolis | EUR | 20,771 | (7) | (0.02) | – |
| France | Icade | EUR | (31,821) | (114) | (0.29) | |
| | Societe de la Tour Eiffel | EUR | 2,878 | (6) | (0.01) | |
| | Unibail-Rodamco | EUR | (596) | (6) | (0.02) | |
| | | | | | | |
| | | | | (126) | (0.32) | (0.37) |
| Germany | Hamborner | EUR | (56,288) | (16) | (0.04) | (0.08) |
| Italy | Beni Stabili | EUR | (95,888) | (4) | (0.01) | – |
| Netherlands | Corio | EUR | (535) | (1) | – | |
| | Eurocommercial Properties | EUR | (2,004) | (2) | (0.01) | |
| | | | | | | |
| | | | | (3) | (0.01) | (0.08) |
| Sweden | Castellum | SEK | 16,801 | (2) | (0.01) | |
| | Fabege | SEK | (27,574) | (7) | (0.02) | |
| | Hufvudstaden | SEK | 59,044 | (21) | (0.05) | |
| | Wallenstam | SEK | (64,616) | (49) | (0.12) | |
| | Wihlborgs Fastigheter | SEK | (11,651) | (8) | (0.02) | |
| | | | | | | |
| | | | | (87) | (0.22) | – |

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

TRADITIONAL FUNDS plc

PORTFOLIO STATEMENT as at 31 March 2014 (continued)

F&C Real Estate Equity Long/Short Fund (continued)

Financial liabilities at fair value through profit or loss (continued)

| Country | Contracts for Difference (continued) | Currency | Nominal Holding | Unrealised Loss €000 | Mar 2014 % of NAV | Mar 2013 % of NAV |
|---|---|----------|------------------------|----------------------|-------------------|-------------------|
| Switzerland | Allreal Holding | CHF | (5,550) | (16) | (0.04) | |
| | Swiss Prime Site | CHF | (23,128) | (105) | (0.28) | |
| | | | | (121) | (0.32) | – |
| United Kingdom | Derwent London | GBP | 23,741 | (2) | (0.01) | |
| | Helical Bar | GBP | (13,067) | (1) | – | |
| | Intu Properties | GBP | (33,725) | (39) | (0.10) | |
| | Picton Property Income | GBP | 34,419 | – | – | |
| | Shaftesbury | GBP | (97,363) | (16) | (0.04) | |
| | Workspace Group | GBP | (68,692) | (7) | (0.01) | |
| | | | | (65) | (0.16) | (0.16) |
| Total Contracts for Difference | | | | (432) | (1.11) | (0.69) |
| Open Forward Foreign Currency Transactions | | | | | | |
| | Currency Sold | | Currency Bought | | | |
| | Investment Level | | | | | |
| | EUR 964,176 | | SEK | (7) | (0.02) | |
| | GBP 468,000 | | EUR | (7) | (0.02) | |
| | | | | (14) | (0.04) | (0.03) |
| | Share Class Level | | | | | |
| | Open Forward Foreign Currency Transactions – A USD Accumulation Class | | | (1) | – | – |
| | Open Forward Foreign Currency Transactions – C GBP Accumulation Class | | | – | – | (0.01) |
| Total Open Forward Foreign Currency Transactions | | | | (15) | (0.04) | (0.04) |
| Total financial liabilities at fair value through profit or loss | | | | (447) | (1.15) | (0.73) |
| Total investments at fair value through profit or loss | | | | 10,961 | 27.83 | 29.84 |
| | Cash at bank | | | 20,536 | 52.15 | 52.39 |
| | Margin cash | | | 8,600 | 21.84 | 20.16 |
| | Other net liabilities | | | (718) | (1.82) | (2.39) |
| Total Net Assets | | | | 39,379 | 100.00 | 100.00 |

Analysis of Portfolio (unaudited)

| | % of Total Assets |
|--|-------------------|
| Transferable securities admitted to an official stock exchange listing or traded on a regulated market | 24.57 |
| OTC financial derivative instruments | 1.27 |
| Collective investment schemes | 2.19 |
| Other assets | 71.97 |
| | 100.00 |

The counterparties to the derivative contracts held on this sub-fund at 31 March 2014 are as follows:

Forwards: State Street
CFDs: Goldman Sachs

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

TRADITIONAL FUNDS plc

BALANCE SHEET

As at 31 March 2013

| | F&C European Equity Long/Short Fund**** | | F&C High Income Bond Fund | | Eastern European Fund | | F&C Global Emerging Markets Fund | | F&C Macro Global Bond Fund (£) | | F&C Macro Global Bond Fund (€) | | F&C Macro Global Bond Fund (\$) | | F&C Emerging Government Bond Fund | | Thames River World Agriculture Short Fund | | F&C Global Credit Fund**** | | F&C Credit Select Fund**** | | F&C Real Estate Securities Equity Long/Short Fund | | F&C Global Emerging Markets BSI Bond Opportunity Fund** | | Thames River - F&C Global High Yield Fund | | F&C Real Estate Equity Short Fund*** | | Total |
|--|---|----------------|---------------------------|-----------------|-----------------------|-----------------|----------------------------------|-----------------|--------------------------------|-------------|--------------------------------|----------------|---------------------------------|----------------|-----------------------------------|--------------|---|----------------|----------------------------|---------|----------------------------|------|---|------|---|------|---|------|--------------------------------------|------|------------------|
| | Notes | €000 | US\$000 | US\$000 | US\$000 | US\$000 | US\$000 | US\$000 | £000 | £000 | €000 | US\$000 | US\$000 | US\$000 | US\$000 | US\$000 | £000 | US\$000 | £000 | US\$000 | US\$000 | £000 | US\$000 | £000 | US\$000 | £000 | US\$000 | £000 | US\$000 | €000 | |
| Current Assets | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cash at bank | 5 | 3,403 | 47,857 | 57,325 | 5 | 54,122 | 26,202 | 15,607 | 381 | 13 | 11,010 | 6,897 | 2,296 | 13,164 | 661 | 139 | 3,709 | 33,264 | | | | | | | | | | | | | 258,946 |
| Margin cash | 5(a) | - | 8,685 | 4,998 | 1,827 | 21,982 | 6,937 | 1,328 | 50 | - | 5,159 | - | - | 5,095 | 2,042 | - | 52 | 12,800 | | | | | | | | | | | | | 70,566 |
| Debtors | 4 | 79 | 19,196 | 8,428 | 1,687 | 3,229 | 296 | 70 | 171 | - | 3,218 | 104 | 48 | 245 | 131 | - | 157 | 1,033 | | | | | | | | | | | | | 31,447 |
| Financial assets at fair value through profit or loss | 2, 3 | - | 146,536 | 500,620 | 157,027 | 411,500 | 187,262 | 26,824 | 17,773 | - | 41,357 | - | - | 14,550 | 14,006 | - | 6,388 | 19,404 | | | | | | | | | | | | | 1,420,966 |
| Total current assets | | 3,482 | 222,274 | 571,371 | 160,546 | 490,833 | 220,697 | 43,829 | 18,375 | 13 | 60,744 | 7,001 | 2,344 | 33,054 | 16,840 | 139 | 10,306 | 66,501 | | | | | | | | | | | | | 1,781,925 |
| Current Liabilities | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Financial liabilities at fair value through profit or loss | 2, 3 | - | (4,794) | (21) | - | (7,432) | (2,408) | (340) | (1) | - | (1,351) | - | - | (269) | (142) | - | (479) | (458) | | | | | | | | | | | | | (17,629) |
| Bank overdraft | 5(c) | - | (71) | - | (615) | - | - | - | - | - | - | - | - | - | - | - | - | - | | | | | | | | | | | | | (534) |
| Margin cash payable | 5(b) | - | - | - | (622) | - | - | (95) | (34) | - | (766) | - | - | - | - | - | (46) | - | | | | | | | | | | | | | (1,228) |
| Creditors – amounts falling due within one year | 7 | (3,482) | (8,266) | (21,883) | (1,921) | (30,568) | (15,934) | (12,482) | (412) | (13) | (2,935) | (7,001) | (2,344) | (995) | (262) | (139) | (318) | (2,583) | | | | | | | | | | | | | (106,645) |
| Total current liabilities | | (3,482) | (13,131) | (21,904) | (3,158) | (38,000) | (18,342) | (12,917) | (447) | (13) | (5,052) | (7,001) | (2,344) | (1,264) | (404) | (139) | (843) | (3,041) | | | | | | | | | | | | | (126,036) |
| Net assets attributable to redeemable participating shares (at bid market prices) | | - | 209,143 | 549,467 | 157,388 | 452,833 | 202,355 | 30,912 | 17,928 | - | 55,692 | - | - | 31,790 | 16,436 | - | 9,463 | 63,460 | | | | | | | | | | | | | 1,655,889 |
| Adjustment from bid market prices to last traded market prices | | - | 431 | 2,254 | 332 | 8 | 8 | 1 | 36 | - | 75 | - | - | 36 | 13 | - | 29 | 27 | | | | | | | | | | | | | 2,563 |
| Net assets attributable to redeemable participating shares (at last traded market prices) | | - | 209,574 | 551,721 | 157,720 | 452,841 | 202,363 | 30,913 | 17,964 | - | 55,767 | - | - | 31,826 | 16,449 | - | 9,492 | 63,487 | | | | | | | | | | | | | 1,658,452 |

* Terminated 17 April 2012. ** Terminated 17 December 2012. *** Launched 3 December 2012. **** Terminated 26 March 2013

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

TRADITIONAL FUNDS plc

PROFIT AND LOSS ACCOUNT

For the year ended 31 March 2014

| | Notes | F&C High Income Bond Fund US\$000 | Eastern European Fund US\$000 | F&C Global Emerging Markets Fund US\$000 | F&C Macro Global Bond Fund (£) £000 | F&C Macro Global Bond Fund (€) €000 | F&C Macro Global Bond Fund (\$) US\$000 | F&C Emerging Asia Fund US\$000 |
|---|-------|--|--|--|---|---|---|---|
| Income | 2 | | | | | | | |
| Investment income | | 1 | 18,569 | 2,980 | – | – | – | 351 |
| Bank deposit interest | | 8 | 24 | 3 | 84 | 1 | – | 1 |
| Bond interest income | | 9,687 | – | – | 3,379 | 1,053 | 230 | – |
| Net gain/(loss) on financial assets and financial liabilities at fair value through profit or loss | 3 | 4,344 | (52,983) | (7,609) | 2,405 | (405) | 1,354 | (178) |
| Total investment income/(expense) | | 14,040 | (34,390) | (4,626) | 5,868 | 649 | 1,584 | 174 |
| Expenses | 2 | | | | | | | |
| Investment Management fee | 15 | (2,422) | (8,688) | (1,900) | (3,753) | (1,505) | (355) | (279) |
| Performance fee | 15 | – | – | – | – | – | – | – |
| Administration fee | 15 | (151) | (454) | (101) | (374) | (137) | (35) | (19) |
| Custody fee | 15 | (186) | (872) | (219) | (155) | (34) | (17) | (76) |
| General expenses | | (367) | (854) | (196) | (444) | (174) | (126) | (144) |
| Audit fee | | (35) | (18) | (18) | (8) | (9) | (13) | (16) |
| Directors' fees | | (34) | (103) | (25) | (87) | (30) | (7) | (3) |
| Total operating expenses | | (3,195) | (10,989) | (2,459) | (4,821) | (1,889) | (553) | (537) |
| Net income/(expense) before finance costs | | 10,845 | (45,379) | (7,085) | 1,047 | (1,240) | 1,031 | (363) |
| Finance costs | | | | | | | | |
| Bank interest expense | | (119) | (194) | (9) | (19) | – | – | – |
| Distributions | 8 | (8,190) | – | – | – | – | – | – |
| Net equalisation | 2 | (2,537) | (1,556) | (151) | 1,338 | 1,440 | 72 | 25 |
| Total finance costs | | (10,846) | (1,750) | (160) | 1,319 | 1,440 | 72 | 25 |
| (Loss)/profit for the financial period | | (1) | (47,129) | (7,245) | 2,366 | 200 | 1,103 | (338) |
| Withholding tax | | (187) | (2,599) | (319) | – | – | – | (46) |
| Operating (loss)/profit | | (188) | (49,728) | (7,564) | 2,366 | 200 | 1,103 | (384) |
| Adjustment from bid market prices to last traded prices | 2 | 43 | (2,254) | (201) | 185 | 39 | 15 | 4 |
| (Decrease)/increase in net assets for the period attributable to redeemable participating shares from operations | | (145) | (51,982) | (7,765) | 2,551 | 239 | 1,118 | (380) |

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

TRADITIONAL FUNDS plc

PROFIT AND LOSS ACCOUNT

For the year ended 31 March 2014 (continued)

| | Notes | F&C Water and Agriculture Equity Long/ Short Fund US\$000 | F&C Real Estate Securities Fund £000 | F&C Global Emerging Markets Equity Long/ Short Fund* US\$000 | F&C Global High Yield Fund** €000 | F&C Real Estate Equity Long/Short Fund €000 | Total €000 |
|---|-------|--|--|---|--|--|-----------------|
| Income | 2 | | | | | | |
| Investment income | | 442 | 1,353 | 92 | - | 1,177 | 19,484 |
| Bank deposit interest | | 11 | 43 | - | 1 | 19 | 207 |
| Bond interest income | | 9 | 2 | - | 280 | - | 12,737 |
| Net gain/(loss) on financial assets and financial liabilities at fair value through profit or loss | 3 | 4,174 | 6,566 | 22 | (41) | 1,412 | (26,249) |
| Total investment income/(expense) | | 4,636 | 7,964 | 114 | 240 | 2,608 | 6,179 |
| Expenses | 2 | | | | | | |
| Investment Management fee | 15 | (744) | (419) | (74) | (70) | (483) | (17,778) |
| Performance fee | 15 | (11) | (435) | - | (27) | (234) | (786) |
| Administration fee | 15 | (47) | (35) | (7) | (6) | (43) | (1,278) |
| Custody fee | 15 | (67) | (34) | (15) | (10) | (46) | (1,395) |
| General expenses | | (146) | (115) | (73) | (61) | (123) | (2,441) |
| Audit fee | | (13) | (8) | (16) | (11) | (9) | (144) |
| Directors' fees | | (9) | (8) | (1) | (1) | (10) | (289) |
| Total operating expenses | | (1,037) | (1,054) | (186) | (186) | (948) | (24,111) |
| Net income/(expense) before finance costs | | 3,599 | 6,910 | (72) | 54 | 1,660 | (17,932) |
| Finance costs | | | | | | | |
| Bank interest expense | | (15) | (214) | (4) | - | (123) | (654) |
| Distributions | 8 | - | (262) | - | (167) | - | (6,574) |
| Net equalisation | 2 | 399 | 53 | 321 | (113) | 596 | 1,024 |
| Total finance costs | | 384 | (423) | 317 | (280) | 473 | (6,204) |
| Profit/(loss) for the financial period | | 3,983 | 6,487 | 245 | (226) | 2,133 | (24,136) |
| Withholding tax | | (78) | (41) | (12) | - | (60) | (2,521) |
| Operating profit/(loss) | | 3,905 | 6,446 | 233 | (226) | 2,073 | (26,657) |
| Adjustment from bid market prices to last traded prices | 2 | (64) | (2) | (13) | (29) | (7) | (1,618) |
| Increase/(decrease) in net assets for the period attributable to redeemable participating shares from operations | | 3,841 | 6,444 | 220 | (255) | 2,066 | (28,275) |

* For the period from 1 April 2013 to termination of the sub-fund on 29 August 2013

** For the period from 1 April 2013 to termination of the sub-fund on 30 December 2013

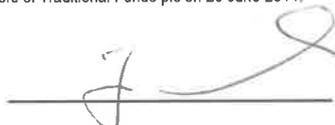
Gains and losses arose solely from continuing operations except for the F&C Global Emerging Markets Equity Long/Short Fund which terminated on 29 August 2013 and F&C Global High Yield Fund which terminated on 30 December 2013.

There were no recognised gains or losses other than those dealt with in the Profit and Loss Account.

The financial statements were approved by the Board of Directors of Traditional Funds plc on 26 June 2014.



Director



Director

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

TRADITIONAL FUNDS plc

PROFIT AND LOSS ACCOUNT

For the year ended 31 March 2013

| | Notes | F&C European Equity Long/ Short Fund**** | F&C High Income Bond Fund | Eastern European Fund | F&C Global Emerging Markets Fund | F&C Macro Global Bond Fund (£) | F&C Macro Global Bond Fund (€) | F&C Macro Global Bond Fund (\$) | F&C Emerging Asia Fund | Thames River World Government Bond Fund* |
|---|-------|---|---------------------------------|-----------------------------|---|---|---|--|------------------------------|--|
| | | €000 | US\$000 | US\$000 | US\$000 | £000 | €000 | US\$000 | US\$000 | £000 |
| Income | 2 | | | | | | | | | |
| Investment income | | 425 | 1 | 17,346 | 4,510 | – | – | – | 275 | – |
| Bank deposit interest | | 3 | 41 | 106 | 295 | 67 | 4 | – | 67 | 1 |
| Bond interest income | | 21 | 21,203 | – | – | 3,334 | 836 | 156 | – | – |
| Net gain/(loss) on financial assets and financial liabilities at fair value through profit or loss | 3 | 2,419 | (14,895) | 5,254 | 242 | (26,671) | (2,718) | (2,440) | (40) | 1 |
| Total investment income/(expense) | | 2,868 | 6,350 | 22,706 | 5,047 | (23,270) | (1,878) | (2,284) | 302 | 2 |
| Expenses | 2 | | | | | | | | | |
| Investment Management fee | 15 | (213) | (4,344) | (9,714) | (3,182) | (6,130) | (2,563) | (512) | (242) | – |
| Performance fee | 15 | (134) | – | – | – | – | – | – | – | – |
| Administration fee | 15 | (17) | (262) | (474) | (157) | (550) | (222) | (41) | (14) | – |
| Custody fee | 15 | (11) | (291) | (851) | (313) | (255) | (85) | (23) | (49) | – |
| General expenses | | (109) | (412) | (467) | (198) | (420) | (192) | (116) | (112) | (2) |
| Audit fee | | (10) | (26) | (16) | (14) | (11) | (9) | (10) | (12) | – |
| Directors' fees | | (2) | (35) | (65) | (18) | (74) | (25) | (6) | (2) | – |
| Total operating expenses | | (496) | (5,370) | (11,587) | (3,882) | (7,440) | (3,096) | (708) | (431) | (2) |
| Net income/(expense) before finance costs | | 2,372 | 980 | 11,119 | 1,165 | (30,710) | (4,974) | (2,992) | (129) | – |
| Finance costs | | | | | | | | | | |
| Bank interest expense | | (104) | (1,137) | (253) | (23) | – | (4) | – | – | – |
| Distributions | 8 | – | (19,776) | – | (268) | – | – | – | – | – |
| Net equalisation | 2 | 366 | (2,696) | (130) | (208) | 1,391 | 424 | 204 | (88) | (1) |
| Total finance costs | | 262 | (23,609) | (383) | (499) | 1,391 | 420 | 204 | (88) | (1) |
| Profit/(loss) for the financial year | | 2,634 | (22,629) | 10,736 | 666 | (29,319) | (4,554) | (2,788) | (217) | (1) |
| Withholding tax | | (45) | (117) | (2,614) | (490) | – | – | – | (42) | – |
| Operating profit/(loss) | | 2,589 | (22,746) | 8,122 | 176 | (29,319) | (4,554) | (2,788) | (259) | (1) |
| Adjustment from bid market prices to last traded prices | 2 | (10) | 45 | 1,872 | (140) | (63) | (62) | (3) | 15 | – |
| Increase/(decrease) in net assets for the year attributable to redeemable participating shares from operations | | 2,579 | (22,701) | 9,994 | 36 | (29,382) | (4,616) | (2,791) | (244) | (1) |

*For the period from 1 April 2012 to termination of the sub-fund on 17 April 2012

** For the period from 1 April 2012 to termination of the sub-fund on 17 December 2012

***For the period from launch of the sub-fund on 3 December 2012 to 31 March 2013

****For the period from 1 April 2012 to termination of the sub-fund on 26 March 2013

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

TRADITIONAL FUNDS plc

PROFIT AND LOSS ACCOUNT

For the year ended 31 March 2013 (continued)

| | Notes | F&C Water and Agriculture Equity Long/ Short Fund US\$000 | F&C Global Credit Fund**** €000 | F&C Credit Select Fund**** €000 | F&C Real Estate Securities Fund €000 | F&C Global Emerging Markets Equity Long/ Short Fund US\$000 | Thames River – BSI Bond Opportunity Fund** €000 | F&C Global High Yield Fund €000 | F&C Real Estate Equity Long/Short Fund*** €000 | Total €000 |
|---|-------|--|---|---|--|--|--|--|---|-----------------|
| Income | 2 | | | | | | | | | |
| Investment income | | 1,348 | – | – | 2,248 | 463 | – | – | 86 | 21,836 |
| Bank deposit interest | | 9 | 14 | 6 | 28 | 4 | 11 | – | 6 | 567 |
| Bond interest income | | 467 | 426 | 142 | – | 4 | 660 | 711 | – | 23,813 |
| Net gain/(loss) on financial assets and financial liabilities at fair value through profit or loss | 3 | 1,663 | 927 | 1,040 | 4,662 | 496 | 3,406 | 3,236 | (1,450) | – |
| Total investment income/(expense) | | 3,487 | 1,367 | 1,188 | 6,938 | 967 | 4,077 | 3,947 | (1,358) | 18,571 |
| Expenses | 2 | | | | | | | | | |
| Investment Management fee | 15 | (1,325) | (425) | (208) | (379) | (454) | (1,141) | (359) | (223) | (28,444) |
| Performance fee | 15 | (7) | – | (4) | (70) | – | – | (292) | (64) | (585) |
| Administration fee | 15 | (69) | (32) | (18) | (33) | (28) | (58) | (24) | (19) | (1,915) |
| Custody fee | 15 | (88) | (16) | (7) | (40) | (40) | (9) | (12) | (14) | (1,799) |
| General expenses | | (176) | (161) | (135) | (129) | (114) | (144) | (116) | (56) | (2,825) |
| Audit fee | | (12) | (16) | (13) | (12) | (17) | (9) | (15) | (10) | (193) |
| Directors' fees | | (7) | (4) | (2) | (4) | (4) | (7) | (3) | (2) | (247) |
| Total operating expenses | | (1,684) | (654) | (387) | (667) | (657) | (1,368) | (821) | (388) | (36,008) |
| Net income/(expense) before finance costs | | 1,803 | 713 | 801 | 6,271 | 310 | 2,709 | 3,126 | (1,746) | (17,437) |
| Finance costs | | | | | | | | | | |
| Bank interest expense | | (88) | (1) | (1) | (204) | (4) | (5) | (3) | (39) | (1,575) |
| Distributions | 8 | – | (134) | (55) | (210) | – | – | (383) | – | (16,376) |
| Net equalisation | 2 | 110 | 93 | 213 | (427) | 67 | 510 | 33 | – | 694 |
| Total finance costs | | 22 | (42) | 157 | (841) | 63 | 505 | (353) | (39) | (17,257) |
| Profit/(loss) for the financial year | | 1,825 | 671 | 958 | 5,430 | 373 | 3,214 | 2,773 | (1,785) | (34,694) |
| Withholding tax | | (239) | – | – | (108) | (60) | (1) | (7) | – | (2,948) |
| Operating profit/(loss) | | 1,586 | 671 | 958 | 5,322 | 313 | 3,213 | 2,766 | (1,785) | (37,642) |
| Adjustment from bid market prices to last traded prices | 2 | 19 | (50) | (15) | (59) | (49) | (76) | (8) | 27 | 1,066 |
| Increase/(decrease) in net assets for the year attributable to redeemable participating shares from operations | | 1,605 | 621 | 943 | 5,263 | 264 | 3,137 | 2,758 | (1,758) | (36,576) |

Gains and losses arose solely from continuing operations except for the Thames River World Government Bond Fund, Thames River – BSI Bond Opportunity Fund, F&C European Equity Long/Short Fund, F&C Global Credit Fund and F&C Credit Select Fund which terminated on 17 April 2012, 17 December 2012 and 26 March 2013 respectively.

There were no recognised gains or losses other than those dealt with in the Profit and Loss Account.

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

TRADITIONAL FUNDS plc

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

For the year ended 31 March 2014

| | | | | | | | | | | | | | |
|--|----------------|----------------|---------------|----------------|---------------|---------------|---------------|---------------|---------------|----------|----------|---------------|------------------|
| Net assets attributable to redeemable participating shareholders at the beginning of the year/period | 209,574 | 551,721 | 157,720 | 452,841 | 202,363 | 30,913 | 17,964 | 55,767 | 31,826 | 16,449 | 9,492 | 63,487 | 1,658,452 |
| Notional exchange adjustment | - | - | - | - | - | - | - | - | - | - | - | - | (37,182) |
| Increase/(decrease) in assets attributable to redeemable participating shareholders from operations | (145) | (51,982) | (7,765) | 2,551 | 239 | 1,118 | (380) | 3,841 | 6,444 | 220 | (255) | 2,066 | (28,275) |
| Share Transactions | | | | | | | | | | | | | |
| Proceeds from redeemable participating shares issued | 9,444 | 179,676 | 8,748 | 167,398 | 30,238 | 15,568 | 7,364 | 3,652 | 18,397 | 154 | 2,110 | 3,505 | 423,702 |
| Cost of redeemable participating shares redeemed | (78,289) | (293,677) | (89,319) | (266,810) | (147,219) | (16,630) | (8,835) | (30,571) | (12,012) | (16,823) | (11,347) | (29,679) | (916,985) |
| Net increase/(decrease) in net assets from share transactions | (68,845) | (114,001) | (80,571) | (99,412) | (116,981) | (1,062) | (1,471) | (26,919) | 6,385 | (16,669) | (9,237) | (26,174) | (493,283) |
| Net assets attributable to redeemable participating shareholders at the end of year/period | 140,584 | 385,738 | 69,384 | 355,980 | 85,621 | 30,969 | 16,113 | 32,699 | 44,655 | - | - | 39,379 | 1,099,712 |

* For the period from 1 April 2013 to termination of the sub-fund on 29 August 2013

** For the period from 1 April 2013 to termination of the sub-fund on 30 December 2013

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

TRADITIONAL FUNDS plc

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING SHAREHOLDERS

For the year ended 31 March 2013

| | | | | | | | | | | | | | | | | | | |
|--|----------|----------------|----------------|----------------|----------------|----------------|---------------|---------------|------|---------------|----------|----------|---------------|---------------|-----------|--------------|---------------|------------------|
| Net assets attributable to redeemable participating shareholders at the beginning of the year/period | 18,920 | 351,628 | 590,986 | 225,710 | 857,677 | 268,930 | 62,703 | 14,853 | 9 | 86,978 | 58,102 | 27,947 | 40,020 | 38,498 | 123,919 | 24,336 | - | 2,628,983 |
| Notional exchange adjustment | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 39,243 |
| Increase/(decrease) in assets attributable to redeemable participating shareholders from operations | 2,579 | (22,701) | 9,994 | 36 | (29,382) | (4,616) | (2,791) | (244) | (11) | 1,605 | 621 | 943 | 5,263 | 264 | 3,137 | 2,758 | (1,758) | (36,576) |
| Share Transactions | | | | | | | | | | | | | | | | | | |
| Proceeds from redeemable participating shares issued | 1,972 | 25,282 | 192,359 | 21,946 | 132,940 | 87,254 | 12,007 | 13,787 | - | 14,885 | 2,286 | 390 | 6,830 | 4,978 | 1,963 | 15,608 | 69,768 | 571,740 |
| Cost of redeemable participating shares redeemed | (23,471) | (144,635) | (241,618) | (89,972) | (508,394) | (149,205) | (41,006) | (10,432) | (8) | (47,701) | (61,009) | (29,280) | (20,287) | (27,291) | (129,019) | (33,210) | (4,523) | (1,544,938) |
| Net increase/(decrease) in net assets from share transactions | (21,499) | (119,353) | (49,259) | (68,026) | (375,454) | (61,951) | (28,999) | 3,355 | (8) | (32,816) | (58,723) | (28,890) | (13,457) | (22,313) | (127,056) | (17,602) | 65,245 | (973,198) |
| Net assets attributable to redeemable participating shareholders at the end of year/period | - | 209,574 | 551,721 | 157,720 | 452,841 | 202,363 | 30,913 | 17,964 | - | 55,767 | - | - | 31,826 | 16,449 | - | 9,492 | 63,487 | 1,658,452 |

* For the period from 1 April 2012 to termination of the sub-fund on 17 April 2012

** For the period from 1 April 2012 to termination of the sub-fund on 17 December 2012

*** For the period from launch of the sub-fund on 3 December 2012 to 31 March 2013

**** For the period from 1 April 2012 to termination of the sub-fund on 26 March 2013

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

31 March 2014

1. General

Traditional Funds plc (the “Company”) was incorporated on 25 February 1999 under the laws of the Republic of Ireland as an open-ended investment company with variable capital. The Company is an umbrella fund authorised by the Central Bank of Ireland (the “Central Bank”) as an investment company pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (as amended). At the reporting date the Company had ten active sub-funds (the “Funds”), each of which has segregated liability.

The Funds have distributing share classes which generally distribute substantially the whole of the net income (including interest and dividends) attributable to the share class. They may also have one or more classes of accumulating shares which do not generally pay a dividend or other distribution.

2. Principal Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

Basis of Preparation

The financial statements have been prepared in accordance with accounting standards generally accepted in Ireland 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). Accounting standards generally accepted in Ireland in preparing financial statements giving a true and fair view are those published by the Institute of Chartered Accountants in Ireland and issued by the Financial Reporting Council (“FRC”).

The format and certain wordings of the financial statements has been adapted from those contained in the Companies (Amendment) Act, 1986 and 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 itself of the exemption available to open-ended investment funds under FRS 1 “Cash Flow Statements” not to prepare a cash flow statement.

Historical Cost Convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of financial assets and financial liabilities held at fair value through profit or loss except for F&C Global Emerging Markets Equity Long/Short Fund and F&C Global High Yield Fund which terminated on 29 August 2013 and 30 December 2013 respectively. As a result of the termination of these Funds during the year, their financial statements were prepared on a non-going concern basis.

Foreign Exchange Translation

(a) Functional Currency

Items included in the Company’s financial statements are measured using the currency of the primary economic environment in which the respective Funds operate (the ‘functional currency’). The functional currency, which is either Euro, US Dollar or Sterling, is shown on the Balance Sheet for each Fund. The Company has also adopted these functional currencies as the presentation currency of each of the Funds. The functional and presentation currency of the Company is the Euro as the Company is incorporated in Ireland and authorised by the Central Bank.

31 March 2014

2. Principal Accounting Policies (continued)

Foreign Exchange Translation (continued)

(b) Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Profit and Loss Account.

Proceeds from subscriptions and amounts paid on redemption of redeemable participating shares are translated at actual exchange rates.

For the purposes of producing the combined financial statements, year end exchange rates are used for the Balance Sheet and average exchange rates (as an approximation of actual rates) are used for the Profit and Loss Account and the Statement of Changes in Net Assets Attributable to Redeemable Participating Shareholders. The currency gain/(loss) on retranslation of opening net assets is included in the Statement of Changes in Net Assets Attributable to Redeemable Participating Shareholders. The method of translation has no effect on the value of the net assets of each Fund.

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

(i) Classification

The Company classifies its investments in debt and equity securities, and related derivatives, as financial assets or financial liabilities at fair value through profit or loss. These financial assets and financial liabilities are classified as held for trading or designated by the Board of Directors as held at fair value through profit or loss at inception.

The Company makes short sales through derivatives in anticipation of a decline in the market value of that security, or it may use short sales for various arbitrage transactions or for hedging or other reasons. Derivatives in an unrealised loss position at the year end date are classified as financial liabilities at fair value through profit or loss.

(ii) Recognition/derecognition

Regular purchases and sales of investments are recognised on the trade date – the date on which the Company commits to purchase or sell the investment. 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.

(iii) Measurement

Financial assets and financial liabilities at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed in the Profit and Loss Account (see transaction costs accounting policy later in this note). Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the financial assets or financial liabilities as held at fair value through profit or loss category are presented in the Profit and Loss Account in the period in which they arise.

(iv) Critical accounting estimates and assumptions

Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined in sub-paragraph (v) below.

31 March 2014

2. Principal Accounting Policies (continued)

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

(v) Fair value of financial instruments

The fair value of financial instruments traded in active markets (such as equities) is based on quoted market prices at the Balance Sheet date. The quoted market price used for financial reporting purposes for financial assets held by the relevant Fund is the current bid price for a long position in a security. When the Fund holds derivatives with offsetting market risks, it uses mid-market prices as a basis for establishing fair values for the offsetting risk positions.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter (“OTC”) derivatives) may be determined by using valuation techniques. The Company may use a variety of methods and makes assumptions that are based on market conditions existing at each Balance Sheet date. Valuation techniques used may include the use of comparable recent arm’s length transactions, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants.

In preparing the financial statements, the assets and liabilities of each Fund were valued at the respective valuation point for each Fund on 31 March 2014 as follows: close of business Dublin time for the F&C High Income Bond Fund, the F&C Global Emerging Markets Fund and the F&C Emerging Asia Fund; 3.30 pm Dublin time for the Eastern European Fund and the F&C Water and Agriculture Equity Long/Short Fund; and 5.00 pm (Dublin time) for the F&C Macro Global Bond Funds (£), (€) and (\$), the F&C Real Estate Securities Fund and F&C Real Estate Equity Long/Short Fund. The funds were valued on 31 March 2014 as this was the last business day in the month.

Collective Investment Schemes

Collective Investment Schemes which are traded in active markets are valued using quoted market prices at the Balance Sheet date. Collective Investment Schemes which are not publicly traded are normally valued at the underlying unaudited net asset value as advised by the managers or administrators of these Collective Investment Schemes, unless the Manager is aware of good reasons why such a valuation would not be the most appropriate indicator of fair value.

Interest Rate Swaps

Interest rate swaps are valued using prices obtained from either market pricing services or counterparty statements.

Credit Default Swaps

Credit default swap contracts are fair-valued based upon quotations from pricing vendors and the change, if any, is recorded as an unrealised gain or loss. Payments received or made as a result of a credit event or termination of the contract are recognised as realised gains or losses.

Option Contracts

For open option contracts, changes in the fair value of the contract are recognised as unrealised gains or losses by fair-valuing the contract at the Balance Sheet date and are included in the movement in unrealised gain or loss on securities in the Profit and Loss Account. When the contract is closed, the difference between the proceeds from or cost of the closing transactions and the original transaction is recorded as a realised gain or loss. Exchange traded options in the Funds are fair valued at last traded market prices. Other options are fair valued using a pricing vendor or counterparty statements.

31 March 2014

2. Principal Accounting Policies (continued)

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

(v) Fair value of financial instruments (continued)

Total Return Swaps

Total return swaps are fair-valued based on the capital movement in the underlying security and any net interest or dividend payments paid or received are reflected in the Profit and Loss Account. The cost of funding the swap is included in net gain/(loss) on financial assets and financial liabilities at fair value through profit or loss in the Profit and Loss Account. Total return swaps are valued using prices obtained from a pricing vendor.

Forward Foreign Currency Transactions

Forward Foreign Currency Transactions ("FFCTs") are measured at fair value based on the closing prices of the FFCTs contract rates on the relevant foreign exchange market on a daily basis. Realised and unrealised gains and/or losses are reported in the Profit and Loss Account.

Futures

For open futures contracts, changes in the fair value of the contract are recognised as unrealised gains or losses by "marking-to-market" the value of the contract at the Balance Sheet date and are included in net gain/(loss) on financial assets and financial liabilities at fair value through profit or loss in the Profit and Loss Account. When the contract is closed, the difference between the proceeds from (or cost of) the closing transactions and the original transaction is recorded as a realised gain or loss. The margins paid on open futures have been disclosed separately in the Balance Sheet. Futures are fair-valued using a pricing vendor.

Contracts for Difference

Open Contracts for Difference ("CFDs") are carried at the net amount due to/from the counterparty under the terms of the agreement, including unrealised gains and losses from changes in fair value of the notional equities, and are recorded as derivative assets/liabilities at fair value on the Balance Sheet. Realised and unrealised gains and losses are recognised in the Profit and Loss account.

When the Company holds long CFDs it receives the dividends relating to the underlying equity and pays interest to the third party. When the CFDs are sold short, the Company receives interest on the contract value.

The contracts are valued based on the market value of the underlying security.

31 March 2014

2. Principal Accounting Policies (continued)

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

(v) Fair value of financial instruments (continued)

Equity Linked Notes

Equity linked notes are valued at the prevailing market price of the underlying equity or basket of equities at the reporting date. The resulting unrealised gains and losses for the year are included in the Balance Sheet and Profit and Loss Account. Realised gains and losses are included in the Profit and Loss Account. Equity linked notes are parity priced to the underlying asset and converted into the relevant equity linked note currency.

Investment Transactions

Investment transactions are accounted for on a trade date basis. Profits and losses on the disposal of investments are calculated by reference to the net proceeds received on disposal, net of transaction costs, and the average cost attributable to those investments, and are included in the Profit and Loss Account.

Income from Investments

Interest income and interest expense are recognised in the Profit and Loss Account for all debt instruments using the effective interest method which is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or financial liability.

Dividend income is credited to the Profit and Loss Account on the dates on which the relevant securities are listed as "ex-dividend". Dividend income is shown gross of any non-recoverable withholding taxes, which are disclosed separately in the Profit and Loss Account net of any tax credits.

Cash and Other Liquid Assets

Cash and other liquid assets are valued at their face value with interest accrued, where applicable.

Collateral

A Fund's assets may be deposited by or on behalf of the Fund for collateral purposes with counterparties in respect of over the counter financial derivative instruments held on the Fund. Such assets remain in the ownership of the relevant Fund and are recorded as an asset on the Balance Sheet.

Cash received as collateral is recorded as an asset on the Balance Sheet and is valued at its fair value. A related liability to repay the collateral is recorded as a liability on the Balance Sheet and is also valued at its fair value in line with the requirement of FRS 26 "Financial Instruments: Recognition and measurement".

Investments pledged by the Funds as collateral are recognised at fair value in the relevant Fund's Schedule of Investments and such investments are referenced accordingly at the base of the Schedule of Investments.

31 March 2014

2. Principal Accounting Policies (continued)

Receivables

Receivables are recognised initially at fair value plus transaction costs that are directly attributable to their acquisition origination. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Payables

Payables are recognised initially at fair value plus transaction costs that are directly attributable to their acquisition origination and subsequently measured at amortised cost.

Offsetting Financial Instruments

Financial assets and financial 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.

Redeemable Participating Shares

Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities. The participating share can be offered back to the Company at any time for cash equal to a proportionate share of the relevant Fund's net asset value. The participating share is carried at the redemption amount that is payable at the Balance Sheet date if the shareholder exercises its right to offer the share back to the Company.

In accordance with the current prospectus, listed investments and investments with prices in OTC markets or by market makers are stated at the last traded price on the valuation day for the purpose of determining net asset value per unit for subscriptions and redemptions and for various fee calculations, with occasional exceptions for market conditions and other reasons. However, as stated in note 2 (v) the accounting policy of the Company, for the purpose of compliance with FRS 26 "Financial Instruments: Recognition and measurement" and for financial reporting purposes, is to value its investments at the relevant bid market prices on the Balance Sheet date. As at 31 March 2014, the aggregate difference across all the Funds of the Company between the valuation of financial assets and financial liabilities at fair value through profit or loss as stated in the Portfolio Statement and the valuation methodology indicated in the current prospectus results in an aggregate decrease in value of investments equivalent to €828,000 (2013: €2,563,000) which represents 0.08% (2013: 0.15%) of the aggregate net asset value of the Funds.

Net assets attributable to redeemable participating shares represent a liability in the Balance Sheet, carried in accordance with FRS 26 "Financial Instruments: Recognition and measurement" at the redemption amount that would be payable at the Balance Sheet date if the shareholder exercised the right to redeem the shares. Consequently, the differences described above adjust the carrying amount of the net assets attributable to shareholders and are recognised in the Balance Sheet. The cumulative differences are included as "Adjustments from bid market prices to last traded market prices" on the Profit and Loss Account.

31 March 2014

2. Principal Accounting Policies (continued)

Operating Expenses

The Company is responsible for all normal operating expenses including audit fees, stamp and other duties and charges incurred on the acquisition and realisation of investments. Operating expenses are accounted for on an accruals basis.

Distributions

In general, the Directors have arranged to make distributions of substantially the whole of the net income attributable to the distributing share classes of each Fund (see Note 8). In addition, the Directors may distribute such part of any realised and unrealised capital gains less realised and unrealised capital losses attributable to the distributing share classes of the Funds as, in their opinion is appropriate to maintain a satisfactory level of distribution. Paid and proposed distributions to redeemable participating shares are classified as finance costs in the Profit and Loss Account. No dividends will be paid in respect of accumulating share classes. Note 19 sets out further information on the distribution policy of the Company.

Income Equalisation

Income equalisation is a process by which accrued income included in the price of shares purchased and redeemed during the accounting year is reported to shareholders. The subscription price of shares is deemed to include an equalisation payment calculated by reference to the accrued income of the relevant Fund and the first distribution in respect of any share will include a payment of income usually equal to or greater than the amount of such equalisation payment. The redemption price of each share will also include an equalisation payment in respect of the accrued income of the relevant Fund up to the date of redemption. Income equalisation is classified as finance costs in the Profit and Loss Account.

Transaction Costs

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument. When a financial asset or financial liability is recognised initially, it is measured at its fair value through profit or loss, plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Transaction costs on purchases or sales of financial assets or financial liabilities are included in its purchase and sale price and in net gains/(losses) on financial assets and financial liabilities at fair value through profit or loss in the Profit and Loss Account of the Company. Separately identifiable transaction costs are disclosed in note 21 of the financial statements.

Transaction costs of the Custodian and Trustee or the Sub-Custodian (as the case may be) are embedded in the custody fee line in the profit and loss account.

TRADITIONAL FUNDS plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2014

3. Financial Assets and Financial Liabilities at Fair Value through Profit or Loss

| | F&C High Income Bond Fund 2014 US\$000 | Eastern European Fund 2014 US\$000 | F&C Global Emerging Markets Fund 2014 US\$000 | F&C Macro Global Bond Fund (£) 2014 £000 | F&C Macro Global Bond Fund (€) 2014 €000 | F&C Macro Global Bond Fund (\$) 2014 US\$000 | F&C Emerging Asia Fund 2014 US\$000 |
|---|--|--|--|---|---|---|---|
| Financial assets at fair value through profit or loss | | | | | | | |
| At initial recognition | 170,931 | 348,563 | 62,406 | 334,521 | 82,043 | 28,242 | 15,233 |
| Unrealised gain/(loss) on investments | (32,658) | (23,150) | 6,723 | (8,505) | (2,033) | 170 | 562 |
| | 138,273 | 325,413 | 69,129 | 326,016 | 80,010 | 28,412 | 15,795 |
| Gain on FX Options | - | - | - | 1,127 | 454 | 37 | - |
| Unrealised gain on FFCTs | 591 | - | - | - | 15 | - | - |
| Unrealised gain on CFDs and futures | 55 | 2,548 | - | - | - | - | - |
| | 138,919 | 327,961 | 69,129 | 327,143 | 80,479 | 28,449 | 15,795 |
| Financial liabilities at fair value through profit or loss | | | | | | | |
| At initial recognition | (5,297) | - | - | - | - | - | - |
| Unrealised loss on investments | (4,185) | - | - | - | - | - | - |
| | (9,482) | - | - | - | - | - | - |
| Unrealised loss on FFCTs | (2,210) | - | - | (1,532) | (244) | (51) | - |
| Unrealised loss on CFDs and futures | - | - | - | - | - | - | - |
| | (11,692) | - | - | (1,532) | (244) | (51) | - |
| Net gain/(loss) on financial assets and financial liabilities at fair value through profit or loss | | | | | | | |
| Realised (loss)/gain on investments | (20,225) | (3,260) | 4,639 | 8,457 | 2,044 | 856 | (237) |
| Change in unrealised gain/(loss) on investments | 6,842 | (42,499) | (8,666) | (12,390) | (1,911) | 396 | 214 |
| Net gain/(loss) on currencies and FFCTs | 17,727 | (7,224) | (3,582) | 6,338 | (538) | 102 | (155) |
| | 4,344 | (52,983) | (7,609) | 2,405 | (405) | 1,354 | (178) |

TRADITIONAL FUNDS plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2014

3. Financial Assets and Financial Liabilities at Fair Value through Profit or Loss (continued)

| | F&C Water and Agriculture Equity Long/ Short Fund 2014 US\$000 | F&C Real Estate Securities Fund 2014 £000 | F&C Global Emerging Markets Equity Long/ Short Fund* 2014 US\$000 | F&C Global High Yield Fund** 2014 €000 | F&C Real Estate Equity Long/Short Fund 2014 €000 | Total 2014 €000 |
|---|--|--|---|--|--|-----------------------|
| Financial assets at fair value through profit or loss | | | | | | |
| At initial recognition | 26,061 | 15,824 | – | – | 10,315 | 988,795 |
| Unrealised gain/(loss) on investments | 2,520 | 1,832 | – | – | 578 | (42,781) |
| | 28,581 | 17,656 | – | – | 10,893 | 946,014 |
| Gain on FX Options | – | – | – | – | – | 1,844 |
| Unrealised gain on FFCTs | 58 | 2 | – | – | 44 | 532 |
| Unrealised gain on CFDs and futures | 121 | 581 | – | – | 471 | 3,150 |
| | 28,760 | 18,239 | – | – | 11,408 | 951,540 |
| Financial liabilities at fair value through profit or loss | | | | | | |
| At initial recognition | – | – | – | – | – | (3,843) |
| Unrealised loss on investments | – | – | – | – | – | (3,036) |
| | – | – | – | – | – | (6,879) |
| Unrealised loss on FFCTs | – | (53) | – | – | (15) | (3,817) |
| Unrealised loss on CFDs and futures | (430) | (756) | – | – | (432) | (1,658) |
| | (430) | (809) | – | – | (447) | (12,354) |
| Net gain/(loss) on financial assets and financial liabilities at fair value through profit or loss | | | | | | |
| Realised (loss)/gain on investments | (737) | 7,322 | 842 | 75 | (105) | 12,589 |
| Change in unrealised gain/(loss) on investments | 2,034 | (356) | (1,101) | (51) | 863 | (47,871) |
| Net gain/(loss) on currencies and FFCTs | 2,877 | (400) | 281 | (65) | 654 | 9,033 |
| | 4,174 | 6,566 | 22 | (41) | 1,412 | (26,249) |

*Terminated 29 August 2013

** Terminated 30 December 2013

TRADITIONAL FUNDS plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2014

3. Financial Assets and Financial Liabilities at Fair Value through Profit or Loss (continued)

| | F&C European Equity Long/ Short Fund**** | | F&C High Income Bond Fund | Eastern European Fund | F&C Global Emerging Markets Fund | F&C Macro Global Bond Fund (£) | F&C Macro Global Bond Fund (€) | F&C Macro Global Bond Fund (\$) | F&C Emerging Asia Fund | Thames River World Government Bond Fund* |
|---|---|-----------------|---------------------------------|-----------------------------|---|---|---|--|------------------------------|--|
| | 2013 | 2013 | 2013 | 2013 | 2013 | 2013 | 2013 | 2013 | 2013 | 2013 |
| | €000 | US\$000 | US\$000 | US\$000 | £000 | €000 | US\$000 | US\$000 | £000 | |
| Financial assets at fair value through profit or loss | | | | | | | | | | |
| At initial recognition | - | 144,796 | 478,703 | 141,638 | 402,487 | 186,520 | 26,831 | 17,424 | - | |
| Unrealised gain/(loss) on investments | - | 506 | 21,917 | 15,389 | 4,840 | 668 | (67) | 347 | - | |
| | - | 145,302 | 500,620 | 157,027 | 407,327 | 187,188 | 26,764 | 17,771 | - | |
| Unrealised gain on FFCTs | - | 1,234 | - | - | 4,173 | 74 | 60 | - | - | |
| Unrealised gain on CFDs and futures | - | - | - | - | - | - | - | 2 | - | |
| | - | 146,536 | 500,620 | 157,027 | 411,500 | 187,262 | 26,824 | 17,773 | - | |
| Financial liabilities at fair value through profit or loss | | | | | | | | | | |
| At initial recognition | - | (1,081) | - | - | - | - | - | - | - | |
| Unrealised loss on investments | - | (2,477) | - | - | - | - | - | - | - | |
| | - | (3,558) | - | - | - | - | - | - | - | |
| Unrealised loss on FFCTs | - | (1,236) | - | - | (187) | (355) | (32) | - | - | |
| Unrealised loss on CFDs and futures | - | - | (21) | - | (7,245) | (2,053) | (308) | (1) | - | |
| | - | (4,794) | (21) | - | (7,432) | (2,408) | (340) | (1) | - | |
| Net gain/(loss) on financial assets and financial liabilities at fair value through profit or loss | | | | | | | | | | |
| Realised gain/(loss) on investments | 4,131 | (22,694) | (10,321) | 6,155 | (31,971) | (14,256) | (2,649) | 753 | - | |
| Change in unrealised (loss)/gain on investments | (1,730) | 10,539 | 22,223 | (2,458) | 11,204 | 1,056 | (237) | (765) | - | |
| Net gain/(loss) on currencies and FFCTs | 18 | (2,740) | (6,648) | (3,455) | (5,904) | 10,482 | 446 | (28) | 1 | |
| | 2,419 | (14,895) | 5,254 | 242 | (26,671) | (2,718) | (2,440) | (40) | 1 | |

* Terminated 17 April 2012

** Terminated 17 December 2012

*** Launched 3 December 2012

**** Terminated 26 March 2013

TRADITIONAL FUNDS plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2014

3. Financial Assets and Financial Liabilities at Fair Value through Profit or Loss (continued)

| | F&C Water and Agriculture Equity Long/ Short Fund 2013 US\$000 | F&C Global Credit Fund**** 2013 €000 | F&C Credit Select Fund**** 2013 €000 | F&C Real Estate Securities Fund 2013 £000 | F&C Global Emerging Markets Equity Long/ Short Fund 2013 US\$000 | Thames River – BSI Bond Opportunity Fund** 2013 €000 | F&C Global High Yield Fund 2013 €000 | F&C Real Estate Equity Long/Short Fund*** 2013 €000 | Total 2013 €000 |
|---|--|---|---|--|--|--|--|---|-----------------------|
| Financial assets at fair value through profit or loss | | | | | | | | | |
| At initial recognition | 39,830 | – | – | 12,408 | 12,770 | – | 5,874 | 19,120 | 1,373,410 |
| Unrealised gain/(loss) on investments | 1,174 | – | – | 1,612 | 1,134 | – | 498 | (470) | 39,787 |
| | 41,004 | – | – | 14,020 | 13,904 | – | 6,372 | 18,650 | 1,413,197 |
| Unrealised gain on FFCTs | 25 | – | – | 8 | 6 | – | 16 | 93 | 6,159 |
| Unrealised gain on CFDs and futures | 328 | – | – | 522 | 96 | – | – | 661 | 1,610 |
| | 41,357 | – | – | 14,550 | 14,006 | – | 6,388 | 19,404 | 1,420,966 |
| Financial liabilities at fair value through profit or loss | | | | | | | | | |
| At initial recognition | – | – | – | – | – | – | (10) | – | (852) |
| Unrealised loss on investments | – | – | – | – | – | – | (453) | – | (2,382) |
| | – | – | – | – | – | – | (463) | – | (3,234) |
| Unrealised loss on FFCTs | (27) | – | – | (23) | (13) | – | (16) | (23) | (1,661) |
| Unrealised loss on CFDs and futures | (1,324) | – | – | (246) | (129) | – | – | (435) | (12,734) |
| | (1,351) | – | – | (269) | (142) | – | (479) | (458) | (17,629) |
| Net gain/(loss) on financial assets and financial liabilities at fair value through profit or loss | | | | | | | | | |
| Realised gain/(loss) on investments | 5,773 | 557 | 567 | 3,542 | (758) | 2,100 | 2,017 | 975 | (57,158) |
| Change in unrealised (loss)/gain on investments | (1,325) | (247) | (163) | 1,632 | 2,436 | (188) | 686 | (244) | 38,487 |
| Net gain/(loss) on currencies and FFCTs | (2,785) | 617 | 636 | (512) | (1,182) | 1,494 | 533 | (2,181) | (8,974) |
| | 1,663 | 927 | 1,040 | 4,662 | 496 | 3,406 | 3,236 | (1,450) | (27,645) |

TRADITIONAL FUNDS plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2014

4. Debtors

| | F&C High Income Bond Fund 2014 US\$000 | Eastern European Fund 2014 US\$000 | F&C Global Emerging Markets Fund 2014 US\$000 | F&C Macro Global Bond Fund (£) 2014 £000 | F&C Macro Global Bond Fund (€) 2014 €000 | F&C Macro Global Bond Fund (\$) 2014 US\$000 | F&C Emerging Asia Fund 2014 US\$000 |
|---|--|--|--|---|---|---|---|
| <i>Amounts falling due within one year:</i> | | | | | | | |
| Securities sold receivable | 5,552 | – | 338 | – | – | – | – |
| Bond interest receivable | 2,001 | – | – | – | – | – | – |
| Subscriptions receivable | – | 200 | – | 189 | 78 | – | 7 |
| Dividends receivable | – | – | 232 | – | – | – | 36 |
| Bank interest receivable | – | – | – | 606 | 345 | 39 | – |
| Sundry debtors | – | 1 | – | 1 | 1 | 1 | 3 |
| | 7,553 | 201 | 570 | 796 | 424 | 40 | 46 |

| | F&C Water and Agriculture Equity Long/ Short Fund 2014 US\$000 | F&C Real Estate Securities Fund 2014 £000 | F&C Global Emerging Markets Equity Long/ Short Fund* 2014 US\$000 | F&C Global High Yield Fund** 2014 €000 | F&C Real Estate Equity Long/Short Fund 2014 €000 | Total 2014 €000 |
|---|--|--|---|--|--|-----------------------|
| <i>Amounts falling due within one year:</i> | | | | | | |
| Securities sold receivable | – | 679 | – | – | 131 | 5,226 |
| Bond interest receivable | – | – | – | – | – | 1,452 |
| Subscriptions receivable | 3 | 5 | – | – | – | 465 |
| Dividends receivable | 18 | 140 | – | – | 20 | 397 |
| Bank interest receivable | 1 | – | – | – | – | 1,107 |
| Sundry debtors | – | 4 | 13 | 20 | 15 | 55 |
| | 22 | 828 | 13 | 20 | 166 | 8,702 |

*Terminated 29 August 2013

** Terminated 30 December 2013

| | F&C European Equity Long/Short Fund**** 2013 €000 | F&C High Income Bond Fund 2013 US\$000 | Eastern European Fund 2013 US\$000 | F&C Global Emerging Markets Fund 2013 US\$000 | F&C Macro Global Bond Fund (£) 2013 £000 | F&C Macro Global Bond Fund (€) 2013 €000 | F&C Macro Global Bond Fund (\$) 2013 US\$000 | F&C Emerging Asia Fund 2013 US\$000 | Thames River World Government Bond Fund* 2013 £000 |
|---|---|--|--|--|---|---|---|---|--|
| <i>Amounts falling due within one year:</i> | | | | | | | | | |
| Securities sold receivable | 50 | 16,536 | 5,420 | 1,238 | – | – | – | 119 | |
| Bond interest receivable | – | 2,459 | – | – | 293 | 285 | 15 | – | |
| Subscriptions receivable | – | 179 | 2,747 | 12 | 2,935 | 5 | 54 | 19 | |
| Dividends receivable | 25 | – | 261 | 435 | – | – | – | 33 | |
| Bank interest receivable | 4 | – | – | – | – | – | – | – | |
| Sundry debtors | – | 22 | – | 2 | 1 | 6 | 1 | – | |
| | 79 | 19,196 | 8,428 | 1,687 | 3,229 | 296 | 70 | 171 | |

* Terminated 17 April 2012

** Terminated 17 December 2012

*** Launched 3 December 2012

**** Terminated 26 March 2013

TRADITIONAL FUNDS plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2014

4. Debtors (continued)

| | F&C Water and Agriculture Equity Long/ Short Fund 2013 US\$000 | F&C Global Credit Fund**** 2013 €000 | F&C Credit Select Fund**** 2013 €000 | F&C Real Estate Securities Fund 2013 €000 | F&C Global Emerging Markets Equity Long/ Short Fund 2013 US\$000 | Thames River – BSI Bond Opportunity Fund** 2013 €000 | F&C Global High Yield Fund 2013 €000 | F&C Real Estate Equity Long/Short Fund*** 2013 €000 | Total 2013 €000 |
|---|--|---|---|--|--|--|--|---|-----------------------|
| <i>Amounts falling due within one year:</i> | | | | | | | | | |
| Securities sold receivable | 3,042 | 90 | 35 | 71 | – | – | – | 203 | 20,986 |
| Bond interest receivable | 85 | – | – | – | – | – | 143 | – | 2,767 |
| Subscriptions receivable | 28 | – | 1 | 13 | 57 | – | – | 760 | 6,663 |
| Dividends receivable | 52 | – | 2 | 150 | 59 | – | – | 47 | 906 |
| Bank interest receivable | 1 | 7 | 3 | 2 | – | – | – | 3 | 20 |
| Sundry debtors | 10 | 7 | 7 | 9 | 15 | – | 14 | 20 | 105 |
| | 3,218 | 104 | 48 | 245 | 131 | – | 157 | 1,033 | 31,447 |

* Terminated 17 April 2012

** Terminated 17 December 2012

*** Launched 3 December 2012

**** Terminated 26 March 2013

5. Cash at bank

At 31 March 2014, cash at bank was deposited with the following institutions on behalf of the relevant Funds:

| | F&C High Income Bond Fund 2014 US\$000 | Eastern European Fund 2014 US\$000 | F&C Global Emerging Markets Fund 2014 US\$000 | F&C Macro Global Bond Fund (£) 2014 €000 | F&C Macro Global Bond Fund (€) 2014 €000 | F&C Macro Global Bond Fund (\$) 2014 US\$000 | F&C Emerging Asia Fund 2014 US\$000 |
|--|--|--|--|---|---|---|---|
| Barclays Bank | 1 | 5,249 | – | – | 1 | 1 | 1 |
| BNP Paribas | 1 | 5,249 | – | 1 | 1 | – | 1 |
| Deutsche Bank | – | – | – | – | – | – | 1 |
| Santander | – | 5,249 | – | – | 1 | – | 1 |
| State Street Custodial Services (Ireland) Limited | 6,652 | 39,337 | 411 | 32,953 | 6,838 | 2,752 | 513 |
| | 6,654 | 55,084 | 411 | 32,954 | 6,841 | 2,753 | 517 |

| | F&C Water and Agriculture Equity Long/ Short Fund 2014 US\$000 | F&C Real Estate Securities Fund 2014 €000 | F&C Global Emerging Markets Equity Long/ Short Fund* 2014 US\$000 | F&C Global High Yield Fund** 2014 €000 | F&C Real Estate Equity Long/Short Fund 2014 €000 | Total 2014 €000 |
|--|--|--|---|--|--|-----------------------|
| Barclays Bank | – | 5,640 | – | – | 6,559 | 17,193 |
| BNP Paribas | – | 7,169 | – | – | 6,559 | 19,043 |
| Deutsche Bank | – | – | – | – | – | 1 |
| Santander | – | 5,413 | – | – | 6,559 | 16,917 |
| State Street Custodial Services (Ireland) Limited | 872 | 1,133 | 98 | 75 | 859 | 85,742 |
| | 872 | 19,355 | 98 | 75 | 20,536 | 138,896 |

*Terminated 29 August 2013

** Terminated 30 December 2013

TRADITIONAL FUNDS plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2014

5. Cash at bank (continued)

At 31 March 2013, cash at bank was deposited with the following institutions on behalf of the relevant Funds:

| | F&C European Equity Long/Short Fund**** 2013 €000 | F&C High Income Bond Fund 2013 US\$000 | Eastern European Fund 2013 US\$000 | F&C Global Emerging Markets Fund 2013 US\$000 | F&C Macro Global Bond Fund (£) 2013 £000 | F&C Macro Global Bond Fund (€) 2013 €000 | F&C Macro Global Bond Fund (\$) 2013 US\$000 | F&C Emerging Asia Fund 2013 US\$000 | Thames River World Government Bond Fund* 2013 £000 |
|--|---|--|--|--|---|---|---|---|--|
| Barclays Bank | - | 11,150 | - | - | - | 1 | 3,655 | 1 | - |
| BNP Paribas | - | 11,149 | 1 | - | - | 1 | 3,655 | 1 | - |
| Deutsche Bank | - | - | - | - | - | - | - | 1 | - |
| Santander | - | - | 2 | - | - | 1 | 3,655 | 1 | - |
| State Street Custodial Services (Ireland) Limited | 3,403 | 25,558 | 57,322 | 5 | 54,122 | 26,199 | 4,642 | 377 | 13 |
| | 3,403 | 47,857 | 57,325 | 5 | 54,122 | 26,202 | 15,607 | 381 | 13 |

| | F&C Water and Agriculture Equity Long/ Short Fund 2013 US\$000 | F&C Global Credit Fund**** 2013 €000 | F&C Credit Select Fund**** 2013 €000 | F&C Real Estate Securities Fund 2013 £000 | F&C Global Emerging Markets Equity Long/ Short Fund 2013 US\$000 | Thames River – BSI Bond Opportunity Fund** 2013 €000 | F&C Global High Yield Fund 2013 €000 | F&C Real Estate Equity Long/Short Fund*** 2013 €000 | Total 2013 €000 |
|--|--|---|---|--|--|--|--|---|-----------------------|
| Barclays Bank | 605 | 1 | 1 | 5,597 | 1 | 3 | 1,234 | 9,646 | 29,507 |
| BNP Paribas | 605 | 1 | 1 | 2,350 | 1 | - | 1,233 | 9,646 | 25,663 |
| Deutsche Bank | - | - | - | - | - | - | - | - | 1 |
| Santander | 605 | - | - | 4,353 | 1 | - | - | 9,646 | 18,115 |
| State Street Custodial Services (Ireland) Limited | 9,195 | 6,895 | 2,294 | 864 | 658 | 136 | 1,242 | 4,326 | 185,660 |
| | 11,010 | 6,897 | 2,296 | 13,164 | 661 | 139 | 3,709 | 33,264 | 258,946 |

* Terminated 17 April 2012

** Terminated 17 December 2012

*** Launched 3 December 2012

**** Terminated 26 March 2013

TRADITIONAL FUNDS plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2014

5. (a) Margin cash

As at 31 March 2014, margin cash was deposited with the following institutions on behalf of the relevant Funds:

| | F&C High Income Bond Fund 2014 US\$000 | Eastern European Fund 2014 US\$000 | F&C Global Emerging Markets Fund 2014 US\$000 | F&C Macro Global Bond Fund (£) 2014 £000 | F&C Macro Global Bond Fund (€) 2014 €000 | F&C Macro Global Bond Fund (\$) 2014 US\$000 | F&C Emerging Asia Fund 2014 US\$000 |
|-------------------------------|--|--|--|---|---|---|---|
| Bank of America Merrill Lynch | - | - | - | - | - | - | - |
| Barclays Bank | 950 | - | - | - | - | - | - |
| Credit Suisse | - | 12,406 | - | - | - | - | - |
| Deutsche Bank | 53 | - | - | - | - | - | - |
| Goldman Sachs | 353 | - | 284 | - | - | - | 52 |
| HSBC | 299 | - | - | - | - | - | - |
| JP Morgan | 10,667 | - | - | - | - | - | - |
| Morgan Stanley | - | - | - | - | - | - | - |
| Nomura | 3 | - | - | - | - | - | - |
| | 12,325 | 12,406 | 284 | - | - | - | 52 |

| | F&C Water and Agriculture Equity Long/ Short Fund 2014 US\$000 | F&C Real Estate Securities Fund 2014 £000 | F&C Global Emerging Markets Equity Long/ Short Fund* 2014 US\$000 | F&C Global High Yield Fund** 2014 €000 | F&C Real Estate Equity Long/Short Fund 2014 €000 | Total 2014 €000 |
|-------------------------------|--|--|---|--|--|-----------------------|
| Bank of America Merrill Lynch | 609 | - | - | - | - | 442 |
| Barclays Bank | - | - | - | - | - | 689 |
| Credit Suisse | - | - | - | - | - | 9,001 |
| Deutsche Bank | 1,103 | - | - | - | - | 839 |
| Goldman Sachs | - | 7,897 | - | - | 8,600 | 18,652 |
| HSBC | - | - | - | - | - | 217 |
| JP Morgan | - | - | - | - | - | 7,740 |
| Morgan Stanley | 2,423 | - | - | - | - | 1,758 |
| Nomura | - | - | - | - | - | 2 |
| | 4,135 | 7,897 | - | - | 8,600 | 39,340 |

*Terminated 29 August 2013

** Terminated 30 December 2013

TRADITIONAL FUNDS plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2014

5. (a) Margin cash (continued)

As at 31 March 2013, margin cash was deposited with the following institutions on behalf of the relevant Funds:

| | F&C European Equity Long/Short Fund**** 2013 €000 | F&C High Income Bond Fund 2013 US\$000 | Eastern European Fund 2013 US\$000 | F&C Global Emerging Markets Fund 2013 US\$000 | F&C Macro Global Bond Fund (£) 2013 £000 | F&C Macro Global Bond Fund (€) 2013 €000 | F&C Macro Global Bond Fund (\$) 2013 US\$000 | F&C Emerging Asia Fund 2013 US\$000 | Thames River World Government Bond Fund* 2013 £000 |
|-------------------------------|---|--|--|--|---|---|---|---|--|
| Bank of America Merrill Lynch | - | - | - | - | - | - | - | - | - |
| Citibank | - | - | - | - | - | - | - | - | - |
| Credit Suisse | - | 450 | 4,998 | - | 21,982 | 6,937 | 1,328 | - | - |
| Deutsche Bank | - | 53 | - | 1,206 | - | - | - | - | - |
| Goldman Sachs | - | 281 | - | 621 | - | - | - | 50 | - |
| HSBC | - | 4,132 | - | - | - | - | - | - | - |
| JP Morgan | - | 3,678 | - | - | - | - | - | - | - |
| Morgan Stanley | - | 90 | - | - | - | - | - | - | - |
| RBS | - | 1 | - | - | - | - | - | - | - |
| | - | 8,685 | 4,998 | 1,827 | 21,982 | 6,937 | 1,328 | 50 | - |

| | F&C Water and Agriculture Equity Long/ Short Fund 2013 US\$000 | F&C Global Credit Fund**** 2013 €000 | F&C Credit Select Fund**** 2013 €000 | F&C Real Estate Securities Fund 2013 £000 | F&C Global Emerging Markets Equity Long/ Short Fund 2013 US\$000 | Thames River – BSI Bond Opportunity Fund** 2013 €000 | F&C Global High Yield Fund 2013 €000 | F&C Real Estate Equity Long/Short Fund*** 2013 €000 | Total 2013 €000 |
|-------------------------------|--|---|---|--|--|--|--|---|-----------------------|
| Bank of America Merrill Lynch | 1,910 | - | - | - | 348 | - | - | - | 1,758 |
| Citibank | - | - | - | - | - | - | 1 | - | 1 |
| Credit Suisse | - | - | - | - | - | - | - | - | 38,207 |
| Deutsche Bank | 1,102 | - | - | - | 1,261 | - | - | - | 2,821 |
| Goldman Sachs | - | - | - | 5,095 | - | - | 50 | 12,800 | 19,616 |
| HSBC | - | - | - | - | - | - | - | - | 3,218 |
| JP Morgan | - | - | - | - | - | - | 1 | - | 2,865 |
| Morgan Stanley | 2,147 | - | - | - | 433 | - | - | - | 2,079 |
| RBS | - | - | - | - | - | - | - | - | 1 |
| | 5,159 | - | - | 5,095 | 2,042 | - | 52 | 12,800 | 70,566 |

* Terminated 17 April 2012

** Terminated 17 December 2012

*** Launched 3 December 2012

**** Terminated 26 March 2013

TRADITIONAL FUNDS plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2014

5. (b) Margin cash payable

As at 31 March 2014, margin cash was payable to the following institutions on behalf of the relevant Funds:

| | F&C High Income Bond Fund 2014 US\$000 | Eastern European Fund 2014 US\$000 | F&C Global Emerging Markets Fund 2014 US\$000 | F&C Macro Global Bond Fund (£) 2014 £000 | F&C Macro Global Bond Fund (€) 2014 €000 | F&C Macro Global Bond Fund (\$) 2014 US\$000 | F&C Emerging Asia Fund 2014 US\$000 |
|-------------------------------|--|--|--|---|---|---|---|
| Bank of America Merrill Lynch | - | - | - | - | - | - | - |
| Goldman Sachs | - | - | 283 | - | - | - | 52 |
| Morgan Stanley | - | - | - | - | - | - | - |
| | - | - | 283 | - | - | - | 52 |

| | F&C Water and Agriculture Equity Long/ Short Fund 2014 US\$000 | F&C Real Estate Securities Fund 2014 £000 | F&C Global Emerging Markets Equity Long/ Short Fund* 2014 US\$000 | F&C Global High Yield Fund** 2014 €000 | F&C Real Estate Equity Long/Short Fund 2014 €000 | Total 2014 €000 |
|-------------------------------|--|--|---|--|--|-----------------------|
| Bank of America Merrill Lynch | 364 | - | - | - | - | 265 |
| Goldman Sachs | - | - | - | - | - | 243 |
| Morgan Stanley | 6 | - | - | - | - | 4 |
| | 370 | - | - | - | - | 512 |

*Terminated 29 August 2013

** Terminated 30 December 2013

As at 31 March 2013, margin cash was payable to the following institutions on behalf of the relevant Funds:

| | F&C European Equity Long/Short Fund**** 2013 €000 | F&C High Income Bond Fund 2013 US\$000 | Eastern European Fund 2013 US\$000 | F&C Global Emerging Markets Fund 2013 US\$000 | F&C Macro Global Bond Fund (£) 2013 £000 | F&C Macro Global Bond Fund (€) 2013 €000 | F&C Macro Global Bond Fund (\$) 2013 US\$000 | F&C Emerging Asia Fund 2013 US\$000 | Thames River World Government Bond Fund* 2013 €000 |
|-------------------------------|---|--|--|--|---|---|---|---|--|
| Bank of America Merrill Lynch | - | - | - | - | - | - | - | - | - |
| Credit Suisse | - | - | - | - | - | - | 95 | - | - |
| Goldman Sachs | - | - | - | 622 | - | - | - | 34 | - |
| | - | - | - | 622 | - | - | 95 | 34 | - |

| | F&C Water and Agriculture Equity Long/ Short Fund 2013 US\$000 | F&C Global Credit Fund**** 2013 €000 | F&C Credit Select Fund**** 2013 €000 | F&C Real Estate Securities Fund 2013 £000 | F&C Global Emerging Markets Equity Long/ Short Fund 2013 US\$000 | Thames River – BSI Bond Opportunity Fund** 2013 €000 | F&C Global High Yield Fund 2013 €000 | F&C Real Estate Equity Long/Short Fund*** 2013 €000 | Total 2013 €000 |
|-------------------------------|--|---|---|--|--|--|--|---|-----------------------|
| Bank of America Merrill Lynch | 766 | - | - | - | - | - | - | - | 597 |
| Credit Suisse | - | - | - | - | - | - | - | - | 74 |
| Goldman Sachs | - | - | - | - | - | - | 46 | - | 557 |
| | 766 | - | - | - | - | - | 46 | - | 1,228 |

* Terminated 17 April 2012

** Terminated 17 December 2012

*** Launched 3 December 2012

**** Terminated 26 March 2013

TRADITIONAL FUNDS plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2014

5. (c) Bank overdraft

At 31 March 2014 the F&C Global Emerging Markets Fund held a bank overdraft with State Street Custodial Services (Ireland) Limited of US\$10,843.

At 31 March 2013 the F&C High Income Fund and the F&C Global Emerging Markets Fund held bank overdrafts with State Street Custodial Services (Ireland) Limited of US\$71,397 and US\$615,500 respectively.

6. Collateral

At 31 March 2014, F&C High Income Bond Fund, F&C Real Estate Securities Fund and F&C Real Estate Equity Long/Short Fund had pledged cash collateral of US\$4,930,000, £6,606,049 and €6,900,000 respectively. None of the other funds had pledged any cash collateral at that date. At 31 March 2014, collateral cash received is included in margin cash.

At 31 March 2013, none of the Funds had pledged any cash collateral. At 31 March 2013, collateral cash received is included in margin cash.

7. Creditors

| | F&C High Income Bond Fund 2014 US\$000 | Eastern European Fund 2014 US\$000 | F&C Global Emerging Markets Fund 2014 US\$000 | F&C Macro Global Bond Fund (£) 2014 £000 | F&C Macro Global Bond Fund (€) 2014 €000 | F&C Macro Global Bond Fund (\$) 2014 US\$000 | F&C Emerging Asia Fund 2014 US\$000 |
|---|--|--|--|---|---|---|---|
| <i>Amounts falling due within one year:</i> | | | | | | | |
| Securities purchased payable | 12,234 | – | – | – | – | – | – |
| Redemptions payable | 637 | 8,173 | 387 | 2,683 | 1,632 | 74 | 79 |
| Performance fee payable | – | – | – | – | – | – | – |
| Investment Management fee payable | 180 | 603 | 101 | 258 | 75 | 27 | 22 |
| Sundry creditors | 511 | 849 | 303 | 377 | 141 | 115 | 175 |
| Administration fee payable | 87 | 289 | 56 | 256 | 78 | 22 | 9 |
| | 13,649 | 9,914 | 847 | 3,574 | 1,926 | 238 | 285 |

| | F&C Water and Agriculture Equity Long/ Short Fund 2014 US\$000 | F&C Real Estate Securities Fund 2014 £000 | F&C Global Emerging Markets Equity Long/ Short Fund* 2014 US\$000 | F&C Global High Yield Fund** 2014 €000 | F&C Real Estate Equity Long/Short Fund 2014 €000 | Total 2014 €000 |
|---|--|--|---|--|--|-----------------------|
| <i>Amounts falling due within one year:</i> | | | | | | |
| Securities purchased payable | – | 10 | – | – | – | 8,888 |
| Redemptions payable | 1 | 489 | – | – | 463 | 12,717 |
| Performance fee payable | – | 166 | – | – | 172 | 373 |
| Investment Management fee payable | 48 | 41 | – | – | 34 | 1,182 |
| Sundry creditors | 23 | 155 | 108 | 92 | 210 | 2,599 |
| Administration fee payable | 239 | 28 | 3 | 3 | 25 | 961 |
| | 311 | 889 | 111 | 95 | 904 | 26,720 |

*Terminated 29 August 2013

** Terminated 30 December 2013

TRADITIONAL FUNDS plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2014

7. Creditors (continued)

| | F&C European Equity Long/Short Fund**** | F&C High Income Bond Fund | Eastern European Fund | F&C Global Emerging Markets Fund | F&C Macro Global Bond Fund (£) | F&C Macro Global Bond Fund (€) | F&C Macro Global Bond Fund (\$) | F&C Emerging Asia Fund | Thames River World Government Bond Fund* |
|---|---|---------------------------------|-----------------------------|---|---|---|--|------------------------------|--|
| | 2013 | 2013 | 2013 | 2013 | 2013 | 2013 | 2013 | 2013 | 2013 |
| | €000 | US\$000 | US\$000 | US\$000 | £000 | €000 | US\$000 | US\$000 | £000 |
| <i>Amounts falling due within one year:</i> | | | | | | | | | |
| Securities purchased payable | – | 5,965 | – | 606 | – | 12,337 | 600 | 146 | – |
| Redemptions payable | 3,195 | 1,206 | 19,542 | 482 | 29,201 | 3,003 | 11,707 | 95 | – |
| Performance fee payable | 134 | – | – | – | – | – | – | – | – |
| Investment Management fee payable | 13 | 272 | 872 | 240 | 387 | 177 | 34 | 29 | – |
| Sundry creditors | 123 | 571 | 997 | 434 | 424 | 195 | 99 | 128 | 13 |
| Administration fee payable | 17 | 252 | 472 | 159 | 556 | 222 | 42 | 14 | – |
| | 3,482 | 8,266 | 21,883 | 1,921 | 30,568 | 15,934 | 12,482 | 412 | 13 |

| | F&C Water and Agriculture Equity Long/ Short Fund | F&C Global Credit Fund**** | F&C Credit Select Fund**** | F&C Real Estate Securities Fund | F&C Global Emerging Markets Equity Long/ Short Fund | Thames River – BSI Bond Opportunity Fund** | F&C Global High Yield Fund | F&C Real Estate Equity Long/Short Fund*** | Total |
|---|---|-------------------------------------|-------------------------------------|--|---|--|----------------------------------|---|----------------|
| | 2013 | 2013 | 2013 | 2013 | 2013 | 2013 | 2013 | 2013 | 2013 |
| | US\$000 | €000 | €000 | £000 | US\$000 | €000 | €000 | €000 | €000 |
| <i>Amounts falling due within one year:</i> | | | | | | | | | |
| Securities purchased payable | 1,854 | – | – | 695 | – | – | 53 | 811 | 21,165 |
| Redemptions payable | 692 | 6,823 | 2,221 | 23 | 69 | – | 123 | 1,274 | 77,513 |
| Performance fee payable | 6 | – | – | 70 | – | – | 8 | 64 | 293 |
| Investment Management fee payable | 85 | 13 | 4 | 31 | 27 | – | 13 | 56 | 1,984 |
| Sundry creditors | 230 | 134 | 102 | 138 | 166 | 81 | 97 | 359 | 3,815 |
| Administration fee payable | 68 | 31 | 17 | 38 | – | 58 | 24 | 19 | 1,875 |
| | 2,935 | 7,001 | 2,344 | 995 | 262 | 139 | 318 | 2,583 | 106,645 |

* Terminated 17 April 2012

** Terminated 17 December 2012

*** Launched 3 December 2012

**** Terminated 26 March 2013

8. Distributions

During the year ended 31 March 2014 the following distributions were declared and paid:

F&C High Income Bond Fund

Class A Euro Distributing

| Date Declared | Date Paid | Rate per Share € | No. of Shares | Amount € | Relevant Period |
|------------------|--------------|---------------------|---------------|------------------|----------------------|
| 02.04.13 | 24.04.13 | 0.110 | 2,335,026 | 256,853 | 01.01.13 to 31.03.13 |
| 01.07.13 | 31.07.13 | 0.143 | 2,096,566 | 299,809 | 01.04.13 to 30.06.13 |
| 01.10.13 | 30.10.13 | 0.138 | 1,730,021 | 238,743 | 01.07.13 to 30.09.13 |
| 02.01.14 | 29.01.14 | 0.137 | 1,620,809 | 222,051 | 01.10.13 to 31.12.13 |
| | | | | 1,017,456 | |

TRADITIONAL FUNDS plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2014

8. Distributions (continued)

F&C High Income Bond Fund (continued)

Class A US Dollar Distributing

| Date Declared | Date Paid | Rate per Share US\$ | No. of Shares | Amount US\$ | Relevant period |
|---------------|-----------|---------------------|---------------|------------------|----------------------|
| 02.04.13 | 24.04.13 | 0.108 | 2,063,242 | 222,830 | 01.01.13 to 31.03.13 |
| 01.07.13 | 31.07.13 | 0.141 | 2,011,136 | 283,570 | 01.04.13 to 30.06.13 |
| 01.10.13 | 30.10.13 | 0.135 | 1,885,890 | 254,595 | 01.07.13 to 30.09.13 |
| 02.01.14 | 29.01.14 | 0.134 | 1,867,943 | 250,304 | 01.10.13 to 31.12.13 |
| | | | | <u>1,011,299</u> | |

Class A Sterling Distributing

| Date Declared | Date Paid | Rate per Share £ | No. of Shares | Amount £ | Relevant period |
|---------------|-----------|------------------|---------------|----------------|----------------------|
| 02.04.13 | 24.04.13 | 0.118 | 755,404 | 76,411 | 01.01.13 to 31.03.13 |
| 01.07.13 | 31.07.13 | 0.153 | 667,523 | 102,131 | 01.04.13 to 30.06.13 |
| 01.10.13 | 30.10.13 | 0.147 | 617,827 | 90,821 | 01.07.13 to 30.09.13 |
| 02.01.14 | 29.01.14 | 0.146 | 548,349 | 80,059 | 01.10.13 to 31.12.13 |
| | | | | <u>349,421</u> | |

Class A Norwegian Krone Distributing

| Date Declared | Date Paid | Rate per Share NOK | No. of Shares | Amount NOK | Relevant period |
|---------------|-----------|--------------------|---------------|---------------|----------------------|
| 02.04.13 | 24.04.13 | 0.898 | 18,167 | 16,314 | 01.01.13 to 31.03.13 |
| 01.07.13 | 31.07.13 | 1.166 | 18,343 | 21,388 | 01.04.13 to 30.06.13 |
| 01.10.13 | 30.10.13 | 1.125 | 18,506 | 20,819 | 01.07.13 to 30.09.13 |
| 02.01.14 | 29.01.14 | 1.120 | 18,738 | 20,987 | 01.10.13 to 31.12.13 |
| | | | | <u>79,508</u> | |

Class A New Euro Distributing

| Date Declared | Date Paid | Rate per Share € | No. of Shares | Amount € | Relevant period |
|---------------|-----------|------------------|---------------|------------------|----------------------|
| 02.04.13 | 24.04.13 | 0.080 | 4,508,831 | 360,706 | 01.01.13 to 31.03.13 |
| 01.07.13 | 31.07.13 | 0.104 | 4,221,978 | 439,086 | 01.04.13 to 30.06.13 |
| 01.10.13 | 30.10.13 | 0.100 | 4,030,267 | 403,027 | 01.07.13 to 30.09.13 |
| 02.01.14 | 29.01.14 | 0.099 | 3,925,486 | 388,623 | 01.10.13 to 31.12.13 |
| | | | | <u>1,591,442</u> | |

Class A New US Dollar Distributing

| Date Declared | Date Paid | Rate per Share US\$ | No. of Shares | Amount US\$ | Relevant period |
|---------------|-----------|---------------------|---------------|------------------|----------------------|
| 02.04.13 | 24.04.13 | 0.082 | 3,169,222 | 259,876 | 01.01.13 to 31.03.13 |
| 01.07.13 | 31.07.13 | 0.108 | 3,074,049 | 331,997 | 01.04.13 to 30.06.13 |
| 01.10.13 | 30.10.13 | 0.103 | 2,974,280 | 306,351 | 01.07.13 to 30.09.13 |
| 02.01.14 | 29.01.14 | 0.102 | 2,883,954 | 294,163 | 01.10.13 to 31.12.13 |
| | | | | <u>1,192,387</u> | |

Class A New Sterling Distributing

| Date Declared | Date Paid | Rate per Share £ | No. of Shares | Amount £ | Relevant period |
|---------------|-----------|------------------|---------------|------------------|----------------------|
| 02.04.13 | 24.04.13 | 0.083 | 3,609,304 | 299,572 | 01.01.13 to 31.03.13 |
| 01.07.13 | 31.07.13 | 0.109 | 2,786,337 | 303,711 | 01.04.13 to 30.06.13 |
| 01.10.13 | 30.10.13 | 0.104 | 2,659,215 | 276,558 | 01.07.13 to 30.09.13 |
| 02.01.14 | 29.01.14 | 0.103 | 2,503,678 | 257,879 | 01.10.13 to 31.12.13 |
| | | | | <u>1,137,720</u> | |

TRADITIONAL FUNDS plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2014

8. Distributions (continued)

F&C High Income Bond Fund (continued)

Class A New Norwegian Krone Distributing

| Date Declared | Date Paid | Rate per Share NOK | No. of Shares | Amount NOK | Relevant period |
|---------------|-----------|--------------------|---------------|----------------|----------------------|
| 02.04.13 | 24.04.13 | 0.862 | 590,393 | 508,919 | 01.01.13 to 31.03.13 |
| 01.07.13 | 31.07.13 | 1.123 | 108,986 | 122,392 | 01.04.13 to 30.06.13 |
| 01.10.13 | 30.10.13 | 1.080 | 93,434 | 100,909 | 01.07.13 to 30.09.13 |
| 02.01.14 | 29.01.14 | 1.075 | 82,378 | 88,556 | 01.10.13 to 31.12.13 |
| | | | | 820,776 | |

Class C Sterling Distributing

| Date Declared | Date Paid | Rate per Share £ | No. of Shares | Amount £ | Relevant period |
|---------------|-----------|------------------|---------------|--------------|----------------------|
| 02.04.13 | 24.04.13 | 0.070 | 35,453 | 2,482 | 01.01.13 to 31.03.13 |
| 01.07.13 | 31.07.13 | 0.154 | 6,556 | 1,010 | 01.04.13 to 30.06.13 |
| 01.10.13 | 30.10.13 | 0.148 | 7,100 | 1,051 | 01.07.13 to 30.09.13 |
| 02.01.14 | 29.01.14 | 0.147 | 6,765 | 994 | 01.10.13 to 31.12.13 |
| | | | | 5,537 | |

F&C Real Estate Securities Fund

Class A Sterling Distributing

| Date Declared | Date Paid | Rate per Share £ | No. of Shares | Amount £ | Relevant period |
|---------------|-----------|------------------|---------------|---------------|----------------------|
| 24.04.13 | 30.04.13 | 0.230 | 133,652 | 30,740 | 01.10.12 to 31.03.13 |
| 24.10.13 | 31.10.13 | 0.150 | 127,252 | 19,088 | 01.04.13 to 30.09.13 |
| | | | | 49,828 | |

Class C Sterling Distributing

| Date Declared | Date Paid | Rate per Share £ | No. of Shares | Amount £ | Relevant period |
|---------------|-----------|------------------|---------------|----------------|----------------------|
| 24.04.13 | 30.04.13 | 0.250 | 429,776 | 107,444 | 01.10.12 to 31.03.13 |
| 24.10.13 | 31.10.13 | 0.165 | 637,297 | 105,154 | 01.04.13 to 30.09.13 |
| | | | | 212,598 | |

F&C Global High Yield Fund

Class A Euro Distributing

| Date Declared | Date Paid | Rate per Share € | No. of Shares | Amount € | Relevant period |
|---------------|-----------|------------------|---------------|---------------|----------------------|
| 01.05.13 | 29.05.13 | 0.309 | 199,730 | 61,705 | 01.11.12 to 30.04.13 |
| 10.10.13 | 27.11.13 | 0.199 | 115,259 | 22,913 | 01.05.13 to 31.10.13 |
| | | | | 84,618 | |

Class A US Dollar Distributing

| Date Declared | Date Paid | Rate per Share US\$ | No. of Shares | Amount US\$ | Relevant period |
|---------------|-----------|---------------------|---------------|---------------|----------------------|
| 01.05.13 | 29.05.13 | 0.309 | 78,453 | 24,223 | 01.11.12 to 30.04.13 |
| 10.10.13 | 27.11.13 | 0.200 | 73,393 | 14,642 | 01.05.13 to 31.10.13 |
| | | | | 38,865 | |

Class A Sterling Distributing

| Date Declared | Date Paid | Rate per Share £ | No. of Shares | Amount £ | Relevant period |
|---------------|-----------|------------------|---------------|---------------|----------------------|
| 01.05.13 | 29.05.13 | 0.311 | 54,228 | 16,850 | 01.11.12 to 30.04.13 |
| 10.10.13 | 27.11.13 | 0.200 | 52,384 | 10,492 | 01.05.13 to 31.10.13 |
| | | | | 27,342 | |

Class A Norwegian Krone Distributing

| Date Declared | Date Paid | Rate per Share NOK | No. of Shares | Amount NOK | Relevant period |
|---------------|-----------|--------------------|---------------|----------------|----------------------|
| 01.05.13 | 29.05.13 | 3.171 | 45,421 | 144,027 | 01.11.12 to 30.04.13 |
| 10.10.13 | 27.11.13 | 2.048 | 6,258 | 12,817 | 01.05.13 to 31.10.13 |
| | | | | 156,844 | |

TRADITIONAL FUNDS plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2014

8. Distributions (continued)

During the year ended 31 March 2013 the following distributions were declared and paid:

F&C High Income Bond Fund

Class A Euro Distributing

| Date Declared | Date Paid | Rate per Share € | No. of Shares | Amount € | Relevant Period |
|---------------|-----------|------------------|---------------|------------------|----------------------|
| 02.04.12 | 25.04.12 | 0.201 | 3,048,389 | 612,726 | 01.01.12 to 31.03.12 |
| 02.07.12 | 25.07.12 | 0.201 | 2,928,611 | 588,651 | 01.04.12 to 30.06.12 |
| 01.10.12 | 31.10.12 | 0.201 | 2,829,128 | 568,655 | 01.07.12 to 30.09.12 |
| 02.01.13 | 30.01.13 | 0.187 | 2,788,396 | 521,430 | 01.10.12 to 31.12.12 |
| | | | | 2,291,462 | |

Class A US Dollar Distributing

| Date Declared | Date Paid | Rate per Share US\$ | No. of Shares | Amount US\$ | Relevant Period |
|---------------|-----------|---------------------|---------------|------------------|----------------------|
| 02.04.12 | 25.04.12 | 0.196 | 2,218,911 | 434,907 | 01.01.12 to 31.03.12 |
| 02.07.12 | 25.07.12 | 0.196 | 2,218,227 | 434,773 | 01.04.12 to 30.06.12 |
| 01.10.12 | 31.10.12 | 0.196 | 2,196,446 | 430,503 | 01.07.12 to 30.09.12 |
| 02.01.13 | 30.01.13 | 0.183 | 2,104,087 | 385,048 | 01.10.12 to 31.12.12 |
| | | | | 1,685,231 | |

Class A Sterling Distributing

| Date Declared | Date Paid | Rate per Share £ | No. of Shares | Amount £ | Relevant Period |
|---------------|-----------|------------------|---------------|----------------|----------------------|
| 02.04.12 | 25.04.12 | 0.212 | 1,058,617 | 224,427 | 01.01.12 to 31.03.12 |
| 02.07.12 | 25.07.12 | 0.212 | 995,742 | 211,097 | 01.04.12 to 30.06.12 |
| 01.10.12 | 31.10.12 | 0.212 | 878,785 | 186,302 | 01.07.12 to 30.09.12 |
| 02.01.13 | 30.01.13 | 0.199 | 842,749 | 167,707 | 01.10.12 to 31.12.12 |
| | | | | 789,533 | |

Class A Norwegian Krone Distributing*

| Date Declared | Date Paid | Rate per Share NOK | No. of Shares | Amount NOK | Relevant Period |
|---------------|-----------|--------------------|---------------|----------------|----------------------|
| 02.04.12 | 25.04.12 | 1.591 | 42,402 | 67,462 | 01.01.12 to 31.03.12 |
| 02.07.12 | 25.07.12 | 1.591 | 31,378 | 49,923 | 01.04.12 to 30.06.12 |
| 01.10.12 | 31.10.12 | 1.591 | 27,445 | 43,665 | 01.07.12 to 30.09.12 |
| 02.01.13 | 30.01.13 | 1.506 | 26,709 | 40,223 | 01.10.12 to 31.12.12 |
| | | | | 201,273 | |

Class A New Euro Distributing

| Date Declared | Date Paid | Rate per Share € | No. of Shares | Amount € | Relevant Period |
|---------------|-----------|------------------|---------------|------------------|----------------------|
| 02.04.12 | 25.04.12 | 0.145 | 4,702,902 | 681,921 | 01.01.12 to 31.03.12 |
| 02.07.12 | 25.07.12 | 0.145 | 4,706,368 | 682,423 | 01.04.12 to 30.06.12 |
| 01.10.12 | 31.10.12 | 0.145 | 4,707,228 | 682,548 | 01.07.12 to 30.09.12 |
| 02.01.13 | 30.01.13 | 0.135 | 4,712,783 | 636,226 | 01.10.12 to 31.12.12 |
| | | | | 2,683,118 | |

Class A New US Dollar Distributing

| Date Declared | Date Paid | Rate per Share US\$ | No. of Shares | Amount US\$ | Relevant Period |
|---------------|-----------|---------------------|---------------|------------------|----------------------|
| 02.04.12 | 25.04.12 | 0.149 | 4,052,964 | 603,892 | 01.01.12 to 31.03.12 |
| 02.07.12 | 25.07.12 | 0.149 | 3,855,801 | 574,514 | 01.04.12 to 30.06.12 |
| 01.10.12 | 31.10.12 | 0.149 | 3,834,729 | 571,375 | 01.07.12 to 30.09.12 |
| 02.01.13 | 30.01.13 | 0.139 | 3,210,393 | 446,245 | 01.10.12 to 31.12.12 |
| | | | | 2,196,026 | |

TRADITIONAL FUNDS plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2014

8. Distributions (continued)

F&C High Income Bond Fund (continued)

Class A New Sterling Distributing

| Date Declared | Date Paid | Rate per Share £ | No. of Shares | Amount £ | Relevant Period |
|---------------|-----------|------------------|---------------|------------------|----------------------|
| 02.04.12 | 25.04.12 | 0.150 | 8,972,700 | 1,345,905 | 01.01.12 to 31.03.12 |
| 02.07.12 | 25.07.12 | 0.150 | 8,667,030 | 1,300,055 | 01.04.12 to 30.06.12 |
| 01.10.12 | 31.10.12 | 0.150 | 8,480,647 | 1,272,097 | 01.07.12 to 30.09.12 |
| 02.01.13 | 30.01.13 | 0.141 | 3,878,327 | 546,844 | 01.10.12 to 31.12.12 |
| | | | | 4,464,901 | |

Class A New Norwegian Krone Distributing

| Date Declared | Date Paid | Rate per Share NOK | No. of Shares | Amount NOK | Relevant Period |
|---------------|-----------|--------------------|---------------|------------------|----------------------|
| 02.04.12 | 25.04.12 | 1.526 | 1,033,272 | 1,576,773 | 01.01.12 to 31.03.12 |
| 02.07.12 | 25.07.12 | 1.526 | 1,044,572 | 1,594,018 | 01.04.12 to 30.06.12 |
| 01.10.12 | 31.10.12 | 1.526 | 942,718 | 1,438,588 | 01.07.12 to 30.09.12 |
| 02.01.13 | 30.01.13 | 1.445 | 739,759 | 1,068,952 | 01.10.12 to 31.12.12 |
| | | | | 5,678,331 | |

F&C Global Emerging Markets Fund

Class A US Dollar Distributing

| Date Declared | Date Paid | Rate per Share US\$ | No. of Shares | Amount US\$ | Relevant Period |
|---------------|-----------|---------------------|---------------|----------------|----------------------|
| 02.04.12 | 25.04.12 | 0.100 | 1,153,458 | 115,023 | 01.04.11 to 31.03.12 |
| | | | | 115,023 | |

Class A Euro Distributing

| Date Declared | Date Paid | Rate per Share € | No. of Shares | Amount € | Relevant Period |
|---------------|-----------|------------------|---------------|---------------|----------------------|
| 02.04.12 | 25.04.12 | 0.080 | 697,260 | 55,523 | 01.04.11 to 31.03.12 |
| | | | | 55,523 | |

Class A Sterling Distributing

| Date Declared | Date Paid | Rate per Share £ | No. of Shares | Amount £ | Relevant Period |
|---------------|-----------|------------------|---------------|---------------|----------------------|
| 02.04.12 | 25.04.12 | 0.096 | 513,735 | 49,211 | 01.04.11 to 31.03.12 |
| | | | | 49,211 | |

F&C Global Credit Fund

Class A Sterling Distributing

| Date Declared | Date Paid | Rate per Share £ | No. of Shares | Amount £ | Relevant Period |
|---------------|-----------|------------------|---------------|---------------|----------------------|
| 01.05.12 | 30.05.12 | 0.026 | 762,484 | 19,962 | 01.02.12 to 30.04.12 |
| 01.08.12 | 29.08.12 | 0.029 | 737,132 | 21,082 | 01.05.12 to 29.07.12 |
| 01.11.12 | 28.11.12 | 0.029 | 695,332 | 19,886 | 01.08.12 to 31.10.12 |
| 01.02.13 | 27.02.13 | 0.029 | 620,135 | 18,046 | 01.11.12 to 31.01.13 |
| | | | | 78,976 | |

Class B Sterling Distributing

| Date Declared | Date Paid | Rate per Share £ | No. of Shares | Amount £ | Relevant Period |
|---------------|-----------|------------------|---------------|--------------|----------------------|
| 01.05.12 | 30.05.12 | 0.026 | 141,585 | 3,742 | 01.02.12 to 30.04.12 |
| 01.08.12 | 29.08.12 | 0.029 | 102,784 | 2,960 | 01.05.12 to 29.07.12 |
| 01.11.12 | 28.11.12 | 0.029 | 77,548 | 2,233 | 01.08.12 to 31.10.12 |
| 01.02.13 | 27.02.13 | 0.029 | 16,107 | 475 | 01.11.12 to 31.01.13 |
| | | | | 9,410 | |

TRADITIONAL FUNDS plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2014

8. Distributions (continued)

F&C Global Credit Fund (continued)

Class A Norwegian Krone Distributing

| Date Declared | Date Paid | Rate per Share NOK | No. of Shares | Amount NOK | Relevant Period |
|---------------|-----------|--------------------|---------------|---------------|----------------------|
| 01.05.12 | 30.05.12 | 0.270 | 89,003 | 24,055 | 01.02.12 to 30.04.12 |
| 01.08.12 | 29.08.12 | 0.295 | 42,092 | 12,409 | 01.05.12 to 29.07.12 |
| 01.11.12 | 28.11.12 | 0.294 | 24,194 | 7,132 | 01.08.12 to 31.10.12 |
| 01.02.13 | 27.02.13 | 0.304 | 23,550 | 7,162 | 01.11.12 to 31.01.13 |
| | | | | 50,758 | |

Class A Euro Distributing

| Date Declared | Date Paid | Rate per Share € | No. of Shares | Amount € | Relevant Period |
|---------------|-----------|------------------|---------------|---------------|----------------------|
| 01.05.12 | 30.05.12 | 0.026 | 129,548 | 3,396 | 01.02.12 to 30.04.12 |
| 01.08.12 | 29.08.12 | 0.029 | 126,622 | 3,621 | 01.05.12 to 29.07.12 |
| 01.11.12 | 28.11.12 | 0.029 | 105,042 | 3,004 | 01.08.12 to 31.10.12 |
| 01.02.13 | 27.02.13 | 0.029 | 90,156 | 2,624 | 01.11.12 to 31.01.13 |
| | | | | 12,645 | |

Class A US Dollar Distributing

| Date Declared | Date Paid | Rate per Share US\$ | No. of Shares | Amount US\$ | Relevant Period |
|---------------|-----------|---------------------|---------------|--------------|----------------------|
| 01.05.12 | 30.05.12 | 0.026 | 82,930 | 2,162 | 01.02.12 to 30.04.12 |
| 01.08.12 | 29.08.12 | 0.028 | 76,771 | 2,180 | 01.05.12 to 29.07.12 |
| 01.11.12 | 28.11.12 | 0.029 | 67,592 | 1,919 | 01.08.12 to 31.10.12 |
| 01.02.13 | 27.02.13 | 0.029 | 67,498 | 1,957 | 01.11.12 to 31.01.13 |
| | | | | 8,218 | |

F&C Credit Select Fund

Class A Euro Distributing

| Date Declared | Date Paid | Rate per Share € | No. of Shares | Amount € | Relevant period |
|---------------|-----------|------------------|---------------|---------------|----------------------|
| 01.06.12 | 28.06.12 | 0.025 | 370,317 | 9,295 | 01.03.12 to 31.05.12 |
| 04.09.12 | 25.09.12 | 0.025 | 36,051 | 901 | 01.06.12 to 31.08.12 |
| 03.12.12 | 31.12.12 | 0.026 | 21,198 | 541 | 01.09.12 to 30.11.12 |
| 01.03.13 | 27.03.13 | 0.025 | 19,367 | 490 | 01.12.12 to 28.02.13 |
| | | | | 11,227 | |

Class B Euro Distributing

| Date Declared | Date Paid | Rate per Share € | No. of Shares | Amount € | Relevant period |
|---------------|-----------|------------------|---------------|-----------|----------------------|
| 01.06.12 | 28.06.12 | 0.025 | 1,009 | 26 | 01.03.12 to 31.05.12 |
| 04.09.12 | 25.09.12 | 0.025 | 1,009 | 26 | 01.06.12 to 31.08.12 |
| 03.12.12 | 31.12.12 | 0.025 | – | – | 01.09.12 to 30.11.12 |
| 01.03.13 | 27.03.13 | 0.025 | – | – | 01.12.12 to 28.02.13 |
| | | | | 52 | |

Class A Norwegian Krone Distributing

| Date Declared | Date Paid | Rate per Share NOK | No. of Shares | Amount NOK | Relevant period |
|---------------|-----------|--------------------|---------------|---------------|----------------------|
| 01.06.12 | 28.06.12 | 0.253 | 36,544 | 9,238 | 01.03.12 to 31.05.12 |
| 04.09.12 | 25.09.12 | 0.253 | 36,634 | 9,261 | 01.06.12 to 31.08.12 |
| 03.12.12 | 31.12.12 | 0.258 | 36,724 | 9,486 | 01.09.12 to 30.11.12 |
| 01.03.13 | 27.03.13 | 0.257 | – | – | 01.12.12 to 28.02.13 |
| | | | | 27,985 | |

TRADITIONAL FUNDS plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2014

8. Distributions (continued)

F&C Credit Select Fund (continued)

Class A Sterling Distributing

| Date Declared | Date Paid | Rate per Share £ | No. of Shares | Amount £ | Relevant period |
|---------------|-----------|------------------|---------------|--------------|----------------------|
| 01.06.12 | 28.06.12 | 0.025 | 89,693 | 2,251 | 01.03.12 to 31.05.12 |
| 04.09.12 | 25.09.12 | 0.025 | 80,918 | 2,023 | 01.06.12 to 31.08.12 |
| 03.12.12 | 31.12.12 | 0.026 | 69,379 | 1,769 | 01.09.12 to 30.11.12 |
| 01.03.13 | 27.03.13 | 0.025 | 50,120 | 1,273 | 01.12.12 to 28.02.13 |
| | | | | <u>7,316</u> | |

Class B Sterling Distributing

| Date Declared | Date Paid | Rate per Share £ | No. of Shares | Amount £ | Relevant period |
|---------------|-----------|------------------|---------------|---------------|----------------------|
| 01.06.12 | 28.06.12 | 0.025 | 403,572 | 10,251 | 01.03.12 to 31.05.12 |
| 04.09.12 | 25.09.12 | 0.025 | 105,472 | 2,668 | 01.06.12 to 31.08.12 |
| 03.12.12 | 31.12.12 | 0.025 | 10,690 | 276 | 01.09.12 to 30.11.12 |
| 01.03.13 | 27.03.13 | 0.025 | 10,690 | 276 | 01.12.12 to 28.02.13 |
| | | | | <u>13,471</u> | |

Class A US Dollar Distributing

| Date Declared | Date Paid | Rate per Share US\$ | No. of Shares | Amount US\$ | Relevant period |
|---------------|-----------|---------------------|---------------|---------------|----------------------|
| 01.06.12 | 28.06.12 | 0.025 | 174,117 | 4,353 | 01.03.12 to 31.05.12 |
| 04.09.12 | 25.09.12 | 0.025 | 174,166 | 4,337 | 01.06.12 to 31.08.12 |
| 03.12.12 | 31.12.12 | 0.025 | 174,216 | 4,425 | 01.09.12 to 30.11.12 |
| 01.03.13 | 27.03.13 | 0.025 | 104,555 | 2,635 | 01.12.12 to 28.02.13 |
| | | | | <u>15,750</u> | |

Class B US Dollar Distributing

| Date Declared | Date Paid | Rate per Share US\$ | No. of Shares | Amount US\$ | Relevant period |
|---------------|-----------|---------------------|---------------|--------------|----------------------|
| 01.06.12 | 28.06.12 | 0.026 | 54,246 | 1,421 | 01.03.12 to 31.05.12 |
| 04.09.12 | 25.09.12 | 0.025 | 8,504 | 215 | 01.06.12 to 31.08.12 |
| 03.12.12 | 31.12.12 | 0.025 | 4,000 | 103 | 01.09.12 to 30.11.12 |
| 01.03.13 | 27.03.13 | 0.025 | 4,000 | 103 | 01.12.12 to 28.02.13 |
| | | | | <u>1,842</u> | |

F&C Real Estate Securities Fund

Class A Sterling Distributing

| Date Declared | Date Paid | Rate per Share £ | No. of Shares | Amount £ | Relevant Period |
|---------------|-----------|------------------|---------------|---------------|----------------------|
| 27.04.12 | 03.05.12 | 0.150 | 183,239 | 27,486 | 01.10.11 to 31.03.12 |
| 26.10.12 | 31.10.12 | 0.150 | 133,996 | 20,099 | 01.04.12 to 30.09.12 |
| | | | | <u>47,585</u> | |

Class C Sterling Distributing

| Date Declared | Date Paid | Rate per Share £ | No. of Shares | Amount £ | Relevant Period |
|---------------|-----------|------------------|---------------|----------------|----------------------|
| 27.04.12 | 03.05.12 | 0.165 | 554,573 | 91,505 | 01.10.11 to 31.03.12 |
| 26.10.12 | 31.10.12 | 0.165 | 430,614 | 71,051 | 01.04.12 to 30.09.12 |
| | | | | <u>162,556</u> | |

F&C Global High Yield Fund

Class A Euro Distributing

| Date Declared | Date Paid | Rate per Share € | No. of Shares | Amount € | Relevant Period |
|---------------|-----------|------------------|---------------|---------------|----------------------|
| 01.05.12 | 30.05.12 | 0.049 | 340,207 | 16,738 | 01.11.11 to 30.04.12 |
| 01.11.12 | 28.11.12 | 0.269 | 302,183 | 81,136 | 01.05.12 to 31.10.12 |
| | | | | <u>97,874</u> | |

TRADITIONAL FUNDS plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2014

8. Distributions (continued)

F&C Global High Yield Fund (continued)

Class A US Dollar Distributing

| Date Declared | Date Paid | Rate per Share US\$ | No. of Shares | Amount US\$ | Relevant Period |
|---------------|-----------|---------------------|---------------|---------------|----------------------|
| 01.05.12 | 30.05.12 | 0.049 | 236,604 | 11,617 | 01.11.11 to 30.04.12 |
| 01.11.12 | 28.11.12 | 0.268 | 172,272 | 46,151 | 01.05.12 to 31.10.12 |
| | | | | <u>57,768</u> | |

Class A Sterling Distributing

| Date Declared | Date Paid | Rate per Share £ | No. of Shares | Amount £ | Relevant Period |
|---------------|-----------|------------------|---------------|----------------|----------------------|
| 01.05.12 | 30.05.12 | 0.049 | 385,795 | 18,943 | 01.11.11 to 30.04.12 |
| 01.11.12 | 28.11.12 | 0.268 | 539,810 | 144,615 | 01.05.12 to 31.10.12 |
| | | | | <u>163,558</u> | |

Class A Norwegian Krone Distributing

| Date Declared | Date Paid | Rate per Share NOK | No. of Shares | Amount NOK | Relevant Period |
|---------------|-----------|--------------------|---------------|----------------|----------------------|
| 01.05.12 | 30.05.12 | 0.495 | 8,854 | 4,383 | 01.11.11 to 30.04.12 |
| 01.11.12 | 28.11.12 | 2.702 | 73,659 | 199,034 | 01.05.12 to 31.10.12 |
| | | | | <u>203,417</u> | |

Class C Sterling Distributing

| Date Declared | Date Paid | Rate per Share £ | No. of Shares | Amount £ | Relevant Period |
|---------------|-----------|------------------|---------------|--------------|----------------------|
| 01.11.12 | 28.11.12 | 0.300 | 25,000 | 7,500 | 01.05.12 to 31.10.12 |
| | | | | <u>7,500</u> | |

9. Share Capital

Subscriber Shares

The Company issued 30,000 subscriber shares of €1.27 each to comply with incorporation requirements. Of these 29,993 were redeemed on 24 August 1999; the remaining seven subscriber shares, all of which are fully paid, are held in a nominee capacity on behalf of Thames River Capital (UK) Limited.

The subscriber share capital does not form part of the Net Asset Value of the Company and is stated here for reference only.

Participating Shares

The Company has an authorised share capital of 500 million shares of no par value. The issued redeemable participating share capital is at all times equal to the net asset value attributable to the relevant class of shares of the Company.

Redeemable participating shares are redeemable at the shareholders' option and are classified as financial liabilities at fair value through profit or loss. During the years ended 31 March 2014 and 31 March 2013, the movement in the number of participating shares was as follows:

TRADITIONAL FUNDS plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2014

9. Share Capital (continued)

| | Mar 2014 Shares | Mar 2014 Value | Mar 2013 Shares | Mar 2013 Value |
|--|-----------------------|----------------------|-----------------------|----------------------|
| F&C High Income Bond Fund | | | | |
| Class A Euro Distributing (€) | | | | |
| Opening Shares | 2,335,026 | | 3,049,003 | |
| Subscriptions | 37,968 | 446,317 | 113,767 | 1,398,867 |
| Redemptions | (853,799) | (9,928,958) | (827,744) | (10,111,877) |
| Closing Shares | <u>1,519,195</u> | | <u>2,335,026</u> | |
| Class A Sterling Distributing (£) | | | | |
| Opening Shares | 755,404 | | 1,058,617 | |
| Subscriptions | 5,574 | 82,031 | 19,990 | 317,471 |
| Redemptions | (240,502) | (3,544,488) | (323,203) | (5,024,248) |
| Closing Shares | <u>520,477</u> | | <u>755,404</u> | |
| Class A US Dollar Distributing (US\$) | | | | |
| Opening Shares | 2,063,242 | | 2,218,911 | |
| Subscriptions | 8,626 | 74,695 | 52,956 | 483,377 |
| Redemptions | (256,760) | (2,198,062) | (208,625) | (1,894,921) |
| Closing Shares | <u>1,815,108</u> | | <u>2,063,242</u> | |
| Class A Norwegian Krone Distributing (NOK) | | | | |
| Opening Shares | 18,167 | | 42,402 | |
| Subscriptions | 885 | 10,671 | 2,226 | 29,399 |
| Redemptions | (76) | (892) | (26,461) | (344,622) |
| Closing Shares | <u>18,976</u> | | <u>18,167</u> | |
| Class A New Euro Accumulating (€) | | | | |
| Opening Shares | 2,624,665 | | 4,730,853 | |
| Subscriptions | 356,854 | 5,125,548 | 303,866 | 4,569,450 |
| Redemptions | (1,932,824) | (28,117,340) | (2,410,054) | (35,847,954) |
| Closing Shares | <u>1,048,695</u> | | <u>2,624,665</u> | |
| Class A New Sterling Accumulating (£) | | | | |
| Opening Shares | 84,637 | | 160,235 | |
| Subscriptions | 15,810 | 245,206 | 37,530 | 611,506 |
| Redemptions | (30,216) | (469,502) | (113,128) | (1,836,771) |
| Closing Shares | <u>70,232</u> | | <u>84,637</u> | |
| Class A New US Dollar Accumulating (US\$) | | | | |
| Opening Shares | 242,450 | | 200,658 | |
| Subscriptions | 3,556 | 34,714 | 215,929 | 2,231,170 |
| Redemptions | (51,311) | (501,901) | (174,137) | (1,796,002) |
| Closing Shares | <u>194,695</u> | | <u>242,450</u> | |

TRADITIONAL FUNDS plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2014

9. Share Capital (continued)

| | Mar 2014 Shares | Mar 2014 Value | Mar 2013 Shares | Mar 2013 Value |
|--|-----------------------|----------------------|-----------------------|----------------------|
| F&C High Income Bond Fund (continued) | | | | |
| Class A New Euro Distributing (€) | | | | |
| Opening Shares | 4,508,831 | | 4,703,121 | |
| Subscriptions | 157,868 | 1,321,138 | 627,839 | 5,476,969 |
| Redemptions | (897,642) | (7,601,990) | (822,129) | (7,214,861) |
| Closing Shares | <u>3,769,057</u> | | <u>4,508,831</u> | |
| Class A New Sterling Distributing (£) | | | | |
| Opening Shares | 3,609,304 | | 8,972,436 | |
| Subscriptions | 151,157 | 1,591,742 | 585,275 | 6,532,935 |
| Redemptions | (1,368,887) | (14,470,790) | (5,948,407) | (65,890,279) |
| Closing Shares | <u>2,391,574</u> | | <u>3,609,304</u> | |
| Class A New US Dollar Distributing (US\$) | | | | |
| Opening Shares | 3,169,222 | | 4,052,964 | |
| Subscriptions | 59,293 | 398,112 | 262,967 | 1,840,763 |
| Redemptions | (776,958) | (5,048,955) | (1,146,709) | (7,915,916) |
| Closing Shares | <u>2,451,558</u> | | <u>3,169,222</u> | |
| Class A New Norwegian Krone Distributing (NOK) | | | | |
| Opening Shares | 590,393 | | 1,033,272 | |
| Subscriptions | 4,891 | 57,687 | 99,313 | 1,232,684 |
| Redemptions | (518,078) | (5,942,995) | (542,192) | (6,816,021) |
| Closing Shares | <u>77,206</u> | | <u>590,393</u> | |
| Class C Sterling Distributing (£) | | | | |
| Opening Shares | 35,453 | | – | |
| Subscriptions | 3,141 | 47,256 | 37,242 | 586,984 |
| Redemptions | (30,695) | (462,734) | (1,789) | (26,802) |
| Closing Shares | <u>7,900</u> | | <u>35,453</u> | |
| Class C Sterling Accumulating (£)* | | | | |
| Opening Shares | – | | – | |
| Subscriptions | 574 | 9,003 | – | – |
| Redemptions | – | – | – | – |
| Closing Shares | <u>574</u> | | <u>–</u> | |
| Eastern European Fund | | | | |
| US Dollar Class (US\$) | | | | |
| Opening Shares | 6,565,052 | | 7,237,609 | |
| Subscriptions | 2,260,739 | 179,664,616 | 2,408,928 | 192,224,983 |
| Redemptions | (3,804,192) | (293,677,600) | (3,081,485) | (241,416,123) |
| Closing Shares | <u>5,021,599</u> | | <u>6,565,052</u> | |
| F&C Global Emerging Markets Fund | | | | |
| Class A Euro Accumulating (€) | | | | |
| Opening Shares | 474,072 | | 983,436 | |
| Subscriptions | 15,872 | 441,938 | 34,118 | 973,610 |
| Redemptions | (227,408) | (6,339,868) | (543,482) | (15,860,525) |
| Closing Shares | <u>262,536</u> | | <u>474,072</u> | |

* Share class launched 10 June 2013

TRADITIONAL FUNDS plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2014

9. Share Capital (continued)

| | Mar 2014 Shares | Mar 2014 Value | Mar 2013 Shares | Mar 2013 Value |
|---|-----------------------|----------------------|-----------------------|----------------------|
| F&C Global Emerging Markets Fund (continued) | | | | |
| Class A US Dollar Accumulating (US\$) | | | | |
| Opening Shares | 4,035,306 | | 5,234,802 | |
| Subscriptions | 537,059 | 7,110,685 | 1,064,356 | 14,580,493 |
| Redemptions | (3,753,507) | (50,677,523) | (2,263,852) | (31,097,916) |
| Closing Shares | <u>818,858</u> | | <u>4,035,306</u> | |
| Class A Euro Distributing (€) | | | | |
| Opening Shares | 477,456 | | 697,699 | |
| Subscriptions | 17,239 | 791,798 | 39,904 | 1,969,900 |
| Redemptions | (170,817) | (7,880,008) | (260,147) | (12,589,881) |
| Closing Shares | <u>323,878</u> | | <u>477,456</u> | |
| Class A Sterling Distributing (£) | | | | |
| Opening Shares | 306,461 | | 513,848 | |
| Subscriptions | 2,464 | 168,839 | 5,309 | 362,436 |
| Redemptions | (130,693) | (8,815,379) | (212,696) | (14,435,730) |
| Closing Shares | <u>178,232</u> | | <u>306,461</u> | |
| Class A US Dollar Distributing (US\$) | | | | |
| Opening Shares | 881,578 | | 1,153,755 | |
| Subscriptions | 5,366 | 234,688 | 79,358 | 3,531,118 |
| Redemptions | (359,974) | (15,605,849) | (351,535) | (15,414,136) |
| Closing Shares | <u>526,970</u> | | <u>881,578</u> | |
| Class C Sterling Accumulating (£) | | | | |
| Opening Shares | - | | - | |
| Subscriptions | - | - | 33,600 | 528,864 |
| Redemptions | - | - | (33,600) | (573,615) |
| Closing Shares | <u>-</u> | | <u>-</u> | |
| F&C Macro Global Bond Fund (£) | | | | |
| Class A Sterling Accumulating (£) | | | | |
| Opening Shares | 4,646,934 | | 7,417,510 | |
| Subscriptions | 323,370 | 5,133,187 | 781,128 | 12,384,007 |
| Redemptions | (1,980,565) | (31,218,825) | (3,551,704) | (56,278,203) |
| Closing Shares | <u>2,989,739</u> | | <u>4,646,934</u> | |
| Euro Distributing Class (€) | | | | |
| Opening Shares | 42,663 | | 53,178 | |
| Subscriptions | 12,083 | 122,458 | 643 | 6,122 |
| Redemptions | (11,282) | (112,517) | (11,158) | (106,505) |
| Closing Shares | <u>43,464</u> | | <u>42,663</u> | |

TRADITIONAL FUNDS plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2014

9. Share Capital (continued)

| | Mar 2014 Shares | Mar 2014 Value | Mar 2013 Shares | Mar 2013 Value |
|---|-----------------------|----------------------|-----------------------|----------------------|
| F&C Macro Global Bond Fund (£) (continued) | | | | |
| Class A Sterling Distributing (£) | | | | |
| Opening Shares | 23,968,293 | | 52,767,448 | |
| Subscriptions | 1,676,091 | 22,705,844 | 4,305,553 | 58,907,637 |
| Redemptions | (13,881,396) | (187,773,275) | (33,104,708) | (449,375,316) |
| Closing Shares | <u>11,762,988</u> | | <u>23,968,293</u> | |
| US Dollar Distributing Class (US\$) | | | | |
| Opening Shares | 58,585 | | 102,693 | |
| Subscriptions | – | – | – | – |
| Redemptions | (12,200) | (98,795) | (44,108) | (345,592) |
| Closing Shares | <u>46,385</u> | | <u>58,585</u> | |
| Class C Sterling Distributing (£) | | | | |
| Opening Shares | 5,429,868 | | – | |
| Subscriptions | 8,452,759 | 84,005,536 | 5,607,966 | 55,385,512 |
| Redemptions | (4,023,888) | (39,820,747) | (178,098) | (1,753,137) |
| Closing Shares | <u>9,858,739</u> | | <u>5,429,868</u> | |
| Class C Sterling Accumulating (£) | | | | |
| Opening Shares | 597,615 | | – | |
| Subscriptions | 5,467,395 | 55,430,979 | 618,596 | 6,194,273 |
| Redemptions | (775,476) | (7,786,251) | (20,981) | (210,632) |
| Closing Shares | <u>5,289,534</u> | | <u>597,615</u> | |
| F&C Macro Global Bond Fund (€) | | | | |
| Class A Euro Accumulating (€) | | | | |
| Opening Shares | 13,162,941 | | 17,508,639 | |
| Subscriptions | 1,143,648 | 16,209,173 | 5,407,031 | 78,178,061 |
| Redemptions | (8,845,757) | (124,742,971) | (9,752,729) | (140,901,129) |
| Closing Shares | <u>5,460,832</u> | | <u>13,162,941</u> | |
| Class A Euro Distributing (€) | | | | |
| Opening Shares | 1,501,215 | | 1,452,396 | |
| Subscriptions | 320,327 | 3,994,196 | 707,974 | 9,063,156 |
| Redemptions | (1,027,833) | (12,660,544) | (659,155) | (8,285,410) |
| Closing Shares | <u>793,709</u> | | <u>1,501,215</u> | |
| Class C Euro Accumulating* | | | | |
| Opening Shares | – | | – | |
| Subscriptions | 995,432 | 9,954,320 | – | – |
| Redemptions | (995,432) | (9,815,067) | – | – |
| Closing Shares | <u>–</u> | | <u>–</u> | |

* Share Class launched 23 September 2013 and terminated 18 March 2014

TRADITIONAL FUNDS plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2014

9. Share Capital (continued)

| | Mar 2014 Shares | Mar 2014 Value | Mar 2013 Shares | Mar 2013 Value |
|---|-----------------------|----------------------|-----------------------|----------------------|
| F&C Macro Global Bond Fund (€) (continued) | | | | |
| Class C Euro Distributing** | | | | |
| Opening Shares | – | | – | |
| Subscriptions | 8,000 | 80,000 | – | – |
| Redemptions | – | – | – | – |
| Closing Shares | <u>8,000</u> | | <u>–</u> | |
| ** Share Class launched 29 November 2013 | | | | |
| F&C Macro Global Bond Fund (\$) | | | | |
| Class A US Dollar Accumulating (US\$) | | | | |
| Opening Shares | 2,039,702 | | 2,909,367 | |
| Subscriptions | 366,758 | 4,414,601 | 855,132 | 10,283,277 |
| Redemptions | (751,037) | (9,099,026) | (1,724,797) | (20,653,118) |
| Closing Shares | <u>1,655,423</u> | | <u>2,039,702</u> | |
| Class A US Dollar Distributing (US\$) | | | | |
| Opening Shares | 701,992 | | 2,486,418 | |
| Subscriptions | 954,164 | 10,098,934 | 159,525 | 1,681,156 |
| Redemptions | (706,954) | (7,531,459) | (1,943,951) | (20,305,384) |
| Closing Shares | <u>949,202</u> | | <u>701,992</u> | |
| Class C US Dollar Distributing* | | | | |
| Opening Shares | – | | – | |
| Subscriptions | 105,465 | 1,054,377 | – | – |
| Redemptions | – | – | – | – |
| Closing Shares | <u>105,465</u> | | <u>–</u> | |
| * Share Class launched 11 November 2013 | | | | |
| F&C Emerging Asia Fund | | | | |
| Class B Euro Accumulating (€) | | | | |
| Opening Shares | – | | 1 | |
| Subscriptions | – | – | 23,438 | 346,172 |
| Redemptions | – | – | (23,439) | (363,220) |
| Closing Shares | <u>–</u> | | <u>–</u> | |
| Class B US Dollar Accumulating (US\$) | | | | |
| Opening Shares | – | | 6,043 | |
| Subscriptions | – | – | 6,276 | 65,775 |
| Redemptions | – | – | (12,319) | (130,563) |
| Closing Shares | <u>–</u> | | <u>–</u> | |
| Class B Sterling Distributing (£) | | | | |
| Opening Shares | 11,027 | | 4,751 | |
| Subscriptions | 43,573 | 827,931 | 12,080 | 238,657 |
| Redemptions | (4,258) | (81,730) | (5,804) | (118,096) |
| Closing Shares | <u>50,342</u> | | <u>11,027</u> | |

TRADITIONAL FUNDS plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2014

9. Share Capital (continued)

| | Mar 2014 Shares | Mar 2014 Value | Mar 2013 Shares | Mar 2013 Value |
|---|-----------------------|----------------------|-----------------------|----------------------|
| F&C Emerging Asia Fund (continued) | | | | |
| Class A Euro Accumulating (€) | | | | |
| Opening Shares | 624,467 | | 590,064 | |
| Subscriptions | 201,072 | 2,539,721 | 636,964 | 7,953,203 |
| Redemptions | (369,311) | (4,354,250) | (602,561) | (7,288,286) |
| Closing Shares | <u>456,228</u> | | <u>624,467</u> | |
| Class A US Dollar Accumulating (US\$) | | | | |
| Opening Shares | 490,976 | | 595,900 | |
| Subscriptions | 7,479 | 64,887 | 41,562 | 361,354 |
| Redemptions | (372,979) | (3,132,543) | (146,486) | (1,187,463) |
| Closing Shares | <u>125,476</u> | | <u>490,976</u> | |
| Class A Euro Distributing (€) | | | | |
| Opening Shares | 7,718 | | 13,566 | |
| Subscriptions | – | – | – | – |
| Redemptions | (4,085) | (50,116) | (5,848) | (70,905) |
| Closing Shares | <u>3,633</u> | | <u>7,718</u> | |
| Class A Sterling Distributing (£) | | | | |
| Opening Shares | 312,627 | | 88,717 | |
| Subscriptions | 157,706 | 2,736,853 | 260,134 | 4,802,350 |
| Redemptions | (60,924) | (1,070,544) | (36,224) | (631,224) |
| Closing Shares | <u>409,409</u> | | <u>312,627</u> | |
| Class A US Dollar Distributing (US\$) | | | | |
| Opening Shares | 28,264 | | 100,735 | |
| Subscriptions | 7,212 | 60,806 | 2,362 | 19,978 |
| Redemptions | (11,481) | (97,957) | (74,833) | (642,111) |
| Closing Shares | <u>23,995</u> | | <u>28,264</u> | |
| Class C Sterling Accumulating (£)* | | | | |
| Opening Shares | – | | – | |
| Subscriptions | 73,698 | 1,133,824 | – | – |
| Redemptions | (3,038) | (47,411) | – | – |
| Closing Shares | <u>70,660</u> | | <u>–</u> | |
| * Share Class launched 5 April 2013 | | | | |
| F&C Water and Agriculture Equity Long/Short Fund | | | | |
| Class A Euro Accumulating (€) | | | | |
| Opening Shares | 812,118 | | 1,325,724 | |
| Subscriptions | 25,427 | 425,058 | 258,141 | 3,951,417 |
| Redemptions | (567,812) | (9,456,086) | (771,747) | (12,357,354) |
| Closing Shares | <u>269,733</u> | | <u>812,118</u> | |

TRADITIONAL FUNDS plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2014

9. Share Capital (continued)

| | Mar 2014 Shares | Mar 2014 Value | Mar 2013 Shares | Mar 2013 Value |
|---|-----------------------|----------------------|-----------------------|----------------------|
| F&C Water and Agriculture Equity Long/Short Fund (continued) | | | | |
| Class A Sterling Accumulating (£) | | | | |
| Opening Shares | 290,014 | | 821,795 | |
| Subscriptions | 20,231 | 352,952 | 182,531 | 3,032,954 |
| Redemptions | (129,569) | (2,257,874) | (714,312) | (12,091,245) |
| Closing Shares | <u>180,676</u> | | <u>290,014</u> | |
| Class A US Dollar Accumulating (US\$) | | | | |
| Opening Shares | 949,137 | | 1,591,491 | |
| Subscriptions | 38,908 | 490,180 | 91,788 | 1,094,945 |
| Redemptions | (511,149) | (6,356,678) | (734,142) | (8,682,113) |
| Closing Shares | <u>476,896</u> | | <u>949,137</u> | |
| Class A Norwegian Krone Accumulating (NOK) | | | | |
| Opening Shares | 95,685 | | 175,347 | |
| Subscriptions | 4,954 | 94,906 | 10,350 | 199,107 |
| Redemptions | (49,869) | (937,883) | (90,012) | (1,704,520) |
| Closing Shares | <u>50,770</u> | | <u>95,685</u> | |
| Class A Singapore Dollar Accumulating (SGD) | | | | |
| Opening Shares | 10,979 | | 1,200 | |
| Subscriptions | – | – | 9,856 | 82,772 |
| Redemptions | (5,733) | (49,302) | (77) | (657) |
| Closing Shares | <u>5,246</u> | | <u>10,979</u> | |
| Class A Euro Distributing (€) | | | | |
| Opening Shares | 22,570 | | 145,967 | |
| Subscriptions | – | – | 914 | 14,025 |
| Redemptions | (500) | (8,033) | (124,311) | (1,915,506) |
| Closing Shares | <u>22,070</u> | | <u>22,570</u> | |
| Class A Sterling Distributing (£) | | | | |
| Opening Shares | 1,157,870 | | 1,472,308 | |
| Subscriptions | 39,576 | 768,139 | 252,079 | 4,786,967 |
| Redemptions | (496,221) | (10,161,018) | (566,517) | (10,807,646) |
| Closing Shares | <u>701,225</u> | | <u>1,157,870</u> | |
| Class A US Dollar Distributing (US\$) | | | | |
| Opening Shares | 22,541 | | 28,419 | |
| Subscriptions | – | – | 7,551 | 78,433 |
| Redemptions | (2,702) | (29,285) | (13,429) | (141,958) |
| Closing Shares | <u>19,839</u> | | <u>22,541</u> | |
| Class C Sterling Accumulating (£) | | | | |
| Opening Shares | 46,927 | | – | |
| Subscriptions | 85,324 | 1,424,620 | 46,927 | 748,647 |
| Redemptions | (35,315) | (630,718) | – | – |
| Closing Shares | <u>96,936</u> | | <u>46,927</u> | |

TRADITIONAL FUNDS plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2014

9. Share Capital (continued)

| | Mar 2014 Shares | Mar 2014 Value | Mar 2013 Shares | Mar 2013 Value |
|---|-----------------------|----------------------|-----------------------|----------------------|
| F&C Water and Agriculture Equity Long/Short Fund (continued) | | | | |
| Class C Sterling Distributing (£) | | | | |
| Opening Shares | 56,182 | | – | |
| Subscriptions | 5,562 | 96,362 | 56,182 | 895,620 |
| Redemptions | (38,481) | (684,378) | – | – |
| Closing Shares | <u>23,263</u> | | <u>56,182</u> | |
| F&C Real Estate Securities Fund | | | | |
| Class A Euro Accumulating (€) | | | | |
| Opening Shares | 158,008 | | 412,562 | |
| Subscriptions | 692,487 | 8,120,137 | 93,820 | 908,644 |
| Redemptions | (394,649) | (4,515,476) | (348,374) | (2,865,705) |
| Closing Shares | <u>455,846</u> | | <u>158,008</u> | |
| Class A Sterling Accumulating (£) | | | | |
| Opening Shares | 140,482 | | 173,533 | |
| Subscriptions | 36,192 | 525,135 | 60,492 | 708,272 |
| Redemptions | (24,856) | (338,826) | (93,543) | (1,025,036) |
| Closing Shares | <u>151,818</u> | | <u>140,482</u> | |
| Class A Norwegian Krone Accumulating (NOK) | | | | |
| Opening Shares | 176,594 | | 124,444 | |
| Subscriptions | 71,896 | 858,174 | 58,894 | 531,224 |
| Redemptions | (193,103) | (2,224,237) | (6,744) | (65,687) |
| Closing Shares | <u>55,387</u> | | <u>176,594</u> | |
| Class A Sterling Distributing (£) | | | | |
| Opening Shares | 134,220 | | 198,085 | |
| Subscriptions | 895 | 11,679 | 11,796 | 138,606 |
| Redemptions | (78,088) | (1,062,956) | (75,661) | (802,483) |
| Closing Shares | <u>57,027</u> | | <u>134,220</u> | |
| Class B Euro Accumulating (€) | | | | |
| Opening Shares | 508,039 | | 33,892 | |
| Subscriptions | 214,826 | 2,450,139 | 479,500 | 4,179,837 |
| Redemptions | (237,516) | (2,889,006) | (5,353) | (49,536) |
| Closing Shares | <u>485,349</u> | | <u>508,039</u> | |
| Class B Sterling Accumulating (£) | | | | |
| Opening Shares | 1,060,136 | | 2,035,235 | |
| Subscriptions | 92,526 | 1,316,626 | 23,115 | 271,966 |
| Redemptions | (61,209) | (871,789) | (998,214) | (11,663,839) |
| Closing Shares | <u>1,091,453</u> | | <u>1,060,136</u> | |

TRADITIONAL FUNDS plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2014

9. Share Capital (continued)

| | Mar 2014 Shares | Mar 2014 Value | Mar 2013 Shares | Mar 2013 Value |
|---|-----------------------|----------------------|-----------------------|----------------------|
| F&C Real Estate Securities Fund (continued) | | | | |
| Class C Sterling Distributing (£) | | | | |
| Opening Shares | 429,776 | | 787,928 | |
| Subscriptions | 377,702 | 5,114,958 | 8,446 | 91,619 |
| Redemptions | (7,872) | (109,632) | (366,598) | (3,812,306) |
| Closing Shares | <u>799,606</u> | | <u>429,776</u> | |
| F&C Global Emerging Markets Equity Long/Short Fund (terminated 29 August 2013) | | | | |
| Class A Euro Accumulating (€) | | | | |
| Opening Shares | 649,272 | | 782,931 | |
| Subscriptions | 10,103 | 120,777 | 368,099 | 4,151,249 |
| Redemptions | (659,375) | (7,903,614) | (501,758) | (5,673,758) |
| Closing Shares | <u>–</u> | | <u>649,272</u> | |
| Class A Sterling Accumulating (£) | | | | |
| Opening Shares | 411,606 | | 491,482 | |
| Subscriptions | – | – | 860 | 11,544 |
| Redemptions | (411,606) | (5,768,446) | (80,736) | (1,119,769) |
| Closing Shares | <u>–</u> | | <u>411,606</u> | |
| Class A US Dollar Accumulating (US\$) | | | | |
| Opening Shares | 106,015 | | 542,433 | |
| Subscriptions | – | – | 11,674 | 100,962 |
| Redemptions | (106,015) | (967,541) | (448,092) | (3,883,244) |
| Closing Shares | <u>–</u> | | <u>106,015</u> | |
| Class A Norwegian Krone Accumulating (NOK) | | | | |
| Opening Shares | 9,497 | | 83,875 | |
| Subscriptions | 2,023 | 33,142 | 7,072 | 115,290 |
| Redemptions | (11,520) | (175,165) | (81,450) | (1,282,892) |
| Closing Shares | <u>–</u> | | <u>9,497</u> | |
| Class A Sterling Distributing (£) | | | | |
| Opening Shares | 125,080 | | 351,756 | |
| Subscriptions | – | – | 17,030 | 240,726 |
| Redemptions | (125,080) | (1,745,337) | (243,706) | (3,404,235) |
| Closing Shares | <u>–</u> | | <u>125,080</u> | |
| Class B Euro Accumulating (€) | | | | |
| Opening Shares | – | | 29,655 | |
| Subscriptions | – | – | – | – |
| Redemptions | – | – | (29,655) | (327,788) |
| Closing Shares | <u>–</u> | | <u>–</u> | |

TRADITIONAL FUNDS plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2014

9. Share Capital (continued)

| | Mar 2014 Shares | Mar 2014 Value | Mar 2013 Shares | Mar 2013 Value |
|---|-----------------------|----------------------|-----------------------|----------------------|
| F&C Global Emerging Markets Equity Long/Short Fund (terminated 29 August 2013) (continued) | | | | |
| Class B US Dollar Accumulating (US\$) | | | | |
| Opening Shares | – | | 923,842 | |
| Subscriptions | – | – | – | – |
| Redemptions | – | – | (923,842) | (8,331,590) |
| Closing Shares | <u>–</u> | | <u>–</u> | |
| Class B Swiss Franc Accumulating (CHF) | | | | |
| Opening Shares | – | | 89,720 | |
| Subscriptions | – | – | – | – |
| Redemptions | – | – | (89,720) | (828,402) |
| Closing Shares | <u>–</u> | | <u>–</u> | |
| Class C Sterling Distributing (£) | | | | |
| Opening Shares | 18,782 | | 162,860 | |
| Subscriptions | – | – | 24,667 | 358,269 |
| Redemptions | (18,782) | (263,282) | (168,745) | (2,433,734) |
| Closing Shares | <u>–</u> | | <u>18,782</u> | |
| F&C Global High Yield Fund (terminated 30 December 2013) | | | | |
| Class A Euro Accumulating (€) | | | | |
| Opening Shares | 317,248 | | 574,421 | |
| Subscriptions | 188,100 | 2,033,978 | 569,356 | 5,937,574 |
| Redemptions | (505,348) | (5,410,841) | (826,529) | (8,677,842) |
| Closing Shares | <u>–</u> | | <u>317,248</u> | |
| Class A Sterling Accumulating (£) | | | | |
| Opening Shares | 73,860 | | 553,554 | |
| Subscriptions | – | – | 92,293 | 1,147,886 |
| Redemptions | (73,860) | (940,152) | (571,987) | (7,518,738) |
| Closing Shares | <u>–</u> | | <u>73,860</u> | |
| Class A US Dollar Accumulating (US\$) | | | | |
| Opening Shares | 101,046 | | 348,277 | |
| Subscriptions | – | – | 381,680 | 3,197,581 |
| Redemptions | (101,046) | (814,041) | (628,911) | (5,138,457) |
| Closing Shares | <u>–</u> | | <u>101,046</u> | |
| Class A Euro Distributing (€) | | | | |
| Opening Shares | 201,833 | | 340,200 | |
| Subscriptions | 2,624 | 26,292 | 83,075 | 852,956 |
| Redemptions | (204,457) | (2,037,219) | (221,442) | (2,236,569) |
| Closing Shares | <u>–</u> | | <u>201,833</u> | |

TRADITIONAL FUNDS plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2014

9. Share Capital (continued)

| | Mar 2014 Shares | Mar 2014 Value | Mar 2013 Shares | Mar 2013 Value |
|---|-----------------------|----------------------|-----------------------|----------------------|
| F&C Global High Yield Fund (terminated 30 December 2013) (continued) | | | | |
| Class A Sterling Distributing (£) | | | | |
| Opening Shares | 52,109 | | 385,795 | |
| Subscriptions | 2,554 | 30,617 | 238,880 | 2,975,953 |
| Redemptions | (54,663) | (654,015) | (572,566) | (7,118,568) |
| Closing Shares | <u>–</u> | | <u>52,109</u> | |
| Class A US Dollar Distributing (US\$) | | | | |
| Opening Shares | 92,433 | | 233,949 | |
| Subscriptions | 2 | 14 | 31,053 | 235,101 |
| Redemptions | (92,435) | (679,254) | (172,569) | (1,364,229) |
| Closing Shares | <u>–</u> | | <u>92,433</u> | |
| Class A Norwegian Krone Distributing (NOK) | | | | |
| Opening Shares | 61,676 | | 8,854 | |
| Subscriptions | 1,483 | 19,586 | 67,520 | 948,141 |
| Redemptions | (63,159) | (811,515) | (14,698) | (208,080) |
| Closing Shares | <u>–</u> | | <u>61,676</u> | |
| Class B Euro Accumulating (€) | | | | |
| Opening Shares | – | | 65,681 | |
| Subscriptions | – | – | – | – |
| Redemptions | – | – | (65,681) | (645,043) |
| Closing Shares | <u>–</u> | | <u>–</u> | |
| Class C Sterling Distributing (£) | | | | |
| Opening Shares | – | | – | |
| Subscriptions | – | – | 25,000 | 312,521 |
| Redemptions | – | – | (25,000) | (301,978) |
| Closing Shares | <u>–</u> | | <u>–</u> | |
| F&C Real Estate Equity Long/Short Fund | | | | |
| Class A Euro Accumulating (€) | | | | |
| Opening Shares | 356,288 | | – | |
| Subscriptions | – | – | 365,045 | 3,650,445 |
| Redemptions | (351,288) | (3,609,128) | (8,757) | (87,666) |
| Closing Shares | <u>5,000</u> | | <u>356,288</u> | |

TRADITIONAL FUNDS plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2014

9. Share Capital (continued)

| | Mar 2014 Shares | Mar 2014 Value | Mar 2013 Shares | Mar 2013 Value |
|---|-----------------------|----------------------|-----------------------|----------------------|
| F&C Real Estate Equity Long/Short Fund (continued) | | | | |
| Class A Sterling Accumulating (£) | | | | |
| Opening Shares | 78,743 | | – | |
| Subscriptions | 638 | 7,478 | 130,579 | 1,578,152 |
| Redemptions | (78,743) | (950,496) | (51,836) | (604,047) |
| Closing Shares | <u>638</u> | | <u>78,743</u> | |
| Class A US Dollar Accumulating (US\$) | | | | |
| Opening Shares | – | | – | |
| Subscriptions | 80,185 | 602,744 | 1,762 | 12,983 |
| Redemptions | – | – | (1,762) | (13,501) |
| Closing Shares | <u>80,185</u> | | <u>–</u> | |
| Class C Sterling Accumulating (£) | | | | |
| Opening Shares | 3,979,771 | | – | |
| Subscriptions | 70,035 | 889,540 | 4,307,727 | 53,007,947 |
| Redemptions | (1,782,685) | (21,694,701) | (327,956) | (3,817,713) |
| Closing Shares | <u>2,267,121</u> | | <u>3,979,771</u> | |
| Class B Euro Accumulating (€) | | | | |
| Opening Shares | 1,151,771 | | – | |
| Subscriptions | 195,443 | 2,005,645 | 1,151,771 | 11,518,060 |
| Redemptions | (332,864) | (3,424,971) | – | – |
| Closing Shares | <u>1,014,350</u> | | <u>1,151,771</u> | |

10. Derivatives and Other Financial Instruments

(i) Strategy in using financial instruments

The Investment Managers have used derivatives both for investment purposes and to hedge portfolio exposure as part of its investment strategy. The derivatives used during the period consisted of CFDs, equity index futures, commodity futures, options, swaps and FFCTs. In each case, the derivative was used to construct part of the Funds' portfolios as a more cost-effective alternative to using the related security, or to create or reduce exposure in a way that is not feasible using a direct holding of a security. Some of the resulting positions can involve leverage or shorting, which carries a greater risk of loss than a simple long exposure, which is generally limited to the initial capital invested.

The Funds' investments in equities, bonds, CFDs, equity index futures, commodity futures, options, swaps and FFCTs expose the Fund to various risks. All investments present a risk of loss of capital. The risks include but are not limited to market price risk, interest rate risk, credit risk and liquidity risk. The Investment Manager of each Fund is responsible for monitoring the risks on each Fund and reports regularly to the Board of Directors.

FFCTs are utilised by all Funds for both investment management and currency hedging purposes. The realised and unrealised gains and losses on all FFCTs are disclosed in the profit and loss account. The income arising from these contracts cannot practically be split from the total return of the instrument or between income arising from transactions undertaken for investment purposes and that attributable to currency hedging. Transaction costs on forwards are embedded in their contract price and are therefore not separately identifiable for disclosure within the financial statements.

31 March 2014

10. Derivatives & Other Financial Instruments (continued)

(i) Strategy in using financial instruments (continued)

The accounting treatment of all other derivative instruments are disclosed in Note 2. The counterparties to OTC derivatives are disclosed at the end of each portfolio statement and associated collateral and margin cash are disclosed in the Balance Sheet.

(ii) Derivative exposure

Under the UCITS notices issued by the Central Bank of Ireland, the Investment Managers are required to employ a risk management process to monitor the exposure to the Funds from derivatives. The Central Bank requires exposure to be measured in one of two ways, either using the Commitment Approach or Value at Risk ("VaR").

During the year the Commitment Approach was used for the Eastern European Fund, F&C Global Emerging Markets Fund, F&C Macro Global Bond Fund (£), F&C Macro Global Bond Fund (€), F&C Macro Global Bond Fund (\$), F&C Emerging Asia Fund, F&C Water and Agriculture Equity Long/Short Fund, F&C Real Estate Securities Fund and F&C Global Emerging Markets Equity Long/Short Fund.

The Commitment Approach is a methodology that aggregates the underlying market or notional values of derivatives to determine the exposure of the Fund to derivatives. In accordance with the UCITS notices, exposure to derivatives for Funds which use the Commitment Approach must not exceed 100% of the Funds' NAV.

During the year VaR was used for the F&C High Income Bond Fund, F&C Global High Yield Fund and F&C Real Estate Equity Long/Short Fund.

VaR is a statistical risk measure that estimates the potential portfolio loss from adverse market moves in an ordinary market environment. It reflects interdependencies between risk variables unlike a traditional sensitivity analysis.

Historical VaR is used for the calculation of exposure and this approach estimates VaR by applying historical data to calculate the probability of a range of possible valuations of a Fund's portfolio. VaR analysis is then used to estimate the lowest value (or greatest loss) the portfolio could experience over a given period for a set level of confidence.

For those Funds which use the VaR approach, the VaR of the Fund shall not exceed 4.47 per cent of the Net Asset Value of the Fund, based on a 1 day holding period and a "one-tailed" 99 per cent confidence interval using historical market data taken from the last two years. A 99% 1 day VaR means that the expectation is that 99% of the time over a 1 day period the Fund will lose less than this number in percentage terms. Higher VaR numbers indicate higher risk.

During the year ended 31 March 2014 none of the Funds exceeded this threshold. F&C Global High Yield Fund exceeded this threshold three times during the year ended 31 March 2013. Certain derivatives used for risk reduction purposes were not captured within the VaR model due to the absence of certain required market data inputs from vendors. The Investment Manager believed the effect of having these derivatives included in the VaR calculations would be to reduce actual VaR below the limit. The Investment Manager therefore considered that this should be treated as a systems limitation in the VaR model rather than actual breaches of the VaR limits and was confident that the true VaR number was less than the VaR limit on these three occasions. As such the VaR analytic reported for the comparative year ended 31 March 2013 in these financial statements has over-estimated the risk at a fund level as these instruments were excluded from the VaR calculation. No other Funds exceeded this limit during the comparative period.

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2014

10. Derivatives & Other Financial Instruments (continued)

(ii) Derivative exposure (continued)

VaR utilisation measures the Funds' VaR relative to the Funds' VaR limit. The below tables detail the approach for each Fund, the minimum, maximum and average daily VaR utilisation that occurred during the one year period ending 31 March 2014 and 31 March 2013 expressed as a percentage of the VaR limit and the VaR expressed as a percentage of the NAV at the year end.

| Fund | Market Risk Approach | Highest utilisation of the VaR limit* | Lowest utilisation of the VaR limit* | Average utilisation of the VaR limit* | VaR as at 31 March 2014 |
|--|----------------------|---------------------------------------|--------------------------------------|---------------------------------------|-------------------------|
| F&C High Income Bond Fund | VaR | 52.93% | 7.50% | 17.46% | 2.17% |
| F&C Global High Yield Fund** | VaR | 25.35% | 5.03% | 9.73% | – |
| F&C Real Estate Equity Long/Short Fund | VaR | 31.65% | 5.82% | 14.43% | 1.31% |

| Fund | Market Risk Approach | Highest utilisation of the VaR limit* | Lowest utilisation of the VaR limit* | Average utilisation of the VaR limit* | VaR as at 28 March 2013 |
|--|----------------------|---------------------------------------|--------------------------------------|---------------------------------------|-------------------------|
| F&C High Income Bond Fund | VaR | 77.52% | 8.23% | 25.70% | 0.37% |
| F&C Global Credit Fund** | VaR | 60.68% | 0.39% | 14.03% | – |
| F&C Credit Select Fund** | VaR | 46.97% | 0.01% | 10.77% | – |
| Thames River – BSI Bond Opportunity Fund** | VaR | 67.65% | 0.25% | 14.41% | – |
| F&C Global High Yield Fund | VaR | 140.88% | 0.37% | 25.56% | 0.45% |
| F&C Real Estate Equity Long/Short Fund | VaR | 23.72% | 0.00% | 12.79% | 0.95% |

* Absolute VaR Limit Utilisation = VaR (99% CI, 1 day) / 4.47%

Utilisation > 100% equates to breaking the limit

** VaR data is to the relevant date of termination of each Fund

VaR methods rely on a number of assumptions about the forecasting of investment markets and the ability to draw inferences about the future behaviour of market prices from historical movements. If those assumptions are incorrect by any significant degree (and even a small degree of inaccuracy the forecasting models used can produce large deviations in the forecast produced), the size and frequency of losses actually incurred in the investment portfolio may considerably exceed those predicted by the VaR model.

In accordance with the UCITS regulations, a Fund using VaR must disclose the level of leverage employed by the Fund during the year under review, calculated as the sum of the absolute value of notionals of the derivatives used. The leverage is calculated on a gross basis and does not take into account any netting and hedging arrangements that the Funds may have in place at any time, even though these arrangements may be used for risk reduction purposes. Therefore this calculation may not provide an accurate measure of the Funds' actual investment exposures. Below is the average daily level of leverage for each Fund during the one year period ending 31 March 2014 and 31 March 2013.

31 March 2014

10. Derivatives & Other Financial Instruments (continued)

(ii) Derivative exposure (continued)

| Fund | Average leverage employed during the year as % of NAV* 31 March 2014 |
|--|---|
| F&C High Income Bond Fund | 390.66% |
| F&C Global High Yield Fund** | 562.96% |
| F&C Real Estate Long/Short Equity Fund | 82.99% |

| Fund | Average leverage employed during the year as % of NAV* 31 March 2013 |
|--|---|
| F&C High Income Bond Fund | 613.31% |
| F&C Global Credit Fund** | 464.41% |
| F&C Credit Select Fund** | 306.66% |
| Thames River – BSI Bond Opportunity Fund** | 335.34% |
| F&C Global High Yield Fund | 530.39% |
| F&C Real Estate Long/Short Equity Fund | 76.29% |

* It should be noted that the data above includes offsetting positions which are closed but not collapsed (i.e. where the sub-fund trades an offsetting position in an identical security and both securities are included in the valuation)

** Leverage data is to the relevant date of termination of each Fund

(iii) Market price risk

Market risks are reviewed below under the following headings:

Equity Funds – Eastern European Fund, F&C Global Emerging Markets Fund, F&C Emerging Asia Fund, F&C Water and Agriculture Equity Long/Short Fund, F&C Real Estate Securities Fund, F&C Real Estate Equity Long/Short Fund and the terminated F&C Global Emerging Markets Equity Long/Short Fund.

Bond Funds – F&C High Income Bond Fund, F&C Macro Global Bond Funds (£, €, and \$) and the terminated F&C Global High Yield Fund.

Equity Funds

The Funds invest in financial instruments, taking positions in securities, currencies and derivatives as appropriate, including where appropriate in view of their respective investment objectives and policy, CFDs, index futures and options, to take advantage of movements in the investment markets associated with their respective investment objectives.

All investments present a risk of loss of capital. The Investment Manager of each Fund seeks to reduce this risk through a careful selection of securities and other financial instruments within specified limits.

The maximum risk of loss resulting from financial instruments is determined by the fair value of the financial instruments at the date of purchase, except for long positions in derivatives, where the maximum loss may be the fair value of the underlying asset, and short positions. Possible losses from derivative positions sold short can theoretically be unlimited. Each Fund's overall market positions are monitored on a daily basis by the Fund's Investment Manager.

31 March 2014

10. Derivatives & Other Financial Instruments (continued)

(iii) Market price risk (continued)

Equity Funds (continued)

The Funds' equity securities and related derivative instruments are susceptible to market price risk arising from uncertainties about future prices of the instruments. The Funds' market price risk is managed through a combination of monitoring the levels of exposures to individual securities and where relevant, industry sectors and countries, within the diversification requirements applicable to each Fund under the UCITS regulations, while maintaining constant awareness of the portfolio's overall exposures.

In accordance with the Company's policy, the Investment Managers monitor each Fund's positions on a daily basis and report regularly to the Board of Directors, which reviews the information on the Funds' overall market exposures provided by the Investment Managers at its periodic meetings.

The market risk of the Funds may be affected by three main components: changes in actual market prices, interest rate and foreign currency movements.

With regard to the changes in actual market prices, some of the Funds are managed on an absolute return orientated basis or are not constrained by any benchmark index. However, in order to comply with FRS 29 and assuming that the portfolios remain unchanged, the following table shows the impact of an upward or downward move in the price of all securities held in the portfolio on the NAV of the respective Fund. In view of the fact the Funds' portfolios are managed on an active and dynamic basis with frequent changes in the holdings and the balance of gross and net positions, the Directors caution that this sensitivity should not be relied on as a measure of future performance.

| Equity Funds as at 31 March 2014 | Impact of +/- 5% market move | |
|--|-------------------------------------|----------|
| | Currency 000 | % |
| Eastern European Fund | US\$13,723 | 3.56% |
| F&C Global Emerging Markets Fund | US\$3,456 | 4.98% |
| F&C Emerging Asia Fund | US\$790 | 4.90% |
| F&C Water and Agriculture Equity Long/Short Fund | US\$1,155 | 3.53% |
| F&C Real Estate Securities Fund | £2,241 | 5.02% |
| F&C Real Estate Equity Long/Short Fund | €222 | 0.56% |

| Equity Funds as at 31 March 2013 | Impact of +/- 5% market move | |
|--|-------------------------------------|----------|
| | Currency 000 | % |
| Eastern European Fund | US\$25,467 | 4.62% |
| F&C Global Emerging Markets Fund | US\$7,851 | 4.98% |
| F&C Emerging Asia Fund | US\$891 | 4.96% |
| F&C Water and Agriculture Equity Long/Short Fund | US\$2,660 | 4.77% |
| F&C Real Estate Securities Fund | £1,638 | 5.15% |
| F&C Global Emerging Markets Equity Long/Short Fund | US\$387 | 2.35% |
| F&C Real Estate Equity Long/Short Fund | (€354) | -0.56% |

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2014

10. Derivatives & Other Financial Instruments (continued)

(iv) Interest rate risk

Equity Funds

The only interest-bearing assets in the Equity Fund portfolios are generally the Funds' cash balances which are normally held in the relevant Fund's base currency and invested at short-term market interest rates. Cash balances in these Funds are typically very low. As a result, the Equity Funds are not considered to be subject to significant amounts of direct risk due to fluctuations in the prevailing levels of market interest rates.

Bond Funds

The Bond Funds' interest-bearing financial assets and liabilities expose them to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on their financial position and cash flows. The F&C High Income Bond Fund and the F&C Global High Yield Fund have the flexibility to enter into interest rate and credit derivative contracts in order to limit the exposure to changes in prevailing interest rates. The three F&C Macro Global Bond Funds do not generally use interest rate swap contracts but enter into exchange traded bond futures and buy put and call options on bond and interest futures to alter the exposure of the Funds to interest rate changes to reflect the Investment Manager's views.

Any excess cash and cash equivalents in the Bond Funds are invested at short-term market interest rates and are therefore not subject to significant amounts of direct risk due to fluctuations in the prevailing levels of market interest rates.

In accordance with the Company's policy, the relevant Investment Manager monitors each Bond Fund's interest rate exposures on a daily basis and reports regularly to the Board of Directors, which reviews the information provided by the Investment Manager on significant exposures at its periodic meetings.

The table below summarises each of the Bond Funds' exposure to interest rate risks. It includes the Funds' assets and trading liabilities at fair values, categorised by the earlier of contractual re-pricing or maturity dates.

| F&C High Income Bond Fund As at 31 March 2014 | Less than 1 month US\$000 | 1 month - 1 year US\$000 | 1 - 5 years US\$000 | Over 5 years US\$000 | Non-interest bearing US\$000 | Total 2014 US\$000 |
|---|---------------------------------|--------------------------------|---------------------------|----------------------------|------------------------------------|--------------------------|
| Assets | | | | | | |
| Financial assets at fair value | | | | | | |
| through profit or loss | 591 | 1,203 | 48,926 | 1,099 | 87,100 | 138,919 |
| Debtors | - | - | - | - | 7,553 | 7,553 |
| Margin cash | 12,325 | - | - | - | - | 12,325 |
| Cash at bank | 6,654 | - | - | - | - | 6,654 |
| Total assets | 19,570 | 1,203 | 48,926 | 1,099 | 94,653 | 165,451 |
| Liabilities | | | | | | |
| Financial liabilities at fair value | | | | | | |
| through profit or loss | (528) | (1,682) | (7,365) | (2,117) | - | (11,692) |
| Bank overdraft | - | - | - | - | - | - |
| Creditors | - | - | - | - | (13,649) | (13,649) |
| Total liabilities (excluding net assets attributable to redeemable participating shares) | (528) | (1,682) | (7,365) | (2,117) | (13,649) | (25,341) |

TRADITIONAL FUNDS plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2014

10. Derivatives & Other Financial Instruments (continued)

(iv) Interest rate risk (continued)

| F&C Macro Global Bond Fund (£) As at 31 March 2014 | Less than 1 month £000 | 1 month - 1 year £000 | 1 - 5 years £000 | Over 5 years £000 | Non-interest bearing £000 | Total 2014 £000 |
|---|---------------------------------------|--------------------------------------|---------------------------------|----------------------------------|--|--------------------------------|
| Assets | | | | | | |
| Financial assets at fair value through profit or loss | 29,496 | 201,244 | – | 95,276 | 1,127 | 327,143 |
| Debtors | – | – | – | – | 796 | 796 |
| Margin cash | – | – | – | – | – | – |
| Cash at bank | 32,954 | – | – | – | – | 32,954 |
| Total assets | 62,450 | 201,244 | – | 95,276 | 1,923 | 360,893 |
| Liabilities | | | | | | |
| Financial assets at fair value through profit or loss | – | – | – | – | (1,532) | (1,532) |
| Creditors | – | – | – | – | (3,574) | (3,574) |
| Total liabilities (excluding net assets attributable to redeemable participating shares) | – | – | – | – | (5,106) | (5,106) |
| F&C Macro Global Bond Fund (€) As at 31 March 2014 | Less than 1 month €000 | 1 month - 1 year €000 | 1 - 5 years €000 | Over 5 years €000 | Non-interest bearing €000 | Total 2014 €000 |
| Assets | | | | | | |
| Financial assets at fair value through profit or loss | 7,500 | 45,370 | 4,456 | 22,684 | 469 | 80,479 |
| Debtors | – | – | – | – | 424 | 424 |
| Margin cash | – | – | – | – | – | – |
| Cash at bank | 6,841 | – | – | – | – | 6,841 |
| Total assets | 14,341 | 45,370 | 4,456 | 22,684 | 893 | 87,744 |
| Liabilities | | | | | | |
| Financial liabilities at fair value through profit or loss | – | – | – | – | (244) | (244) |
| Creditors | – | – | – | – | (1,926) | (1,926) |
| Total liabilities (excluding net assets attributable to redeemable participating shares) | – | – | – | – | (2,170) | (2,170) |

TRADITIONAL FUNDS plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2014

10. Derivatives & Other Financial Instruments (continued)

(iv) Interest rate risk (continued)

| F&C Macro Global Bond Fund (\$) As at 31 March 2014 | Less than 1 month US\$000 | 1 month - 1 year US\$000 | 1 - 5 years US\$000 | Over 5 years US\$000 | Non-interest bearing US\$000 | Total 2014 US\$000 |
|--|--|---|------------------------------------|-------------------------------------|---|-----------------------------------|
| Assets | | | | | | |
| Financial assets at fair value through profit or loss | 3,700 | 16,572 | – | 8,140 | 37 | 28,449 |
| Debtors | – | – | – | – | 40 | 40 |
| Cash at bank | 2,753 | – | – | – | – | 2,753 |
| Total assets | 6,453 | 16,572 | – | 8,140 | 77 | 31,242 |
| Liabilities | | | | | | |
| Financial liabilities at fair value through profit or loss | – | – | – | – | (51) | (51) |
| Creditors | – | – | – | – | (238) | (238) |
| Total liabilities (excluding net assets attributable to redeemable participating shares) | – | – | – | – | (289) | (289) |
| F&C High Income Bond Fund As at 31 March 2013 | Less than 1 month US\$000 | 1 month - 1 year US\$000 | 1 - 5 years US\$000 | Over 5 years US\$000 | Non-interest bearing US\$000 | Total 2013 US\$000 |
| Assets | | | | | | |
| Financial assets at fair value through profit or loss | 28,413 | 700 | 32,256 | 83,933 | 1,234 | 146,536 |
| Debtors | – | – | – | – | 19,196 | 19,196 |
| Margin cash | 8,685 | – | – | – | – | 8,685 |
| Cash at bank | 47,857 | – | – | – | – | 47,857 |
| Total assets | 84,955 | 700 | 32,256 | 83,933 | 20,430 | 222,274 |
| Liabilities | | | | | | |
| Financial liabilities at fair value through profit or loss | (101) | – | (3,021) | (436) | (1,236) | (4,794) |
| Bank overdraft | (71) | – | – | – | – | (71) |
| Creditors | – | – | – | – | (8,266) | (8,266) |
| Total liabilities (excluding net assets attributable to holders of redeemable participating shares) | (172) | – | (3,021) | (436) | (9,502) | (13,131) |
| F&C Macro Global Bond Fund (£) As at 31 March 2013 | Less than 1 month £000 | 1 month - 1 year £000 | 1 - 5 years £000 | Over 5 years £000 | Non-interest bearing £000 | Total 2013 £000 |
| Assets | | | | | | |
| Financial assets at fair value through profit or loss | 192,589 | 200,519 | 14,219 | – | 4,173 | 411,500 |
| Debtors | – | – | – | – | 3,229 | 3,229 |
| Margin cash | 21,982 | – | – | – | – | 21,982 |
| Cash at bank | 54,122 | – | – | – | – | 54,122 |
| Total assets | 268,693 | 200,519 | 14,219 | – | 7,402 | 490,833 |
| Liabilities | | | | | | |
| Financial assets at fair value through profit or loss | – | (7,245) | – | – | (187) | (7,432) |
| Creditors | – | – | – | – | (30,568) | (30,568) |
| Total liabilities (excluding net assets attributable to redeemable participating shares) | – | (7,245) | – | – | (30,755) | (38,000) |

TRADITIONAL FUNDS plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2014

10. Derivatives & Other Financial Instruments (continued)

(iv) Interest rate risk (continued)

| F&C Macro Global Bond Fund (€) As at 31 March 2013 | Less than 1 month €000 | 1 month - 1 year €000 | 1 - 5 years €000 | Over 5 years €000 | Non-interest bearing €000 | Total 2013 €000 |
|---|--|---|------------------------------------|-------------------------------------|---|-----------------------------------|
| Assets | | | | | | |
| Financial assets at fair value through profit or loss | 32,662 | 143,546 | 10,980 | – | 74 | 187,262 |
| Debtors | – | – | – | – | 296 | 296 |
| Margin cash | 6,937 | – | – | – | – | 6,937 |
| Cash at bank | 26,202 | – | – | – | – | 26,202 |
| Total assets | 65,801 | 143,546 | 10,980 | – | 370 | 220,697 |
| Liabilities | | | | | | |
| Financial liabilities at fair value through profit or loss | – | (2,053) | – | – | (355) | (2,408) |
| Creditors | – | – | – | – | (15,934) | (15,934) |
| Total liabilities (excluding net assets attributable to redeemable participating shares) | – | (2,053) | – | – | (16,289) | (18,342) |
| F&C Macro Global Bond Fund (\$) As at 31 March 2013 | Less than 1 month US\$000 | 1 month - 1 year US\$000 | 1 - 5 years US\$000 | Over 5 years US\$000 | Non-interest bearing US\$000 | Total 2013 US\$000 |
| Assets | | | | | | |
| Financial assets at fair value through profit or loss | 10,225 | 15,396 | 1,143 | – | 60 | 26,824 |
| Debtors | – | – | – | – | 70 | 70 |
| Margin cash | 1,328 | – | – | – | – | 1,328 |
| Cash at bank | 15,607 | – | – | – | – | 15,607 |
| Total assets | 27,160 | 15,396 | 1,143 | – | 130 | 43,829 |
| Liabilities | | | | | | |
| Financial liabilities at fair value through profit or loss | – | (308) | – | – | (32) | (340) |
| Creditors | – | – | – | – | (12,482) | (12,482) |
| Margin cash payable | (95) | – | – | – | – | (95) |
| Total liabilities (excluding net assets attributable to redeemable participating shares) | (95) | (308) | – | – | (12,514) | (12,917) |

31 March 2014

10. Derivatives & Other Financial Instruments (continued)

(iv) Interest rate risk (continued)

The following table shows, for the purposes of FRS 29, the impact on the Bond Funds below of a 1% move in interest rates calculated by reference to the duration of the respective portfolios as at 31 March 2014 and assuming no convexity. It also assumes that both the securities and derivatives other than interest rate options held in the Funds as at 31 March 2014 and the overall balance of long and short positions would remain unchanged in the event such a shift in interest rates was anticipated or actually occurred, which would not generally be the case. Furthermore, as with the analysis of market price risk above, as the Funds' portfolios are managed on an active and dynamic basis with frequent changes in the holdings and balance of longs and short positions, the Directors believe that this sensitivity should not be relied on as a measure of future performance. Finally, it should also be considered that although duration is widely used as a measure of portfolio interest rate sensitivity, it is only useful as a measure for interest rate changes which are relatively small in size and it is itself sensitive to changes in the level and term structure of interest rates, which may cause portfolio duration to change independently of changes in the actual portfolio held.

| Bond Fund | Duration at 31.3.2014 | Impact of +/- 1% Interest rate move |
|---------------------------------|----------------------------------|--|
| F&C High Income Bond Fund | 4.70 years | 4.70% |
| F&C Macro Global Bond Fund (£) | 6.61 years | 6.61% |
| F&C Macro Global Bond Fund (€) | 6.65 years | 6.65% |
| F&C Macro Global Bond Fund (\$) | 6.80 years | 6.80% |

| Bond Fund | Duration at 31.3.2013 | Impact of +/- 1% Interest rate move |
|---------------------------------|----------------------------------|--|
| F&C High Income Bond Fund | 1.60 years | 1.60% |
| F&C Macro Global Bond Fund (£) | -6.02 years | -6.02% |
| F&C Macro Global Bond Fund (€) | -6.20 years | -6.20% |
| F&C Macro Global Bond Fund (\$) | -5.74 years | -5.74% |

(v) Credit risk

All the Funds take on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. The Investment Managers place all securities trades with a selection of highly reputable counterparties. In the case of Thames River Capital LLP and F&C Management Limited, these are approved by F&C Asset Management plc Credit and Counterparty Risk Committee. In the case of Nevsky Capital LLP, additions to the list of executing brokers are first approved by its senior principals and then subjected to a due diligence process carried out by the Compliance and Legal departments of Thames River Capital LLP. The risk of default on securities transactions is considered minimal as the vast majority of securities are dematerialised and thus the book entry is made for cash settlement at the same time as the book entry for the transfer of the security. A trade will fail if either party fails to meet its obligation.

31 March 2014

10. Derivatives & Other Financial Instruments (continued)

(v) Credit risk (continued)

Derivatives used by the Funds may be exchange traded or OTC. Exchange traded derivatives transactions are considered to create a minor risk of default, as the exchange involved will generally guarantee trades effected on the exchange.

Each Fund restricts its exposure to credit losses on OTC derivative instruments it holds by limiting its exposure to counterparties in accordance with the investment restrictions set out in the respective Fund Particulars Supplement in the prospectus and by entering into a master netting arrangement with each counterparty with whom it undertakes such transactions. Master netting arrangements do not result in an offset of Balance Sheet assets and liabilities as transactions are usually settled on a gross basis. However, the credit risk associated with favourable contracts is reduced by a master clearing arrangement to the extent that if an event of default occurs, all amounts with the counterparty are terminated and settled on a net basis.

With regard to the securities held by the Custodian, these are ring fenced from the assets of the Custodian. The segregation of such assets should help to protect the Funds' ownership of the assets in the event of the Custodian's insolvency but it may take a considerable time before the Funds' assets are returned. Where cash assets are held with the Custodian or with another institution they are held unsegregated on its Balance Sheet and as such the respective Fund has counterparty exposure risk to the Custodian as the Fund will not generally be protected in the event of bankruptcy. Note 5 discloses the institutions where the Funds hold cash and margin cash. The credit risk on cash balances held with these institutions is with the underlying institution should they default.

The Bond Funds are also exposed to credit risks in relation to issuers of the debt securities held as part of each Fund's investment portfolio. Each Fund limits its exposure to individual issuers of debt securities in accordance with the investment restrictions set out in the respective Fund's Fund Particulars Supplement to the prospectus.

At the beginning of the comparative year ended 31 March 2013, the F&C High Income Bond Fund held two investments the issuer of which was in default or the terms of which are subject to renegotiation. The Fund was not exposed to credit risk in relation to such assets as these investments were sold during the year and are no longer held by the Fund at 31 March 2013.

F&C High Income Bond Fund and F&C Global High Yield Fund (prior to its termination) are both a buyer and seller of credit default swaps. The buyer of a credit default swap is generally contracted to pay the seller a periodic stream of payments over the term of the contract in return for a contingent payment upon the occurrence of a credit event with respect to an underlying reference obligation. Generally, a credit event for corporate or sovereign reference obligations means bankruptcy, failure to pay, obligation acceleration, repudiation/moratorium or restructuring. For credit default swaps on asset-backed securities, a credit event may be triggered by events such as failure to pay principal, maturity extension, rating downgrade or write-down. If a credit event occurs, the seller typically must pay the contingent payment to the buyer, which is typically the par value (full notional value) of the reference obligation, though the actual payment may be mitigated by netting the set-off provision in the swap agreement which typically follows the format of the standard master agreement produced by the International Swaps and Derivatives Association ("ISDA").

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2014

10. Derivatives & Other Financial Instruments (continued)

(v) Credit risk (continued)

After a credit event occurs, the loss incurred by the seller of the swap may be reduced by anticipated recovery rates, segregated collateral and netting arrangements that may incorporate multiple transactions with a given counterparty. The table below shows the notional value for protection bought and sold as at 31 March 2014 and 31 March 2013:

| | Currency | Protection Bought Notional Value | | Protection sold Notional Value | |
|----------------------------|----------|-------------------------------------|-------|-----------------------------------|---------|
| | | 2014 | 2013 | 2014 | 2013 |
| F&C High Income Bond Fund | US\$m | 80.0 | 129.8 | 55.0 | (109.8) |
| F&C Global High Yield Fund | €m | n/a | 23.6 | n/a | (23.6) |

The notional amounts of the swaps are not recorded in the financial statements; however the notional amount does approximate the maximum potential amount of future payments that the Fund could be required to make if the Fund was the seller of protection and a credit event was to occur.

In accordance with the Company's policy, the relevant Investment Manager monitors each Bond Fund's credit risk exposures on a daily basis and reports regularly to the Board of Directors, which reviews the information provided by the Investment Manager on significant exposures at its periodic meetings.

At 31 March 2014 and 31 March 2013, the Bond Funds' exposure to credit risk on issuers of debt securities was as follows:

| F&C High Income Bond Fund | At 31 March 2014 | At 31 March 2013 |
|---------------------------|-------------------------|-------------------------|
| | % of debt securities | % of debt securities |
| By rating category | | |
| AAA/Aaa | 0.97 | 13.10 |
| A/A | 6.67 | 4.17 |
| BBB/Baa | 25.94 | 6.52 |
| BB/Bb | 21.05 | 19.73 |
| B/B | 15.85 | 49.19 |
| Below B | 6.54 | 7.29 |
| Unrated | 22.98 | – |
| Total | 100.00 | 100.00 |

| F&C Macro Global Bond Fund (£) | At 31 March 2014 | At 31 March 2013 |
|--------------------------------|-------------------------|-------------------------|
| | % of debt securities | % of debt securities |
| By rating category | | |
| AAA/Aaa | 59.17 | 95.84 |
| A/A | 27.73 | 4.16 |
| NR | 13.10 | – |
| Total | 100.00 | 100.00 |

| F&C Macro Global Bond Fund (€) | At 31 March 2014 | At 31 March 2013 |
|--------------------------------|-------------------------|-------------------------|
| | % of debt securities | % of debt securities |
| By rating category | | |
| AAA/Aaa | 88.10 | 97.76 |
| A/A | 11.90 | 2.24 |
| Total | 100.00 | 100.00 |

TRADITIONAL FUNDS plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2014

10. Derivatives & Other Financial Instruments (continued)

(v) Credit risk (continued)

| F&C Macro Global Bond Fund (\$) | At 31 March 2014 | At 31 March 2013 |
|---------------------------------|-------------------------|-------------------------|
| By rating category | % of debt securities | % of debt securities |
| AAA/Aaa | 84.11 | 97.20 |
| A/A | – | 2.80 |
| AA/Aa | 2.64 | – |
| NR | 13.25 | – |
| Total | 100.00 | 100.00 |

At the year end the counterparties to OTC derivatives were as shown below. Exchange traded derivatives such as futures and options are excluded from these tables as the exposure is to the relevant exchange, rather than the counterparty, and the risk of default is considered minimal as the exchange involved will generally guarantee trades effected on the exchange. The tables show the rating of each counterparty and the exposure by derivative class to each counterparty. The balances shown in the tables below are unsecured and any related collateral cash is included in the balances disclosed in note 5 (a). Securities pledged as collateral are marked accordingly on the Schedules of Investments.

| F&C High Income Bond Fund | 2014 US\$000 | 2014 Ratings | 2013 US\$000 | 2013 Ratings |
|--|-----------------|-----------------|-----------------|-----------------|
| FX Options | | | | |
| JP Morgan | 136 | A+ | 975 | A |
| Interest Rate Swaps | | | | |
| JP Morgan | 1,148 | A+ | 247 | A |
| Credit Default Swaps | | | | |
| Barclays Bank | (935) | A | – | – |
| Goldman Sachs | 3,921 | A | – | – |
| JP Morgan | (3,839) | A+ | 403 | A |
| HSBC | 272 | AA- | – | – |
| Forward Foreign Currency Transactions | | | | |
| JP Morgan | (1,450) | A+ | (340) | A |
| HSBC | (402) | AA- | – | – |
| State Street | 233 | AA- | 338 | AA- |
| F&C Macro Global Bond Fund (£) | 2014 | 2014 | 2013 | 2013 |
| Forward Foreign Currency Transactions | £000 | Ratings | £000 | Ratings |
| Barclays Bank | (1,531) | A | 3,870 | A+ |
| Goldman Sachs | – | – | 117 | A |
| State Street | (1) | AA- | (1) | AA- |
| FX Options | | | | |
| Barclays Bank | 370 | A | – | – |
| Goldman Sachs | 757 | A | – | – |

TRADITIONAL FUNDS plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2014

10. Derivatives & Other Financial Instruments (continued)

(v) Credit risk (continued)

| | | | | |
|--|----------------|----------------|----------------|----------------|
| F&C Macro Global Bond Fund (€) | 2014 | 2014 | 2013 | 2013 |
| Forward Foreign Currency Transactions | €000 | Ratings | €000 | Ratings |
| Barclays Bank | (229) | A | (200) | A+ |
| Goldman Sachs | – | – | (82) | A |
| FX Options | | | | |
| Barclays Bank | 269 | A | – | – |
| Goldman Sachs | 185 | A | – | – |
| F&C Macro Global Bond Fund (\$) | 2014 | 2014 | 2013 | 2013 |
| Forward Foreign Currency Transactions | US\$000 | Ratings | US\$000 | Ratings |
| Barclays Bank | (51) | A | 34 | A+ |
| Goldman Sachs | – | – | (6) | A |
| FX Options | | | | |
| Goldman Sachs | 37 | A | – | – |
| F&C Water and Agriculture Fund Equity Long/Short Fund | 2014 | 2014 | 2013 | 2013 |
| Forward Foreign Currency Transactions | US\$000 | Ratings | US\$000 | Ratings |
| State Street | 58 | AA- | (2) | AA- |
| Contracts for difference | | | | |
| Bank of America-Merrill Lynch | (254) | A | (1,096) | A- |
| Deutsche Bank | – | – | (11) | A+ |
| F&C Real Estate Securities Fund | 2014 | 2014 | 2013 | 2013 |
| Contracts for Difference | £000 | Ratings | £000 | Ratings |
| Goldman Sachs | (175) | A | 272 | A |
| HSBC | – | – | 4 | AA- |
| Forward Foreign Currency Transactions | | | | |
| State Street | (51) | AA- | (15) | AA- |
| F&C Real Estate Equity Long/Short Fund | 2014 | 2014 | 2013 | 2013 |
| Forward Foreign Currency Transactions | €000 | Ratings | €000 | Ratings |
| State Street | 29 | AA- | 70 | AA- |
| Contracts for Difference | | | | |
| Goldman Sachs | 39 | A | 226 | A |

* Terminated 29 August 2013

** Terminated 30 December 2013

At the year end cash and margin cash of the Funds was deposited with the institutions as disclosed in note 5 and 5 (a). The Company will be exposed to the credit risk of these institutions in relation to the Company's cash held by these institutions in the event of insolvency or bankruptcy of these institutions. The credit ratings of the majority of these institutions at 31 March 2014 are disclosed in the tables above. The institutions not disclosed above are BNP Paribas, Santander, Credit Suisse and Deutsche Bank which have credit ratings of A+, BBB, A and A respectively at 31 March 2014.

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2014

10. Derivatives & Other Financial Instruments (continued)

(vi) Liquidity risk

The Funds are exposed to daily cash redemptions of redeemable shares. They therefore generally invest their assets in investments that are traded in a liquid market and can be readily disposed of. As part of the risk management process portfolio positions are monitored on a daily basis against the average level of daily dealing in each security.

In accordance with the Company's policy, the Investment Managers monitor each Fund's liquidity risk exposures on a daily basis and report regularly to the Board of Directors, which reviews the information provided by the Investment Managers on significant exposures at its periodic meetings.

The Funds' listed securities are generally considered readily realisable, as they are listed or traded on recognised stock exchanges. The Funds have the ability to borrow to ensure settlement of transactions.

As at 31 March 2014 and 31 March 2013, all non-derivative financial liabilities fall due for payment in less than 1 month.

The table below analyses the Funds' derivative financial instruments in a loss position as at 31 March 2014. Maturities are considered to be essential to an understanding of the timing of cash flows based on each Fund's investment strategy.

| | Less than 1 month US\$000 | 1 month - 1 year US\$000 | 1 - 5 years US\$000 | Over 5 years US\$000 | No stated maturity US\$000 | 2014 Total US\$000 |
|---|---------------------------------|--------------------------------|---------------------------|----------------------------|----------------------------------|--------------------------|
| F&C High Income Bond Fund | | | | | | |
| Liabilities | | | | | | |
| <i>Net settled derivatives</i> | | | | | | |
| - Credit default swaps | - | - | (7,365) | (2,114) | - | (9,479) |
| - FX Options | - | - | - | (3) | - | (3) |
| <i>Gross settled derivatives</i> | | | | | | |
| Forward foreign currency contracts – pay legs | 25,162 | 52,604 | - | - | - | 77,766 |
| Forward foreign currency contracts – receive legs | 24,635 | 50,921 | - | - | - | 75,556 |
| F&C Macro Global Bond Fund (£) | | | | | | |
| Liabilities | £000 | £000 | £000 | £000 | £000 | £000 |
| <i>Gross settled derivatives</i> | | | | | | |
| Forward foreign currency contracts – pay legs | 224,306 | - | - | - | - | 224,306 |
| Forward foreign currency contracts – receive legs | 225,838 | - | - | - | - | 225,838 |
| F&C Macro Global Bond Fund (€) | | | | | | |
| Liabilities | €000 | €000 | €000 | €000 | €000 | €000 |
| <i>Gross settled derivatives</i> | | | | | | |
| Forward foreign currency contracts – pay legs | 13,569 | - | - | - | - | 13,569 |
| Forward foreign currency contracts – receive legs | 13,813 | - | - | - | - | 13,813 |
| F&C Macro Global Bond Fund (\$) | | | | | | |
| Liabilities | US\$000 | US\$000 | US\$000 | US\$000 | US\$000 | US\$000 |
| <i>Gross settled derivatives</i> | | | | | | |
| Forward foreign currency contracts – pay legs | 9,610 | - | - | - | - | 9,610 |
| Forward foreign currency contracts – receive legs | 9,661 | - | - | - | - | 9,661 |

TRADITIONAL FUNDS plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2014

10. Derivatives & Other Financial Instruments (continued)

(vi) Liquidity risk (continued)

| F&C Water and Agriculture Equity Long/Short Fund Liabilities | Less than 1 month US\$000 | 1 month - 1 year US\$000 | 1 - 5 years US\$000 | Over 5 years US\$000 | No stated maturity US\$000 | 2014 Total US\$000 |
|---|-----------------------------------|----------------------------------|-----------------------------|------------------------------|------------------------------------|----------------------------|
| <i>Net settled derivatives</i> | | | | | | |
| - Contracts for difference | 294 | - | - | - | - | 294 |
| - Futures | - | 136 | - | - | - | 136 |
| <i>Gross settled derivatives</i> | | | | | | |
| Forward foreign currency contracts – pay legs | 27 | - | - | - | - | 27 |
| Forward foreign currency contracts – receive legs | 27 | - | - | - | - | 27 |
| F&C Real Estate Securities Fund Liabilities | Less than 1 month £000 | 1 month - 1 year £000 | 1 - 5 years £000 | Over 5 years £000 | No stated maturity £000 | 2014 Total £000 |
| <i>Net settled derivatives</i> | | | | | | |
| - Contracts for Difference | 756 | - | - | - | - | 756 |
| <i>Gross settled derivatives</i> | | | | | | |
| Forward foreign currency contracts – pay legs | 16,511 | - | - | - | - | 16,511 |
| Forward foreign currency contracts – receive legs | 16,564 | - | - | - | - | 16,564 |
| F&C Real Estate Equity Long/Short Fund Liabilities | Less than 1 month €000 | 1 month - 1 year €000 | 1 - 5 years €000 | Over 5 years €000 | No stated maturity €000 | 2014 Total €000 |
| <i>Net settled derivatives</i> | | | | | | |
| Contracts for difference | 432 | - | - | - | - | 432 |
| <i>Gross settled derivatives</i> | | | | | | |
| Forward foreign currency contracts – pay legs | 2,119 | - | - | - | - | 2,119 |
| Forward foreign currency contracts – receive legs | 2,134 | - | - | - | - | 2,134 |

The comparative tables for the Funds' derivative financial instruments in a loss position as at 31 March 2013 are as follows:

| F&C High Income Bond Fund Liabilities | Less than 1 month US\$000 | 1 month - 1 year US\$000 | 1 - 5 years US\$000 | Over 5 years US\$000 | No stated maturity US\$000 | 2013 Total US\$000 |
|---|--------------------------------------|-------------------------------------|--------------------------------|---------------------------------|---------------------------------------|-------------------------------|
| <i>Net settled derivatives</i> | | | | | | |
| - Credit default swaps | - | - | 3,021 | 436 | - | 3,457 |
| - Options | 101 | - | - | - | - | 101 |
| <i>Gross settled derivatives</i> | | | | | | |
| Forward foreign currency contracts – pay legs | 116,705 | 129,286 | - | - | - | 245,991 |
| Forward foreign currency contracts – receive legs | 117,059 | 130,168 | - | - | - | 247,227 |
| Eastern European Fund Liabilities | Less than 1 month US\$000 | 1 month - 1 year US\$000 | 1 - 5 years US\$000 | Over 5 years US\$000 | No stated maturity US\$000 | 2013 Total US\$000 |
| <i>Net settled derivatives</i> | | | | | | |
| - Futures | - | 21 | - | - | - | 21 |

TRADITIONAL FUNDS plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2014

10. Derivatives & Other Financial Instruments (continued)

(vi) Liquidity risk (continued)

| | Less than 1 month £000 | 1 month - 1 year £000 | 1 - 5 years £000 | Over 5 years £000 | No stated maturity £000 | 2013 Total £000 |
|---|------------------------------|-----------------------------|------------------------|-------------------------|-------------------------------|-----------------------|
| F&C Macro Global Bond Fund (£) | | | | | | |
| Liabilities | | | | | | |
| <i>Net settled derivatives</i> | | | | | | |
| - Futures | - | 7,245 | - | - | - | 7,245 |
| <i>Gross settled derivatives</i> | | | | | | |
| Forward foreign currency contracts – pay legs | 13,035 | - | - | - | - | 13,035 |
| Forward foreign currency contracts – receive legs | 13,222 | - | - | - | - | 13,222 |
| | | | | | | |
| F&C Macro Global Bond Fund (€) | | | | | | |
| Liabilities | | | | | | |
| <i>Net settled derivatives</i> | | | | | | |
| - Futures | - | 2,053 | - | - | - | 2,053 |
| <i>Gross settled derivatives</i> | | | | | | |
| Forward foreign currency contracts – pay legs | 14,994 | - | - | - | - | 14,994 |
| Forward foreign currency contracts – receive legs | 15,350 | - | - | - | - | 15,350 |
| | | | | | | |
| F&C Macro Global Bond Fund (\$) | | | | | | |
| Liabilities | | | | | | |
| <i>Net settled derivatives</i> | | | | | | |
| - Futures | - | 308 | - | - | - | 308 |
| <i>Gross settled derivatives</i> | | | | | | |
| Forward foreign currency contracts – pay legs | 2,817 | - | - | - | - | 2,817 |
| Forward foreign currency contracts – receive legs | 2,849 | - | - | - | - | 2,849 |
| | | | | | | |
| F&C Emerging Asia Fund | | | | | | |
| Liabilities | | | | | | |
| <i>Net settled derivatives</i> | | | | | | |
| - Futures | 1 | - | - | - | - | 1 |
| <i>Gross settled derivatives</i> | | | | | | |
| Forward foreign currency contracts – pay legs | 223 | - | - | - | - | 223 |
| Forward foreign currency contracts – receive legs | 223 | - | - | - | - | 223 |
| | | | | | | |
| F&C Water and Agriculture Equity Long/Short Fund | | | | | | |
| Liabilities | | | | | | |
| <i>Net settled derivatives</i> | | | | | | |
| - Contracts for difference | 1,312 | - | - | - | - | 1,312 |
| - Futures | - | 12 | - | - | - | 12 |
| <i>Gross settled derivatives</i> | | | | | | |
| Forward foreign currency contracts – pay legs | 14,737 | - | - | - | - | 14,737 |
| Forward foreign currency contracts – receive legs | 14,764 | - | - | - | - | 14,764 |

TRADITIONAL FUNDS plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2014

10. Derivatives & Other Financial Instruments (continued)

(vi) Liquidity risk (continued)

| | Less than 1 month £000 | 1 month - 1 year £000 | 1 - 5 years £000 | Over 5 years £000 | No stated maturity £000 | 2013 Total £000 |
|---|---------------------------------|--------------------------------|---------------------------|----------------------------|----------------------------------|--------------------------|
| F&C Real Estate Securities Fund | | | | | | |
| Liabilities | | | | | | |
| <i>Net settled derivatives</i> | | | | | | |
| - Contracts for Difference | 246 | - | - | - | - | 246 |
| <i>Gross settled derivatives</i> | | | | | | |
| Forward foreign currency contracts – pay legs | 8,178 | - | - | - | - | 8,178 |
| Forward foreign currency contracts – receive legs | 8,200 | - | - | - | - | 8,200 |
| F&C Global Emerging Markets Equity Long/Short Fund | | | | | | |
| Liabilities | Less than 1 month US\$000 | 1 month - 1 year US\$000 | 1 - 5 years US\$000 | Over 5 years US\$000 | No stated maturity US\$000 | 2013 Total US\$000 |
| <i>Net settled derivatives</i> | | | | | | |
| - Contracts for Difference | 58 | - | - | - | - | 58 |
| - Futures | - | 71 | - | - | - | 71 |
| <i>Gross settled derivatives</i> | | | | | | |
| Forward foreign currency contracts – pay legs | 7,753 | - | - | - | - | 7,753 |
| Forward foreign currency contracts – receive legs | 7,766 | - | - | - | - | 7,766 |
| F&C Global High Yield Fund | | | | | | |
| Liabilities | Less than 1 month €000 | 1 month - 1 year €000 | 1 - 5 years €000 | Over 5 years €000 | No stated maturity €000 | 2013 Total €000 |
| <i>Net settled derivatives</i> | | | | | | |
| - Credit Default Swaps | - | - | 444 | 18 | - | 462 |
| <i>Gross settled derivatives</i> | | | | | | |
| Forward foreign currency contracts – pay legs | 3,741 | - | - | - | - | 3,741 |
| Forward foreign currency contracts – receive legs | 3,757 | - | - | - | - | 3,757 |
| F&C Real Estate Equity Long/Short Fund | | | | | | |
| Liabilities | Less than 1 month €000 | 1 month - 1 year €000 | 1 - 5 years €000 | Over 5 years €000 | No stated maturity €000 | 2013 Total €000 |
| Contracts for difference | 435 | - | - | - | - | 435 |
| <i>Gross settled derivatives</i> | | | | | | |
| Forward foreign currency contracts – pay legs | 5,730 | - | - | - | - | 5,730 |
| Forward foreign currency contracts – receive legs | 5,753 | - | - | - | - | 5,753 |

(vii) Currency risk

Currency risk (or foreign exchange risk) arises on financial instruments that are denominated in a currency other than the functional currency in which they are measured. Currency risk does not arise from financial instruments that are non-monetary items, as the currency risk is assumed to be part of other price risk or from financial instruments denominated in the functional currency.

The impact of currency exposures will generally vary from Fund to Fund. For the Bond Funds, currency exposures are considered a source of potential investment returns and are actively managed as part of the overall investment process employed by the Investment Manager for these Funds.

Funds investing across more than one currency frequently hold assets denominated in currencies other than the respective functional currency. However, each Fund's portfolio may or may not generally be exposed directly to currency risk depending on the view of the Investment Managers at any one time.

TRADITIONAL FUNDS plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2014

10. Derivatives & Other Financial Instruments (continued)

(vii) Currency risk (continued)

Net currency exposures as at the year end for each Bond Fund relating to its functional currency are shown below. The exposure to currencies on the equity funds are presented in the portfolio statements.

| | | |
|--|----------------|----------------|
| F&C High Income Bond Fund | 2014 | 2013 |
| | US\$000 | US\$000 |
| Brazilian Real | 67 | 1,327 |
| Euro | 67,939 | 107,062 |
| Mexican Peso | 49 | – |
| Norwegian Krone | 1,130 | 7,506 |
| Philippine Peso | 2,049 | – |
| South African Rand | (20,022) | – |
| Sterling Pound | 36,470 | 52,050 |
| Turkish Lira | (20,024) | (306) |
| | 67,658 | 167,639 |
| F&C Macro Global Bond Fund (£) | 2014 | 2013 |
| | £000 | £000 |
| Australian Dollar | 70 | (542) |
| Canadian Dollar | 130 | 8 |
| Euro | (3,083) | (2,641) |
| South African Rand | 720 | 541 |
| US Dollar | 16,788 | 139,789 |
| | 14,625 | 137,155 |
| F&C Macro Global Bond Fund (€) | 2014 | 2013 |
| | €000 | €000 |
| Australian Dollar | 203 | 84 |
| Canadian Dollar | 56 | 5 |
| Norwegian Krone | 541 | 543 |
| Sterling Pound | – | 408 |
| South African Rand | 182 | 143 |
| US Dollar | 1,794 | 60,597 |
| | 2,776 | 61,780 |
| F&C Macro Global Bond Fund (\$) | 2014 | 2013 |
| | US\$000 | US\$000 |
| Australian Dollar | (3) | (31) |
| Canadian Dollar | 13 | 2 |
| Euro | (83) | (107) |
| South African Rand | 35 | 26 |
| Sterling Pound | 3,251 | 78 |
| | 3,213 | (32) |

If the exchange rate at 31 March 2014 between the functional currency of each Fund and all other currencies to which the Fund had exposure as at that date had increased by 5% with all other variables held constant, and ignoring the impact of option positions, this would have increased net assets attributable to redeemable participating shares of the relevant Fund by the approximate amounts shown in the table below. Conversely, if the exchange rate had decreased by 5%, this would have decreased net assets attributable to redeemable shares of the Fund by the approximate amounts shown. Furthermore, as with the analysis of market price and interest rate risks above, in view of the fact the Funds' portfolios are managed on an active and dynamic basis with frequent changes in the holdings and the balance of gross and net positions, the Directors caution that this sensitivity should not be relied on as a measure of future performance.

31 March 2014

10. Derivatives & Other Financial Instruments (continued)

(vii) Currency risk (continued)

As at 31 March 2014

| | Effect of 5% upward movement in currency rates 000s | Effect of 5% downward movement in currency rates 000s |
|----------------------------------|---|---|
| Bond Funds | | |
| F&C High Income Bond Fund (US\$) | 3,383 | (3,383) |
| F&C Macro Global Bond Fund (£) | 731 | (731) |
| F&C Macro Global Bond Fund (€) | 139 | (139) |
| F&C Macro Global Bond Fund (\$) | 161 | (161) |

As at 31 March 2013

| | Effect of 5% upward movement in currency rates 000s | Effect of 5% downward movement in currency rates 000s |
|----------------------------------|---|---|
| Bond Funds | | |
| F&C High Income Bond Fund (US\$) | 8,382 | (8,382) |
| F&C Macro Global Bond Fund (£) | 6,858 | (6,858) |
| F&C Macro Global Bond Fund (€) | 3,089 | (3,089) |
| F&C Macro Global Bond Fund (\$) | (2) | 2 |
| F&C Global High Yield Fund (€) | 197 | (197) |

In accordance with the Company's policy, the Investment Manager of each Fund monitors the Fund's currency exposures on a daily basis and reports regularly to the Board of Directors, which reviews the information provided by the Investment Manager on any significant exposures at its periodic meetings.

(viii) Fair value estimation

FRS 29 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 fair value hierarchy has the following levels:

- 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 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.

TRADITIONAL FUNDS plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2014

10. Derivatives & Other Financial Instruments (continued)

(viii) Fair value estimation (continued)

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.

The following table analyses within the fair value hierarchy each Fund's financial assets and liabilities (by type) measured at fair value at 31 March 2014.

| F&C High Income Bond Fund | Level 1 | Level 2 | Level 3 | Total |
|--|----------------|-----------------|----------------|-----------------|
| Assets | US\$000 | US\$000 | US\$000 | US\$000 |
| Investments in securities at fair value | – | 128,088 | – | 128,088 |
| Derivatives – options | – | 139 | – | 139 |
| Derivatives – futures | 55 | – | – | 55 |
| Derivatives – interest rate swaps | – | 1,148 | – | 1,148 |
| Derivatives – credit default swaps | – | 8,898 | – | 8,898 |
| Derivatives – forward foreign currency contracts | – | 591 | – | 591 |
| Total assets | 55 | 138,864 | – | 138,919 |
| Liabilities | | | | |
| Derivatives – options | – | (3) | – | (3) |
| Derivatives – credit default swaps | – | (9,479) | – | (9,479) |
| Derivatives – forward foreign currency contracts | – | (2,210) | – | (2,210) |
| Total liabilities | – | (11,692) | – | (11,692) |
| Eastern European Fund | Level 1 | Level 2 | Level 3 | Total |
| Assets | US\$000 | US\$000 | US\$000 | US\$000 |
| Investments in securities at fair value | 325,413 | – | – | 325,413 |
| Derivatives – contracts for difference | – | 2,548 | – | 2,548 |
| Total assets | 325,413 | 2,548 | – | 327,961 |
| F&C Global Emerging Markets Fund | Level 1 | Level 2 | Level 3 | Total |
| Assets | US\$000 | US\$000 | US\$000 | US\$000 |
| Investments in securities at fair value | 61,459 | 7,670 | – | 69,129 |
| Total assets | 61,459 | 7,670 | – | 69,129 |
| F&C Macro Global Bond Fund (£) | Level 1 | Level 2 | Level 3 | Total |
| Assets | £000 | £000 | £000 | £000 |
| Investments in securities at fair value | – | 326,016 | – | 326,016 |
| Derivatives – options | – | 1,127 | – | 1,127 |
| Total assets | – | 327,143 | – | 327,143 |
| Liabilities | | | | |
| Derivatives – forward foreign currency contracts | – | (1,532) | – | (1,532) |
| Total liabilities | – | (1,532) | – | (1,532) |

TRADITIONAL FUNDS plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2014

10. Derivatives & Other Financial Instruments (continued)

(viii) Fair value estimation (continued)

| F&C Macro Global Bond Fund (€) | | | | |
|--|---------------|---------------|----------|---------------|
| | Level 1 | Level 2 | Level 3 | Total |
| | €000 | €000 | €000 | €000 |
| Assets | | | | |
| Investments in securities at fair value | – | 80,010 | – | 80,010 |
| Derivatives – options | – | 454 | – | 454 |
| Derivatives – forward foreign currency contracts | – | 15 | – | 15 |
| Total assets | – | 80,479 | – | 80,479 |
| Liabilities | | | | |
| Derivatives – forward foreign currency contracts | – | (244) | – | (244) |
| Total liabilities | – | (244) | – | (244) |
| | | | | |
| F&C Macro Global Bond Fund (\$) | | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| | US\$000 | US\$000 | US\$000 | US\$000 |
| Assets | | | | |
| Investments in securities at fair value | – | 28,412 | – | 28,412 |
| Derivatives – options | – | 37 | – | 37 |
| Total assets | – | 28,449 | – | 28,449 |
| Liabilities | | | | |
| Derivatives – forward foreign currency contracts | – | (51) | – | (51) |
| Total liabilities | – | (51) | – | (51) |
| | | | | |
| F&C Emerging Asia Fund | | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| | US\$000 | US\$000 | US\$000 | US\$000 |
| Assets | | | | |
| Investments in securities at fair value | 13,753 | 2,042 | – | 15,795 |
| Total assets | 13,753 | 2,042 | – | 15,795 |
| | | | | |
| F&C Water and Agriculture Equity Long/Short Fund | | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| | US\$000 | US\$000 | US\$000 | US\$000 |
| Assets | | | | |
| Investments in securities at fair value | 28,581 | – | – | 28,581 |
| Derivatives – contracts for difference | – | 40 | – | 40 |
| Derivatives – futures | 81 | – | – | 81 |
| Derivatives – forward foreign currency contracts | – | 58 | – | 58 |
| Total assets | 28,662 | 98 | – | 28,760 |
| Liabilities | | | | |
| Derivatives – contracts for difference | – | (294) | – | (294) |
| Derivatives – futures | (136) | – | – | (136) |
| Derivatives – forward foreign currency contracts | – | –* | – | – |
| Total liabilities | (136) | (294) | – | (430) |

* Values are less than US\$500.

TRADITIONAL FUNDS plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2014

10. Derivatives & Other Financial Instruments (continued)

(viii) Fair value estimation (continued)

| F&C Real Estates Securities Fund | Level 1 | Level 2 | Level 3 | Total |
|---|----------------|----------------|----------------|---------------|
| Assets | £000 | £000 | £000 | £000 |
| Investments in securities at fair value | 17,656 | – | – | 17,656 |
| Derivatives – contracts for difference | – | 581 | – | 581 |
| Derivatives – forward foreign currency contracts | – | 2 | – | 2 |
| Total assets | 17,656 | 583 | – | 18,239 |
| Liabilities | | | | |
| Derivatives – contracts for difference | – | (756) | – | (756) |
| Derivatives – forward foreign currency contracts | – | (53) | – | (53) |
| Total liabilities | – | (809) | – | (809) |
| F&C Real Estate Equity Long/Short Fund | | | | |
| Assets | Level 1 | Level 2 | Level 3 | Total |
| | €000 | €000 | €000 | €000 |
| Investments in securities at fair value | 8,894 | 1,999 | – | 10,893 |
| Derivatives – contracts for difference | – | 471 | – | 471 |
| Derivatives – forward foreign currency contracts | – | 44 | – | 44 |
| Total assets | 8,894 | 2,514 | – | 11,408 |
| Liabilities | | | | |
| Derivatives – contracts for difference | – | (432) | – | (432) |
| Derivatives – forward foreign currency contracts | – | (15) | – | (15) |
| Total liabilities | – | (447) | – | (447) |

The following table analyses within the fair value hierarchy each Fund's Financial assets and liabilities (by type) measured at fair value at 31 March 2013.

| F&C High Income Bond Fund | Level 1 | Level 2 | Level 3 | Total |
|--|----------------|----------------|----------------|----------------|
| Assets | US\$000 | US\$000 | US\$000 | US\$000 |
| Investments in securities at fair value | – | 140,085 | – | 140,085 |
| Derivatives – options | 45 | 1,065 | – | 1,110 |
| Derivatives – interest rate swaps | – | 247 | – | 247 |
| Derivatives – credit default swaps | – | 3,860 | – | 3,860 |
| Derivatives – forward foreign currency contracts | – | 1,234 | – | 1,234 |
| Total assets | 45 | 146,491 | – | 146,536 |
| Liabilities | | | | |
| Derivatives – options | (11) | (90) | – | (101) |
| Derivatives – credit default swaps | – | (3,457) | – | (3,457) |
| Derivatives – forward foreign currency contracts | – | (1,236) | – | (1,236) |
| Total liabilities | (11) | (4,783) | – | (4,794) |

TRADITIONAL FUNDS plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2014

10. Derivatives & Other Financial Instruments (continued)

(viii) Fair value estimation (continued)

| | | | | |
|--|----------------|----------------|----------------|----------------|
| Eastern European Fund | Level 1 | Level 2 | Level 3 | Total |
| Assets | US\$000 | US\$000 | US\$000 | US\$000 |
| Investments in securities at fair value | 500,620 | – | – | 500,620 |
| Total assets | 500,620 | – | – | 500,620 |
| Liabilities | | | | |
| Derivatives – futures | (21) | – | – | (21) |
| Total liabilities | (21) | – | – | (21) |
| F&C Global Emerging Markets Fund | Level 1 | Level 2 | Level 3 | Total |
| Assets | US\$000 | US\$000 | US\$000 | US\$000 |
| Investments in securities at fair value | 146,939 | 10,088 | – | 157,027 |
| Total assets | 146,939 | 10,088 | – | 157,027 |
| F&C Macro Global Bond Fund (£) | Level 1 | Level 2 | Level 3 | Total |
| Assets | £000 | £000 | £000 | £000 |
| Investments in securities at fair value | 407,327 | – | – | 407,327 |
| Derivatives – forward foreign currency contracts | – | 4,173 | – | 4,173 |
| Total assets | 407,327 | 4,173 | – | 411,500 |
| Liabilities | | | | |
| Derivatives – futures | (7,245) | – | – | (7,245) |
| Derivatives – forward foreign currency contracts | – | (187) | – | (187) |
| Total liabilities | (7,245) | (187) | – | (7,432) |
| F&C Macro Global Bond Fund (€) | Level 1 | Level 2 | Level 3 | Total |
| Assets | €000 | €000 | €000 | €000 |
| Investments in securities at fair value | 187,188 | – | – | 187,188 |
| Derivatives – forward foreign currency contracts | – | 74 | – | 74 |
| Total assets | 187,188 | 74 | – | 187,262 |
| Liabilities | | | | |
| Derivatives – futures | (2,053) | – | – | (2,053) |
| Derivatives – forward foreign currency contracts | – | (355) | – | (355) |
| Total liabilities | (2,053) | (355) | – | (2,408) |
| F&C Macro Global Bond Fund (\$) | Level 1 | Level 2 | Level 3 | Total |
| Assets | US\$000 | US\$000 | US\$000 | US\$000 |
| Investments in securities at fair value | 26,764 | – | – | 26,764 |
| Derivatives – forward foreign currency contracts | – | 60 | – | 60 |
| Total assets | 26,764 | 60 | – | 26,824 |
| Liabilities | | | | |
| Derivatives – futures | (308) | – | – | (308) |
| Derivatives – forward foreign currency contracts | – | (32) | – | (32) |
| Total liabilities | (308) | (32) | – | (340) |

TRADITIONAL FUNDS plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2014

10. Derivatives & Other Financial Instruments (continued)

(viii) Fair value estimation (continued)

| F&C Emerging Asia Fund | Level 1 | Level 2 | Level 3 | Total |
|---|----------------|----------------|----------------|----------------|
| Assets | US\$000 | US\$000 | US\$000 | US\$000 |
| Investments in securities at fair value | 16,082 | 1,689 | – | 17,771 |
| Derivatives – futures | 2 | – | – | 2 |
| Total assets | 16,084 | 1,689 | – | 17,773 |
| Liabilities | | | | |
| Derivatives – futures | (1) | – | – | (1) |
| Total liabilities | (1) | – | – | (1) |
| F&C Water and Agriculture Equity Long/Short Fund | Level 1 | Level 2 | Level 3 | Total |
| Assets | US\$000 | US\$000 | US\$000 | US\$000 |
| Investments in securities at fair value | 33,649 | 7,355 | – | 41,004 |
| Derivatives – contracts for difference | – | 205 | – | 205 |
| Derivatives – futures | 123 | – | – | 123 |
| Derivatives – forward foreign currency contracts | – | 25 | – | 25 |
| Total assets | 33,772 | 7,585 | – | 41,357 |
| Liabilities | | | | |
| Derivatives – contracts for difference | – | (1,312) | – | (1,312) |
| Derivatives – futures | (12) | – | – | (12) |
| Derivatives – forward foreign currency contracts | – | (27) | – | (27) |
| Total liabilities | (12) | (1,339) | – | (1,351) |
| F&C Real Estates Securities Fund | Level 1 | Level 2 | Level 3 | Total |
| Assets | £000 | £000 | £000 | £000 |
| Investments in securities at fair value | 13,746 | 274 | – | 14,020 |
| Derivatives – contracts for difference | – | 522 | – | 522 |
| Derivatives – forward foreign currency contracts | – | 8 | – | 8 |
| Total assets | 13,746 | 804 | – | 14,550 |
| Liabilities | | | | |
| Derivatives – contracts for difference | – | (246) | – | (246) |
| Derivatives – forward foreign currency contracts | – | (23) | – | (23) |
| Total liabilities | – | (269) | – | (269) |

TRADITIONAL FUNDS plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2014

10. Derivatives & Other Financial Instruments (continued)

(viii) Fair value estimation (continued)

| F&C Real Estate Equity Long/Short Fund | Level 1 | Level 2 | Level 3 | Total |
|---|----------------|----------------|----------------|---------------|
| Assets | €000 | €000 | €000 | €000 |
| Investments in securities at fair value | 18,650 | – | – | 18,650 |
| Derivatives – contracts for difference | – | 661 | – | 661 |
| Derivatives – forward foreign currency contracts | – | 93 | – | 93 |
| Total assets | 18,650 | 754 | – | 19,404 |
| Liabilities | | | | |
| Derivatives – contracts for difference | – | (435) | – | (435) |
| Derivatives – forward foreign currency contracts | – | (23) | – | (23) |
| Total liabilities | – | (458) | – | (458) |

There were no level 3 securities held at 31 March 2014 or 31 March 2013.

The following table presents the movement in Level 3 securities for the comparative year ended 31 March 2013:

| F&C High Income Bond Fund | 2013 |
|--|----------------|
| | US\$000 |
| Balance at 31 March 2012 | 1,817 |
| Sales | (2,597) |
| Realised gains/(losses) | 780 |
| Unrealised (losses)/gains | – |
| Balance at 31 March 2013 | – |
| Total unrealised losses for assets held at the end of the year | – |

During the comparative year ended 31 March 2013, corporate bonds amounting to €16,247,000 held on the F&C Global High Yield Fund were transferred from Level 1 to Level 2. There were no other significant transfers between Levels 1, 2 and 3 during the year ended 31 March 2014 or the year ended 31 March 2013.

11. Statement of Portfolio Movements

A statement of changes in the composition of the investment portfolio will be issued to shareholders, free of charge, on request. An analysis of significant portfolio movements is included towards the end of these financial statements. Significant portfolio movements display the top 20 securities purchased and sold for each Fund.

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2014

12. Commission Sharing

The Investment Managers have entered into dealing commission sharing agreements. Under these agreements, the brokers agree to provide best execution on all bargains and to use a percentage of commission received to pay either for research that the brokers supply themselves or to pay third party suppliers directly for a number of investment related services that the Investment Managers use to support their management and advisory services, or a combination of the two. The “unbundling” of execution and research has led to increased use of dealing commission arrangements which allow firms to execute business with the most efficient and financially strong counterparties and to reward third party analysts for their research services without executing the business with their firms. It should be noted that all clients may benefit from such research services whether they permit commission sharing or not.

The list of permitted services paid for by dealing commission arrangements is shown below:

- a. Fundamental and technical investment research; and
- b. The research element of market and price information services.

13. Comparative Statistics

| | Audited 31.03.2014 | Audited 31.03.2013 | Audited 31.03.2012 |
|---|-----------------------|-----------------------|-----------------------|
| Net Asset Value | | | |
| F&C High Income Bond Fund (US\$000) | US\$140,584 | US\$209,574 | US\$351,628 |
| Eastern European Fund (US\$000) | US\$385,738 | US\$551,721 | US\$590,986 |
| F&C Global Emerging Markets Fund (US\$000) | US\$69,384 | US\$157,720 | US\$225,710 |
| F&C Macro Global Bond Fund (£) (£000) | £355,980 | £452,841 | £857,677 |
| F&C Macro Global Bond Fund (€) (€000) | \$85,621 | €202,363 | €268,930 |
| F&C Macro Global Bond Fund (\$) (US\$000) | US\$30,969 | US\$30,913 | US\$62,703 |
| F&C Emerging Asia Fund (US\$000) | US\$16,113 | US\$17,964 | US\$14,853 |
| F&C Water and Agriculture Equity Long/Short Fund (US\$000) | US\$32,689 | US\$55,767 | US\$86,978 |
| F&C Real Estate Securities Fund (£000) | £44,655 | £31,826 | £40,020 |
| F&C Global Emerging Markets Equity Long/Short Fund (US\$000)* | – | US\$16,449 | US\$38,498 |
| F&C Global High Yield Fund (€000)** | – | €9,492 | €24,336 |
| F&C Real Estate Equity Long/Short Fund (€000)*** | €39,379 | €63,487 | – |

* Terminated 29 August 2013

** Terminated 30 December 2013

*** Launched 3 December 2012

NAV per Share

F&C High Income Bond Fund

| | | | |
|--|-----------|-----------|-----------|
| – Class A Euro Distributing | €8.84 | € 9.29 | € 9.84 |
| – Class A Sterling Distributing | £9.45 | £9.90 | £10.42 |
| – Class A US Dollar Distributing | US\$8.70 | US\$9.13 | US\$9.63 |
| – Class A Norwegian Krone Distributing | NOK 72.95 | NOK 75.64 | NOK 78.67 |
| – A New Euro Accumulating Class | €12.02 | € 11.92 | € 11.62 |
| – A New Sterling Accumulating Class | £10.90 | £10.77 | £10.43 |
| – A New US Dollar Accumulating Class | US\$10.87 | US\$10.76 | US\$10.45 |
| – A New Euro Distributing Class | €6.39 | € 6.72 | € 7.11 |
| – A New Sterling Distributing Class | £6.70 | £7.02 | £7.39 |
| – A New US Dollar Distributing Class | US\$6.61 | US\$6.94 | US\$7.31 |
| – A New Norwegian Krone Distributing Class | NOK 70.01 | NOK 72.58 | NOK 75.49 |
| – Class C Sterling Distributing | £9.55 | £ 9.88 | – |
| – Class C Sterling Accumulating | £10.25 | – | – |

Eastern European Fund

| | | | |
|-------------------|-----------|-----------|-----------|
| – US Dollar Class | US\$76.82 | US\$84.04 | US\$81.65 |
|-------------------|-----------|-----------|-----------|

TRADITIONAL FUNDS plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2014

13. Comparative Statistics (continued)

| NAV per Share | Audited 31.03.2014 | Audited 31.03.2013 | Audited 31.03.2012 |
|---|-----------------------|-----------------------|-----------------------|
| F&C Global Emerging Markets Fund | | | |
| – Class A Euro Accumulating | €20.38 | €22.79 | €21.70 |
| – Class A US Dollar Accumulating | US\$13.81 | US\$14.39 | US\$14.22 |
| – Class A Euro Distributing | €34.20 | €38.24 | €36.48 |
| – Class A Sterling Distributing | £41.18 | £47.11 | £44.29 |
| – Class A US Dollar Distributing | US\$44.02 | US\$45.85 | US\$45.42 |
| – Class C Sterling Accumulating | – | – | – |
| F&C Macro Global Bond Fund (£) | | | |
| – Class A Sterling Accumulating | £15.63 | £15.54 | £16.20 |
| – Euro Distributing Class | €11.74 | €11.72 | €12.30 |
| – Class A Sterling Distributing | £13.46 | £13.38 | £13.95 |
| – US Dollar Distributing Class | US\$12.12 | US\$12.10 | US\$12.65 |
| – Class C Sterling Accumulating | £9.98 | £9.89 | – |
| – Class C Sterling Distributing | £9.88 | £9.79 | – |
| F&C Macro Global Bond Fund (€) | | | |
| – Class A Euro Accumulating | €13.89 | €13.97 | €14.31 |
| – Class A Euro Distributing | €12.22 | €12.29 | €12.60 |
| – Class C Euro Distributing** | €10.09 | – | – |
| ** Share Class launched 29 November 2013 | | | |
| F&C Macro Global Bond Fund (\$) | | | |
| – Class A US Dollar Accumulating | US\$12.02 | US\$11.64 | US\$12.32 |
| – Class A US Dollar Distributing | US\$10.54 | US\$10.21 | US\$10.80 |
| – Class C US Dollar Distributing** | US\$10.11 | – | – |
| ** Share Class launched 11 November 2013 | | | |
| F&C Emerging Asia Fund | | | |
| – Class A Euro Accumulating | €8.86 | € 9.62 | €9.10 |
| – Class A US Dollar Accumulating | US\$8.45 | US\$8.54 | US\$8.39 |
| – Class A Euro Distributing | €8.83 | €9.58 | € 9.06 |
| – Class A Sterling Distributing | £10.46 | £11.60 | £10.81 |
| – Class A US Dollar Distributing | US\$8.44 | US\$8.53 | US\$8.37 |
| – Class B Euro Accumulating | – | – | €10.92 |
| – Class B US Dollar Accumulating | – | – | US\$9.98 |
| – Class B Sterling Distributing | £11.67 | £12.88 | £11.94 |
| – Class C Sterling Accumulating | £9.49 | – | – |
| F&C Water and Agriculture Equity Long/Short Fund | | | |
| – Class A Euro Accumulating | €12.65 | €12.47 | €11.84 |
| – Class A Sterling Accumulating | £11.26 | £11.05 | £10.43 |
| – Class A US Dollar Accumulating | US\$12.71 | US\$12.50 | US\$11.81 |
| – Class A Norwegian Krone Accumulating | NOK 114.69 | NOK 111.98 | NOK 104.90 |
| – Class A Singapore Dollar Accumulating | SGD 10.62 | SGD 10.48 | SGD 9.97 |
| – Class A Euro Distributing | €12.54 | €12.36 | €11.74 |
| – Class A Sterling Distributing | £12.67 | £12.44 | £11.75 |
| – Class A US Dollar Distributing | US\$11.23 | US\$11.05 | US\$10.44 |
| – Class C Sterling Accumulating | £10.60 | £10.35 | – |
| – Class C Sterling Distributing | £10.60 | £10.35 | – |

TRADITIONAL FUNDS plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2014

13. Comparative Statistics (continued)

| NAV per Share | Audited 31.03.2014 | Audited 31.03.2013 | Audited 31.03.2012 |
|---|-----------------------|-----------------------|-----------------------|
| F&C Real Estate Securities Fund | | | |
| – Class A Euro Accumulating | €15.05 | €12.57 | €10.70 |
| – Class A Sterling Accumulating | £15.55 | £12.93 | £10.90 |
| – Class A Sterling Distributing | £14.44 | £12.34 | £10.69 |
| – Class B Euro Accumulating | €15.34 | €12.69 | €10.77 |
| – Class B Sterling Accumulating | £15.85 | £13.06 | £11.00 |
| – Class A Norwegian Krone Accumulating | NOK 123.06 | NOK 102.00 | NOK 85.34 |
| – Class C Sterling Distributing | £14.59 | £12.43 | £10.75 |
| F&C Global Emerging Markets Equity Long/Short Fund (terminated 29 August 2013) | | | |
| – Class A Euro Accumulating | – | €9.10 | €8.71 |
| – Class A Sterling Accumulating | – | £9.17 | £8.72 |
| – Class A Norwegian Krone Accumulating | – | NOK 93.47 | NOK 87.86 |
| – Class A US Dollar Accumulating | – | US\$9.18 | US\$8.73 |
| – Class A Sterling Distributing | – | £9.17 | £8.72 |
| – Class B Euro Accumulating | – | – | £8.76 |
| – Class B US Dollar Accumulating | – | – | US\$8.78 |
| – Class B Swiss Franc Accumulating | – | – | CHF 8.73 |
| – Class B Sterling Distributing | – | – | £8.77 |
| – Class C Sterling Distributing | – | £9.29 | – |
| F&C Global High Yield Fund (terminated 30 December 2013) | | | |
| – Class A Euro Accumulating | – | €10.73 | €9.60 |
| – Class A Sterling Accumulating | – | £10.75 | £9.59 |
| – Class A US Dollar Accumulating | – | US\$10.75 | US\$9.58 |
| – Class A Euro Distributing | – | €10.20 | €9.43 |
| – Class A US Dollar Distributing | – | US\$10.18 | US\$9.42 |
| – Class A Sterling Distributing | – | £10.25 | £9.42 |
| – Class A Norwegian Krone Distributing | – | NOK 104.53 | NOK 95.49 |
| – Class B Euro Accumulating | – | – | €9.56 |
| F&C Real Estate Equity Long/Short Fund | | | |
| – Class A Euro Accumulating | €10.24 | €10.04 | – |
| – Class A Sterling Accumulating | £10.22 | £10.05 | – |
| – Class A US Dollar Accumulating | US\$10.30 | – | – |
| – Class B Euro Accumulating | €10.28 | €10.06 | – |
| – Class B Sterling Accumulating | – | – | – |
| – Class C Sterling Accumulating | £10.32 | £10.07 | – |

TRADITIONAL FUNDS plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2014

14. Exchange Rates

At 31 March 2014 and 31 March 2013, the following were the actual exchange rates to Euro, US Dollar and Sterling:

| | Exchange Rate to € 2014 | Exchange Rate to € 2013 | Exchange Rate to US\$ 2014 | Exchange Rate to US\$ 2013 |
|----------------------|-------------------------------|-------------------------------|----------------------------------|----------------------------------|
| Argentine Peso | 11.03 | 6.58 | 8.00 | 5.12 |
| Australian Dollar | 1.49 | 1.23 | 1.08 | 0.96 |
| Brazilian Real | 3.11 | 2.59 | 2.26 | 2.02 |
| Canadian Dollar | 1.52 | 1.30 | 1.10 | 1.02 |
| Chilean Peso | 759.06 | 605.77 | 550.74 | 471.75 |
| Chinese Renminbi | 8.57 | 7.98 | 6.22 | 6.21 |
| Colombian Peso | 2,712.95 | 2,347.33 | 1,968.40 | 1,828.00 |
| Czech Koruna | 27.43 | 25.76 | 19.90 | 20.06 |
| Danish Krone | 7.47 | 7.45 | 5.42 | 5.81 |
| Egyptian Pound | 9.60 | 8.74 | 6.97 | 6.80 |
| Euro | – | – | 0.73 | 0.78 |
| Hong Kong Dollar | 10.69 | 9.97 | 7.76 | 7.76 |
| Hungarian Forint | 307.42 | 304.42 | 223.05 | 237.07 |
| Indian Rupee | 82.31 | 69.79 | 59.72 | 54.35 |
| Indonesian Rupiah | 15,656.92 | 12,478.23 | 11,360.00 | 9,717.50 |
| Israeli Shekel | 4.81 | 4.67 | 3.49 | 3.63 |
| Japanese Yen | 141.94 | 120.73 | 102.99 | 94.02 |
| Malaysian Ringgit | 4.50 | 3.98 | 3.27 | 3.10 |
| Mexican Peso | 17.98 | 15.84 | 13.05 | 12.34 |
| New Taiwan Dollar | 41.97 | 38.40 | 30.45 | 29.90 |
| New Turkish Lira | 2.95 | 2.32 | 2.14 | 1.81 |
| New Zealand Dollar | 1.59 | 1.53 | 1.15 | 1.19 |
| Nigerian Nira | 227.31 | 203.59 | 164.93 | 158.55 |
| Norwegian Krone | 8.25 | 7.49 | 5.99 | 5.83 |
| Peruvian Sol | 3.87 | 3.33 | 2.81 | 2.59 |
| Philippine Peso | 61.81 | 52.40 | 44.85 | 40.81 |
| Polish Zloty | 4.16 | 4.18 | 3.02 | 3.25 |
| Romanian Leu | 4.46 | 4.42 | 3.24 | 3.44 |
| Russian Ruble | 48.43 | 39.92 | 35.14 | 31.08 |
| Singapore Dollar | 1.73 | 1.59 | 1.26 | 1.24 |
| South African Rand | 14.50 | 11.78 | 10.52 | 9.17 |
| South Korean Won | 1,467.08 | 1,428.69 | 1,064.45 | 1,112.60 |
| Sterling Pound | 0.83 | 0.85 | 0.60 | 0.66 |
| Swedish Krona | 8.94 | 8.35 | 6.48 | 6.50 |
| Swiss Franc | 1.22 | 1.22 | 0.88 | 0.95 |
| Thai Baht | 44.71 | 37.60 | 32.44 | 29.29 |
| UAE Dirham | 5.06 | 4.72 | 3.67 | 3.67 |
| United States Dollar | 1.38 | 1.28 | – | – |
| Uruguayan Peso | 31.15 | 24.18 | 22.60 | 18.83 |

The average daily rates of exchange at 31 March 2014 and 31 March 2013 to the Euro were as follows:

| | 2014 | 2013 |
|----------------------|------|------|
| Sterling Pound | 0.84 | 0.81 |
| United States Dollar | 1.34 | 1.29 |

31 March 2014

14. Exchange Rates (continued)

| | Exchange Rate to £ 2014 | Exchange Rate to £ 2013 |
|----------------------|-------------------------------|-------------------------------|
| Argentine Peso | 13.34 | 7.78 |
| Australian Dollar | 1.80 | 1.46 |
| Brazilian Real | 3.76 | 3.06 |
| Canadian Dollar | 1.84 | 1.54 |
| Chilean Peso | 918.17 | 716.33 |
| Chinese Renminbi | 10.37 | 9.44 |
| Colombian Peso | 3,281.62 | 2,775.73 |
| Czech Koruna | 33.18 | 30.46 |
| Danish Krone | 9.03 | 8.82 |
| Egyptian Pound | 11.62 | 10.33 |
| Euro | 1.21 | 1.18 |
| Hong Kong Dollar | 12.93 | 11.79 |
| Hungarian Forint | 371.87 | 359.98 |
| Indian Rupee | 99.57 | 82.53 |
| Indonesian Rupiah | 18,938.83 | 14,755.54 |
| Israeli Shekel | 5.82 | 5.52 |
| Japanese Yen | 171.69 | 142.76 |
| Malaysian Ringgit | 5.44 | 4.70 |
| Mexican Peso | 21.75 | 18.74 |
| New Taiwan Dollar | 50.77 | 45.41 |
| New Turkish Lira | 3.57 | 2.75 |
| New Zealand Dollar | 1.92 | 1.81 |
| Nigerian Naira | 274.96 | 240.75 |
| Norwegian Krone | 9.98 | 8.86 |
| Peruvian Sol | 4.68 | 3.93 |
| Philippine Peso | 74.76 | 61.97 |
| Polish Zloty | 5.04 | 4.94 |
| Romanian Leu | 5.40 | 5.22 |
| Russian Ruble | 58.58 | 47.20 |
| Singapore Dollar | 2.10 | 1.88 |
| South African Rand | 17.53 | 13.93 |
| South Korean Won | 1,774.60 | 1,689.43 |
| Swedish Krona | 10.81 | 9.87 |
| Swiss Franc | 1.47 | 1.44 |
| Thai Baht | 54.08 | 44.47 |
| UAE Dirham | 6.12 | 5.58 |
| United States Dollar | 1.67 | 1.52 |
| Uruguayan Peso | 37.68 | 28.59 |

TRADITIONAL FUNDS plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2014

15. Fees and Expenses

Investment Management Fee

The relevant Investment Manager will be entitled to receive out of the assets of each Fund a periodic investment management fee (the "Investment Management Fee") which accrues daily and is payable monthly in arrears based on the following percentage of the Net Asset Value of each Fund.

| Fund / Share Class (where relevant) | Annual investment Management Fee Rate |
|--|---------------------------------------|
| F&C High Income Bond Fund Class A – Non Institutional Class B – Institutional Class C – Institutional | 1.50% 1.00% 0.75% |
| Eastern European Fund | 1.75% |
| F&C Global Emerging Markets Fund Class A – Non Institutional Class C – Institutional | 1.75% 1.00% |
| F&C Macro Global Bond Fund (£) Class A – Non Institutional Class C – Institutional | 1.00% 0.60% |
| F&C Macro Global Bond Fund (€) Class A – Non Institutional Class C – Institutional | 1.00% 0.60% |
| F&C Macro Global Bond Fund (\$) Class A – Non Institutional Class C – Institutional | 1.00% 0.60% |
| F&C Emerging Asia Fund Class A – Non Institutional Class B – Institutional Class C – Institutional | 1.75% 1.25% 1.00% |
| F&C Water and Agriculture Equity Long/Short Fund Class A – Non Institutional Class C – Institutional | 1.75% 1.00% |
| F&C Real Estate Securities Fund Class A – Non Institutional Class B & C – Institutional | 1.50% 1.00% |
| F&C Global Emerging Markets Equity Long/Short Fund Class A – Non Institutional Class B & C – Institutional | 1.75% 1.00% |
| F&C Global High Yield Fund Class A – Non Institutional Class B – Institutional Class C – Institutional | 1.50% 1.00% 0.75% |
| F&C Real Estate Equity Long/Short Fund Class A – Non Institutional Class B & C – Institutional | 1.75% 1.00% |

Details of investment management fees charged to each Fund in the year are shown in the Profit and Loss Account. Investment management fees payable at 31 March 2014 are disclosed in note 7.

31 March 2014

15. Fees and Expenses (continued)

Performance Fee

In addition, the relevant Investment Manager will be entitled to receive a performance fee out of the assets of each of the Company's Funds. Each performance fee is based on an outperformance percentage over the performance hurdle. The table below shows the outperformance percentage and the index performance hurdle for each Fund. Any further information on performance fees can be obtained in the prospectus.

| Fund | % Rate | Performance/Index Hurdle |
|--|---------------|--|
| F&C High Income Bond Fund | 15% | 3 month interbank interest rate relevant to the currency of the Share Class |
| Eastern European Fund | 20% | MSCI Emerging Europe Index |
| F&C Global Emerging Markets Fund | 20% | MSCI Emerging Markets Free Index |
| F&C Macro Global Bond Fund (£) | 10% | Composite Index – FTSE all stock index and the Citigroup World Government Bond Index in equal proportions expressed in sterling on a total return basis |
| F&C Macro Global Bond Fund (€) | 10% | Composite Index – Citigroup Euro Government Bond Index and the Citigroup World Government Bond Index in equal proportions expressed in euro |
| F&C Macro Global Bond Fund (\$) | 10% | Composite Index – Citigroup US Government Bond Index and the Citigroup World Government Bond Index in equal proportions expressed in US dollars |
| F&C Emerging Asia Fund | 20% | MSCI EM Asia Index Performance |
| F&C Water and Agriculture Equity Long/Short Fund | 10% | 2% pa over 3 month NIBOR for all NOK share classes, 2% pa over 3 month SIBOR for all Singapore dollar share classes & 2% pa over 3 month LIBOR of the currency denomination for all other share classes on the first Business Day of the Performance Period, expressed as a quarterly percentage |
| F&C Real Estate Securities Fund | 15% | FTSE EPRA/NAREIT Developed Europe Capped Index (Net) in sterling |
| F&C Global Emerging Markets Equity Long/Short Fund | 15% | 2% pa over 3 month NIBOR for all NOK share classes & 2% pa over 3 month LIBOR of the currency denomination for all other share classes on the first Business Day of the Performance Period, expressed as a quarterly percentage |
| F&C Global High Yield Fund | 15% | 3 month LIBOR in euro on the first business day of the performance period expressed as a percentage |
| F&C Real Estate Equity Long/Short Fund | 15% | 3 month LIBOR in euro on the first business day of the performance period expressed as a percentage |

31 March 2014

15. Fees and Expenses (continued)

Performance Fee (continued)

Details of performance fees charged to each Fund in the year are shown in the Profit and Loss Account. Performance fees payable at 31 March 2014 are disclosed in note 7.

Administration Fee

State Street Fund Services (Ireland) Limited (the "Administrator") is entitled to receive out of the assets of the Company an annual fee accrued daily, and payable monthly in arrears of up to 0.088% of the total net average monthly assets of the Net Asset Value of the Company. The administration fee will be exclusive of value added tax (if any).

The fees shall be payable in Sterling at the spot exchange rate agreed between the Administrator and the Company on the date of payment.

In addition there are certain other transaction charges for some fund accounting, company secretarial and transfer agency services. The Administrator shall also be entitled to be repaid out of the assets of the Company all its reasonable out-of-pocket expenses incurred on behalf of the Company.

Details of administration fees charged to each Fund in the year are shown in the Profit and Loss Account. Administration fees payable at 31 March 2014 are disclosed in note 7.

Custodian Fee

State Street Custodial Services (Ireland) Limited (the "Custodian") is entitled to receive a custodian fee payable out of the assets of each Fund accruing daily and payable monthly in arrears at a rate of up to 0.07% per annum of the Net Asset Value of each Fund. The Custodian is also entitled to be reimbursed out of the assets of each Fund for reasonable out-of-pocket expenses incurred by it in respect of each Fund. These fees will cover costs and expenses such as printing, translation, mailing and other sundry expenses. The Custodian shall also be reimbursed out of the assets of each Fund for the fees and transaction charges and reasonable out-of-pocket expenses of any sub-custodian which shall be at normal commercial rates. The fees in respect of each fund shall be calculated and payable in the base currency of the fund.

Details of custody fees charged to each Fund in the year are shown in the Profit and Loss Account.

Other Expenses

In addition, each Fund will pay the costs and expenses incurred in its operation, including, without limitation, taxes, duties, expenses for legal, auditing, consulting, printing and other professional services, promotional expenses, registration fees, to include all fees in connection with obtaining advance treaty clearances from tax authorities in any jurisdiction for a Fund and other expenses due to supervisory authorities in various jurisdictions, insurance, interest, brokerage costs and all professional fees and expenses incurred in connection therewith and the cost of the publication of the Net Asset Value and Net Asset Value per Share of each Fund. Each Fund will also pay the issue costs, charges and expenses (including the fees of the legal advisers), in relation to the preparation of the Prospectus, relevant Fund Particulars Supplement and all other documents and matters relating to or concerning the issue and any other fees, charges and expenses on the creation and issue of Shares. In the event that such a listing is sought, a Fund will pay the cost of obtaining and maintaining a listing of its Shares on any stock exchange.

TRADITIONAL FUNDS plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2014

16. Related Party Disclosures

The Company has appointed Thames River Capital LLP, Nevsky Capital LLP and F&C Management Limited as Investment Managers. Mr. Hampden-Acton, Director from 1 November to 31 December 2013, is a member of Nevsky Capital LLP and Thames River Capital LLP. Mr. Moir, who was appointed as Director on 25 February 2014, is a member of Thames River Capital LLP, F&C Management Limited and Nevsky Capital LLP. All fees in relation to the Investment Managers are disclosed separately in the Profit and Loss Account.

At 31 March, Thames River Capital LLP held shares in the following funds:

| Fund | 2014 | 2014 | 2013 | 2013 |
|--|-----------------------|-------------------|-----------------------|-------------------|
| | No. of Shares held | % Shareholding | No. of Shares held | % Shareholding |
| F&C High Income Bond Fund | | | | |
| – Class A New Norwegian Krone Distributing | 0.04 | – | 0.04 | – |

At 31 March, Mr. Moloney held shares in the following funds:

| | 2014 | 2013 |
|---|-------|-------|
| Direct: | | |
| F&C Water and Agriculture Equity Long/Short Fund – Class A Sterling Accumulating | 2,493 | 2,493 |
| Personal Pension Plan: | | |
| F&C Water and Agriculture Equity Long/Short Fund – Class A Euro Accumulating | 3,931 | 3,931 |

As 31 March 2014, the following Funds had Shareholders who held more than 10% of the Funds' Net Asset Value:

| Fund | No. of Shareholders | % Shareholding |
|--|------------------------|-------------------|
| F&C High Income Bond Fund | 1 | 10.81 |
| Eastern European Fund | 3 | 47.96 |
| F&C Macro Global Bond Fund (£) | 2 | 23.17 |
| F&C Macro Global Bond Fund (€) | 2 | 45.22 |
| F&C Macro Global Bond Fund (\$) | 2 | 67.46 |
| F&C Emerging Asia Fund | 3 | 51.89 |
| F&C Water and Agriculture Equity Long/Short Fund | 1 | 32.29 |
| F&C Real Estate Securities Fund | 3 | 44.07 |
| F&C Real Estate Equity Long/Short Fund | 2 | 85.20 |

As 31 March 2013, the following Funds had Shareholders who held more than 10% of the Funds' Net Asset Value:

| Fund | No. of Shareholders | % Shareholding |
|--|------------------------|-------------------|
| Eastern European Fund | 2 | 22.02 |
| F&C Global Emerging Markets Fund | 1 | 13.27 |
| F&C Macro Global Bond Fund (£) | 1 | 12.45 |
| F&C Macro Global Bond Fund (€) | 2 | 41.68 |
| F&C Macro Global Bond Fund (\$) | 1 | 47.07 |
| F&C Emerging Asia Fund | 2 | 34.82 |
| F&C Water and Agriculture Equity Long/Short Fund | 1 | 16.94 |
| F&C Real Estate Securities Fund | 3 | 54.76 |
| F&C Global Emerging Markets Equity Long/Short Fund | 2 | 50.26 |
| F&C Global High Yield Fund | 1 | 22.42 |
| F&C Real Estate Equity Long/Short Fund | 1 | 55.87 |

31 March 2014

16. Related Party Disclosures (continued)

Mr. Hammond is a director of Bridge Consulting which provides certain oversight functions for the Company. Fees amounting to €51,750 ex VAT (2013: €60,000) were charged by Bridge Consulting during the year.

During the year, Directors' fees of €289,000 (2013: €247,500) were charged to the Company and are disclosed in the Profit and Loss Account.

KIID costs amounting to €37,484 are to be paid by the Investment Manager on behalf of the F&C Global High Yield Fund for the year ended 31 March 2014 (31 March 2013: €Nil).

17. 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. 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 or any encashment, redemption, cancellation or transfer of shares.

No Irish tax will arise 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; 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 the investment income/gains are received and such taxes may not be recoverable by the Company or its shareholders.

18. Segregated Liability between the Funds

The Company is an umbrella fund with segregated liability between Funds. Accordingly, as a matter of Irish law, any liability attributable to a particular Fund may only be discharged out of the assets of that Fund, and the assets of other Funds may not be used to satisfy the liability. In addition, any contract entered into by the Company will by operation of law include an implied term to the effect that the counterparty to the contract may not have any recourse to assets of any of the Funds other than the Fund(s) in respect of which the contract was entered into. These provisions are binding both on creditors and in any insolvency.

19. Reporting Fund Status

Certain share classes of the Company's Funds have been accepted into the United Kingdom's Reporting Fund regime for offshore funds. A full list of these share classes is available at: <http://www.hmrc.gov.uk/cisc/offshore-funds.htm>

TRADITIONAL FUNDS plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2014

20. Auditors Remuneration

The remuneration for all work carried out by the statutory audit firm in respect of the financial year is as follows:

| | 2014 | 2013 |
|-------------------------------------|----------------|----------------|
| | € | € |
| Statutory audit of Company accounts | 144,182 | 192,587 |
| Other assurance services | – | – |
| Tax advisory services | 71,513 | – |
| Other non audit services | – | – |
| | <u>215,695</u> | <u>192,587</u> |

21. Transaction Costs

In order to achieve its investment objective, a Fund will incur transactions costs in relation to trading activity on its portfolio. Disclosed in the table below are separately identifiable transaction costs incurred by the Company for the years ended 31 March 2014 and 31 March 2013. These include all brokers commission, settlement fees, stamp duties and broker fees charges on equities, exchange traded futures contracts and some fixed income investments.

| Fund | 2014 | 2013 |
|---|-------------|-------------|
| F&C High Income Bond Fund (US\$000) | 22 | 21 |
| Eastern European Fund (US\$000) | 1,214 | 1,261 |
| F&C Global Emerging Markets Fund (US\$000) | 547 | 993 |
| F&C Macro Global Bond Fund (£) (£000) | 23 | 45 |
| F&C Macro Global Bond Fund (€) (€000) | 13 | 21 |
| F&C Macro Global Bond Fund (\$) (US\$000) | 9 | 8 |
| F&C Emerging Asia Fund (US\$000) | 109 | 129 |
| F&C Water and Agriculture Equity Long/Short Fund (US\$000) | 235 | 447 |
| F&C Real Estate Securities Fund (£000) | 84 | 64 |
| F&C Global Emerging Markets Equity Long/Short Fund (US\$000) – terminated 29 August 2013 | 35 | 210 |
| F&C Global High Yield Fund (€000) – terminated 30 December 2013 | 2 | 2 |
| F&C Real Estate Equity Long/Short Fund (€000) | 108 | 24 |

Not all transaction costs are separately identifiable. For some fixed income investments and FFCTs, transaction costs will be included in the purchase and sales price of the investment and not separately disclosed.

22. Contingent liability

There were no contingent liabilities at 31 March 2014, at 31 March 2013 or during the period.

23. Committed deals

There are no commitments as at 31 March 2014 or as at 31 March 2013.

24. Approval of Financial Statements

The financial statements were approved by the Directors on 26 June 2014.

TRADITIONAL FUNDS plc

SIGNIFICANT PORTFOLIO MOVEMENTS (UNAUDITED)

For the year ended 31 March 2014

F&C High Income Bond Fund

| | Nominal Purchases | Nominal Sales |
|--|----------------------|------------------|
| Brazil Letras do Tesouro Nacional 0.000% 01.01.2014 | 25,119,000 | 11,119,000 |
| Brazil Letras do Tesouro Nacional 0.000% 01.01.2017 | 35,187,000 | |
| Brazil Letras do Tesouro Nacional 0.000% 01.07.2013 | | 37,722,000 |
| CDX EM CDS 500 20.12.2018 | 80,000,000 | |
| Evrax Group 6.500% 22.04.2020 | 5,000,000 | 5,000,000 |
| Gazprom 3.700% 25.07.2018 | | 3,250,000 |
| Gazprombank 3.984% 30.10.2018 | 4,000,000 | 4,000,000 |
| iTraxx X-Over CDS 500 20.06.2018 | 381,800,000 | |
| iTraxx X-Over CDS 500 20.12.2018 | 95,000,000 | |
| Marfrig Holding Europe 8.375% 09.05.2018 | | 6,500,000 |
| Metalloinvest Finance 5.625% 17.04.2020 | 5,200,000 | 5,000,000 |
| Parkson Retail Group 4.500% 03.05.2018 | 5,000,000 | 5,000,000 |
| Payer iTraxx X-Over CDS 400 19.06.2013 Put Swaption | 285,000,000 | |
| Payer iTraxx X-Over CDS 450 21.08.2013 Put Swaption | 200,000,000 | |
| Republic of Indonesia International Bond 3.375% 15.04.2023 | | 5,000,000 |
| Romania International Bond 4.625% 18.09.2020 | 5,000,000 | 5,000,000 |
| San Miguel 4.875% 26.04.2023 | 6,000,000 | 6,000,000 |
| Sberbank of Russia 5.250% 23.05.2023 | 5,000,000 | 5,000,000 |
| Sberbank of Russia 5.500% 26.02.2024 | 5,000,000 | 5,000,000 |
| Servicios Corporativos Javier 9.875% 06.04.2021 | | 6,050,000 |
| Ukraine Government International Bond 7.500% 17.04.2023 | | 5,000,000 |
| United States Treasury Notes 0.000% 11.07.2013 | 16,000,000 | 14,000,000 |
| United States Treasury Notes 0.000% 22.08.2013 | 12,000,000 | |
| USD 6M Libor TRY 09.08.2014 | 44,140,000 | 20,000,000 |
| USD 6M Libor ZAR 09.08.2014 | 215,400,000 | 20,000,000 |
| Virgin Media Secured Finance 5.500% 15.01.2025 | 4,000,000 | 4,000,000 |
| Wind Acquisition Finance 11.750% 15.07.2017 | | 4,250,000 |

TRADITIONAL FUNDS plc

SIGNIFICANT PORTFOLIO MOVEMENTS (UNAUDITED) (continued)

For the year ended 31 March 2014

Eastern European Fund

| | Nominal Purchases | Nominal Sales |
|--|----------------------|------------------|
| Bank Pekao | 275,000 | 184,588 |
| Erste Group Bank | 413,000 | 451,108 |
| Gazprom ADR | 960,000 | 2,891,300 |
| KGHM Polska Miedz | 133,000 | 210,600 |
| Komercni Banka | 114,900 | 76,437 |
| Lukoil ADR | 285,000 | 493,000 |
| Magnit GDR | 196,451 | |
| MegaFon GDR | 462,800 | 1,265,300 |
| MMC Norilsk Nickel ADR | | 1,412,600 |
| Mobile Telesystems ADR | 489,400 | |
| NovaTek GDR | 255,600 | 296,100 |
| Polski Koncern Naftowy Orlen | 387,010 | |
| Powszechna Kasa Oszczednosci Bank Polski | 1,510,000 | 1,222,000 |
| Powszechny Zaklad Ubezpieczen | 69,900 | 73,900 |
| Rosneft GDR | 1,835,000 | 3,270,800 |
| Sberbank of Russia ADR | 465,000 | 624,400 |
| Telefonica O2 Czech Republic | | 856,302 |
| Turkcell Iletisim Hizmetleri | 4,485,000 | 3,615,900 |
| Turkiye Garanti Bankasi | 3,595,000 | 5,364,700 |
| Turkiye Halk Bankasi | 1,506,000 | 2,507,400 |
| Turkiye Is Bankasi | 1,400,000 | 3,454,900 |
| Uralkali GDR | | 317,100 |
| X5 Retail Group GDR | 474,000 | 513,800 |

TRADITIONAL FUNDS plc

SIGNIFICANT PORTFOLIO MOVEMENTS (UNAUDITED) (continued)

For the year ended 31 March 2014

F&C Global Emerging Markets Fund

| | Nominal Purchases | Nominal Sales |
|--|----------------------|------------------|
| Agricultural Bank of China | | 7,790,000 |
| AIA Group | 347,200 | |
| AMBEV ADR | 184,620 | |
| Anhui Conch Cement | 382,000 | |
| Banco Bradesco ADR | | 313,830 |
| Bank Zachodni | | 20,775 |
| BHP Billiton | 51,306 | |
| BNP Paribas Arbitrage Issuance (BNP Paribas Warrant) | 342,967 | |
| China Construction Bank | 1,847,000 | |
| China Life Insurance | | 1,017,000 |
| CIMB | 2,004,700 | 1,449,100 |
| E.Sun Financial Holding | | 3,115,600 |
| HDFC Bank (UBS Warrant) | 141,636 | |
| Hyundai Motor | 8,300 | 14,203 |
| Industrial & Commercial Bank of China | | 4,192,000 |
| Kasikornbank PCL NVDR | 207,700 | 352,300 |
| Kia Motors | | 48,964 |
| LG Chemical | | 9,967 |
| LG Household & Health Care | 5,076 | |
| Lukoil ADR | | 31,981 |
| Magnit OJSC GDR | 27,288 | |
| Malayan Banking | | 804,994 |
| Maruit Suzuki (UBS Warrant) | | 7,857,500 |
| Matahari Department Store | 1,285,500 | 1,960,000 |
| MediaTek | 116,000 | 159,000 |
| Mobile Telesystems ADR | | 91,800 |
| MTN Group | 66,818 | |
| Samsung Electronics | | 4,531 |
| Taiwan Semiconductor | | 1,037,000 |
| Tata Consultancy Services (DB Warrant) | 91,819 | 63,154 |
| Tata Motors ADR | 60,400 | |
| Tencent Holdings | 44,900 | |
| Ultrapar Participacoes | 69,100 | |
| Wharf Holdings | 231,000 | |

TRADITIONAL FUNDS plc

SIGNIFICANT PORTFOLIO MOVEMENTS (UNAUDITED) (continued)

For the year ended 31 March 2014

F&C Macro Global Bond Fund (£)

| | Nominal Purchases | Nominal Sales |
|--|----------------------|------------------|
| Australia Government 4.500% Bonds 21.10.2014 | 30,150,000 | |
| German Treasury 0% Bills 13.11.2013 | 27,480,000 | |
| German Treasury 0% Bills 29.01.2014 | 94,290,000 | 94,290,000 |
| German Treasury 0% Bills 12.02.2014 | 27,480,000 | |
| German Treasury 0% Bills 16.07.2014 | 94,050,000 | |
| German Treasury 0% Bills 29.10.2014 | 27,480,000 | |
| South Africa Government 7.500% Bonds 15.01.2014 | | 232,000,000 |
| United Kingdom Treasury 0% Bills 20.05.2013 | 20,000,000 | |
| United Kingdom Treasury 0% Bills 19.08.2013 | 50,000,000 | 34,000,000 |
| United Kingdom Treasury 0% Bills 02.09.2013 | 20,000,000 | |
| United Kingdom Treasury 0% Bills 04.11.2013 | 26,600,000 | 23,200,000 |
| United Kingdom Treasury 0% Bills 11.11.2013 | 21,300,000 | |
| United Kingdom Treasury 0% Bills 18.11.2013 | | 5,000,000 |
| United Kingdom Treasury 0% Bills 24.03.2014 | 31,200,000 | 16,000,000 |
| United Kingdom Treasury 0% Bills 07.04.2014 | 24,000,000 | 12,000,000 |
| United Kingdom Treasury 0% Bills 14.04.2014 | 25,000,000 | 15,000,000 |
| United Kingdom Treasury 0% Bills 12.05.2014 | 21,000,000 | |
| United Kingdom Treasury 0% Bills 24.06.2014 | 29,000,000 | |
| United States Treasury 0% Bills 22.08.2013 | | 20,000,000 |
| United States Treasury 0% Bills 26.09.2013 | | 6,700,000 |
| United States Treasury 0% Bills 21.11.2013 | | 15,700,000 |
| United States Treasury 0% Bills 29.11.2013 | 40,000,000 | 40,000,000 |
| United States Treasury 0% Bills 05.12.2013 | 84,330,000 | 84,330,000 |
| United States Treasury 0% Bills 09.01.2014 | | 21,000,000 |
| United States Treasury 0% Bills 16.01.2014 | | 14,000,000 |
| United States Treasury 0% Bills 23.01.2014 | | 21,000,000 |
| United States Treasury 0% Bills 06.02.2014 | | 21,930,000 |
| United States Treasury 0% Bills 13.02.2014 | | 14,000,000 |
| United States Treasury 0% Bills 20.02.2014 | | 5,700,000 |
| United States Treasury 0% Bills 06.03.2014 | | 14,100,000 |
| United States Treasury 0% Strip Principal 15.05.2013 | 211,400,000 | |
| United States Treasury Inflation Indexed 0.625% Bonds 15.02.2013 | 59,719,834 | |

TRADITIONAL FUNDS plc

SIGNIFICANT PORTFOLIO MOVEMENTS (UNAUDITED) (continued)

For the year ended 31 March 2014

F&C Macro Global Bond Fund (€)

| | Nominal Purchases | Nominal Sales |
|--|----------------------|------------------|
| Australia Government 4.500% Bonds 21.10.2014 | 6,530,000 | |
| German Treasury 0% Bills 15.05.2013 | | 5,600,000 |
| German Treasury 0% Bills 26.06.2013 | | 6,000,000 |
| German Treasury 0% Bills 24.07.2013 | | 5,500,000 |
| German Treasury 0% Bills 16.10.2013 | 13,000,000 | 13,000,000 |
| German Treasury 0% Bills 13.11.2013 | 5,400,000 | 5,400,000 |
| German Treasury 0% Bills 29.01.2014 | 14,230,000 | 14,230,000 |
| German Treasury 0% Bills 12.02.2014 | 12,600,000 | 3,400,000 |
| German Treasury 0% Bills 26.02.2014 | 26,000,000 | 14,400,000 |
| German Treasury 0% Bills 30.04.2014 | 10,000,000 | 3,000,000 |
| German Treasury 0% Bills 28.05.2014 | 23,000,000 | 5,000,000 |
| German Treasury 0% Bills 27.08.2014 | 6,600,000 | |
| South Africa Government 7.500% Bonds 15.01.2014 | | 48,500,000 |
| United States Treasury 0% Bills 22.08.2013 | 16,500,000 | 11,900,000 |
| United States Treasury 0% Bills 21.11.2013 | 16,500,000 | 16,500,000 |
| United States Treasury 0% Bills 29.11.2013 | 26,300,000 | 26,300,000 |
| United States Treasury 0% Bills 16.01.2014 | 10,000,000 | 10,000,000 |
| United States Treasury 0% Bills 20.02.2014 | 5,000,000 | |
| United States Treasury 0% Bills 13.02.2014 | 10,000,000 | 10,000,000 |
| United States Treasury 0% Bills 06.03.2014 | 10,500,000 | 10,500,000 |
| United States Treasury 0% Bills 22.05.2014 | 9,100,000 | |
| United States Treasury 0% Bills 21.08.2014 | 3,000,000 | |
| United States Treasury 0% Strip Principal 15.05.2013 | 66,000,000 | 27,025,000 |
| United States Treasury 2.750% Bonds 15.08.2012 | | 2,530,000 |
| United States Treasury Inflation Indexed 0.625% Bonds 15.02.2013 | 20,558,068 | 6,604,159 |

TRADITIONAL FUNDS plc

SIGNIFICANT PORTFOLIO MOVEMENTS (UNAUDITED) (continued)

For the year ended 31 March 2014

F&C Macro Global Bond Fund (\$)

| | Nominal Purchases | Nominal Sales |
|--|----------------------|------------------|
| German Treasury 0% Bills 29.01.2014 | 2,950,000 | 2,950,000 |
| German Treasury 0% Bills 16.07.2014 | 2,950,000 | |
| South Africa Government 7.500% Bonds 15.01.2014 | | 6,760,000 |
| United States Treasury 0% Bills 09.05.2013 | 2,500,000 | |
| United States Treasury 0% Bills 18.07.2013 | 2,500,000 | |
| United States Treasury 0% Bills 12.09.2013 | | 2,000,000 |
| United States Treasury 0% Bills 26.09.2013 | | 1,800,000 |
| United States Treasury 0% Bills 17.10.2013 | | 2,000,000 |
| United States Treasury 0% Bills 21.11.2013 | | 1,500,000 |
| United States Treasury 0% Bills 29.11.2013 | 3,670,000 | 3,670,000 |
| United States Treasury 0% Bills 05.12.2013 | 2,210,000 | 2,210,000 |
| United States Treasury 0% Bills 12.12.2013 | 4,000,000 | 4,000,000 |
| United States Treasury 0% Bills 09.01.2014 | 3,300,000 | 2,000,000 |
| United States Treasury 0% Bills 16.01.2014 | 4,790,000 | 2,000,000 |
| United States Treasury 0% Bills 23.01.2014 | 2,800,000 | 2,800,000 |
| United States Treasury 0% Bills 06.02.2014 | 2,910,000 | 2,910,000 |
| United States Treasury 0% Bills 13.02.2014 | 3,200,000 | |
| United States Treasury 0% Bills 06.03.2014 | 3,170,000 | |
| United States Treasury 0% Bills 03.04.2014 | 2,100,000 | 1,600,000 |
| United States Treasury 0% Bills 17.04.2014 | 2,600,000 | 1,100,000 |
| United States Treasury 0% Bills 15.05.2014 | 2,200,000 | |
| United States Treasury 0% Bills 22.05.2014 | 2,500,000 | |
| United States Treasury 0% Bills 17.07.2014 | 2,600,000 | |
| United States Treasury 0% Strip Principal 15.05.2013 | 14,100,000 | 2,920,000 |
| United States Treasury Inflation Indexed 0.625% Bonds 15.02.2013 | 3,009,283 | |

TRADITIONAL FUNDS plc

SIGNIFICANT PORTFOLIO MOVEMENTS (UNAUDITED) (continued)

For the year ended 31 March 2014

F&C Emerging Asia Fund

| | Nominal Purchases | Nominal Sales |
|--|----------------------|------------------|
| Agricultural Bank of China | | 870,000 |
| AIA Group | 87,800 | |
| Anhui Conch Cement | 88,000 | |
| Bank Mandiri Persero | 438,000 | |
| Bank of China Hong Kong Holdings | 78,500 | |
| Belle International Holdings | | 217,000 |
| China Construction Bank | 1,110,000 | |
| China Overseas Land & Investment | 138,000 | |
| CIMB | 151,300 | 151,300 |
| Golden Eagle Retail Group | | 197,000 |
| Grand Korea Leisure | | 10,170 |
| HDFC Bank (DB Warrant) | 26,873 | |
| Hon Hai Precision Industry | | 106,125 |
| Hotel Shilla | | 4,760 |
| Hyundai Motor | 2,852 | 2,647 |
| Industrial & Commercial Bank of China | | 1,384,000 |
| Jiangxi Copper | | 150,880 |
| Kasikornbank PCL NVDR | 71,100 | |
| Kia Motors | | 10,647 |
| LG Household & Health Care | 998 | |
| Malayan Banking | 210,700 | 175,500 |
| Matahari Department Store | 320,500 | |
| MediaTek | 30,000 | 45,000 |
| PetroChina | | 240,000 |
| Samsung Electronics | 445 | 604 |
| Shimao Property Holdings | 202,500 | |
| S-Oil | | 4,885 |
| Synnex Technology International | | 158,000 |
| Taiwan Semiconductor Manufacturing | 126,000 | 85,000 |
| Tata Consultancy Services (DB Warrant) | 21,636 | 9,939 |
| Tata Motors ADR | 18,300 | |
| Tencent Holdings | 4,800 | |
| UBS | | 1,276,200 |

TRADITIONAL FUNDS plc

SIGNIFICANT PORTFOLIO MOVEMENTS (UNAUDITED) (continued)

For the year ended 31 March 2014

F&C Water and Agriculture Equity Long/Short Fund

| | Nominal Purchases | Nominal Sales |
|---|----------------------|------------------|
| Aalberts Industries | 40,000 | |
| Agrium | 60,000 | 40,000 |
| American Water Works | | 75,000 |
| AO Smith | | 30,000 |
| Aqua America | 47,500 | |
| Bayer | 25,000 | 25,000 |
| Cheniere Energy | | 45,000 |
| Danaher | 30,000 | |
| Diageo ADR | | 15,000 |
| ETFS Commodity Securities – Daily Short Brent Crude | | 60,000 |
| Flowserve | 45,000 | 50,000 |
| Golar LNG | 50,000 | 75,000 |
| Guangdong Investment | | 2,000,000 |
| KBR | 50,000 | 50,000 |
| Marine Harvest | 1,000,000 | |
| Masco | 75,000 | |
| Mexico Government International 6.75% 27.09.2034 | | 2,000,000 |
| Monsanto | 15,000 | 15,000 |
| Mosaic | 25,000 | 50,000 |
| Pentair | 15,000 | |
| Potash Corp of Saskatchewan | 40,000 | |
| Roper Industries | 10,000 | |
| Russian Foreign Bond – Eurobond 7.50% 31.03.2030 | | 1,490,000 |
| Suez Environnement | 165,000 | |
| Syngenta ADR | | 20,000 |
| Thermo Fisher Scientific | 40,000 | 35,000 |
| United States Treasury Inflation Indexed Bonds 1.13% 15.01.2021 | 5,315,100 | 5,319,800 |
| Valmont Industries | 10,000 | |
| Weyerhaeuser Reits | | 75,000 |
| Yara International | 50,000 | 50,000 |

TRADITIONAL FUNDS plc

SIGNIFICANT PORTFOLIO MOVEMENTS (UNAUDITED) (continued)

For the year ended 31 March 2014

F&C Real Estate Securities Fund

| | Nominal Purchases | Nominal Sales |
|---------------------------------|----------------------|------------------|
| Alstria Office | 140,131 | 144,549 |
| Befimmo | 25,363 | 29,512 |
| CA Immobilien Anlagen | 95,484 | 109,497 |
| Castellum | 134,568 | 134,568 |
| CFI Cie Fonciere Internationale | 18,993 | |
| Corio | 78,424 | 52,528 |
| Deutsche Annington Immobilien | 83,934 | |
| Deutsche Euroshop | | 36,922 |
| Deutsche Wohnen | 238,128 | 230,994 |
| Deutsche Wohnen (convertible) | | 60,580 |
| Eurocommercial Properties | 61,929 | 70,300 |
| Fastighets Balder | 176,247 | 148,806 |
| GAGFAH | 214,966 | 163,138 |
| GSW Immobilien | 53,000 | 35,000 |
| Hufvudstaden | 196,313 | 196,313 |
| Kungsleden | 210,145 | |
| LEG Immobilien | 68,151 | 58,536 |
| Picton Property Income | 2,245,091 | |
| PSP Swiss Property | 20,037 | |
| Sponda | 439,866 | 471,866 |
| Swiss Prime Site | | 28,230 |
| Terreis | | 48,904 |
| Unibail-Rodamco | | 16,100 |
| Vastned Retail | 36,850 | 28,896 |
| Wereldhave | 32,409 | 31,508 |

TRADITIONAL FUNDS plc

SIGNIFICANT PORTFOLIO MOVEMENTS (UNAUDITED) (continued)

For the year ended 31 March 2014

F&C Global Emerging Markets Equity Long/Short Fund (terminated 29 August 2013)*

| | Nominal Purchases | Nominal Sales |
|--------------------------------------|----------------------|------------------|
| Barclays ADR | 16,000 | |
| Beijing Enterprises Holdings | 86,500 | 86,500 |
| BRF ADR | 13,000 | |
| Cemex SAB de CV ADR | 27,000 | |
| Changyou.com ADR | 9,000 | |
| Chunghwa Telecom ADR | 15,500 | 24,800 |
| Cia de Bebidas das Americas ADR Pref | | 16,600 |
| Cie Financiere Richemont | 3,000 | |
| Cisco Systems | 11,000 | |
| Citigroup | 6,000 | |
| Coca-Cola Femsa ADR | | 4,600 |
| Ctrip.com International ADR | 9,000 | |
| Diageo ADR | 2,000 | 5,000 |
| Eurasia Drilling GDR | | 14,200 |
| Fibria Celulose ADR | 25,000 | |
| Fomento Economico Mexicano ADR | | 6,600 |
| Google | 300 | 700 |
| Grupo Aeroportuario del Sureste ADR | | 5,900 |
| Johnson & Johnson | | 7,900 |
| Magnit GDR | 5,000 | |
| Minor International | | 812,800 |
| PepsiCo | | 7,900 |
| Perfect World ADR | 13,000 | |
| Semen Indonesia Persero | | 346,500 |
| SK Telecom ADR | 22,000 | 22,000 |
| Telekomunikasi Indonesia ADR | | 18,400 |
| Turkcell Iletisim Hizmetleri ADR | 38,500 | 38,500 |
| Ultrapar Participacoes | 24,500 | 24,500 |
| Ultrapar Participacoes ADR | | 23,000 |
| Unilever | 6,000 | |
| VimpelCom ADR | 29,000 | |
| Wharf Holdings | | 72,000 |
| Zhejiang Expressway | | 632,000 |

* Purchases and sales are for the period from 1 April 2013 to 29 August 2013

TRADITIONAL FUNDS plc

SIGNIFICANT PORTFOLIO MOVEMENTS (UNAUDITED) (continued)

For the year ended 31 March 2014

F&C Global High Yield Fund (terminated 30 December 2013)*

| | Nominal Purchases | Nominal Sales |
|--|----------------------|------------------|
| Aeropuertos Dominicanos Siglo XXI 9.25% 13.11.2019 | | 700,000 |
| Aralco Finance 10.13% 07.05.2020 | 400,000 | 400,000 |
| Ardagh Packaging Finance 7.38% 15.10.2017 | 150,000 | |
| Arrow Global Finance 7.88% 01.03.2020 | | 250,000 |
| Bank of Ireland 10.00% 30.07.2016 | | 300,000 |
| Befesa Zinc SAU Via Zinc Capital 8.88% 15.05.2018 | | 400,000 |
| Eco-Bat Finance 7.75% 15.02.2017 | 200,000 | |
| EFSF 0% Treasury Bill 23.05.2013 | 800,000 | 800,000 |
| EFSF 0% Treasury Bill 17.06.2013 | | 700,000 |
| Eurochem GI 5.13% 12.12.2017 | 200,000 | |
| FAGE USA Dairy Industry 9.88% 01.02.2020 | | 500,000 |
| Frigoglass Finance 8.25% 15.05.2018 | 300,000 | 300,000 |
| Gala Electric Casinos 11.50% 01.06.2019 | | 250,000 |
| Gestamp Funding Lux 5.88% 31.05.2020 | 500,000 | 500,000 |
| Hastings Insurance Group Finance 8.00% 21.10.2020 | 150,000 | |
| Heckler & Koch 9.50% 15.05.2018 | | 250,000 |
| INEOS Group Holdings 7.88% 15.02.2016 | 251,049 | 251,049 |
| Kaisa Group Holdings 10.25% 08.01.2020 | | 500,000 |
| Labco 8.50% 15.01.2018 | | 400,000 |
| MGM Resorts International 6.63% 15.12.2021 | 200,000 | |
| Nara Cable Funding 8.88% 01.12.2018 | 150,000 | |
| Perstorp Holdings 9.00% 15.05.2017 | 150,000 | |
| Schaeffler Finance 4.25% 15.05.2018 | 200,000 | |
| Styrolution Group 7.63% 15.05.2016 | 350,000 | 350,000 |
| TeamSystem Holding 7.38% 15.05.2020 | 200,000 | |
| Travelex Financing 6.52% 01.08.2018 | 150,000 | |
| Travelex Financing 8.00% 01.08.2018 | 150,000 | |
| Virgin Media Secured Finance 6.00% 15.04.2021 | 125,000 | |
| WEPA Hygieneprodukte 6.50% 15.05.2020 | 450,000 | 450,000 |
| Wind Acquisition Finance 11.75% 15.07.2017 | | 400,000 |
| Yingde Gases 8.13% 22.04.2018 | 400,000 | 400,000 |
| Zobebe Holding 7.88% 01.02.2018 | | 400,000 |

* Purchases and sales are for the period from 1 April 2013 to 30 December 2013

TRADITIONAL FUNDS plc

SIGNIFICANT PORTFOLIO MOVEMENTS (UNAUDITED) (continued)

For the year ended 31 March 2014

F&C Real Estate Equity Long/Short Fund

| | Nominal Purchases | Nominal Sales |
|--|----------------------|------------------|
| Alstria Office | 289,007 | 759,345 |
| Atrium European Real Estate | 590,000 | 590,000 |
| CA Immobilien Anlagen | | 58,737 |
| Cofinimmo | 34,457 | 36,221 |
| Deutsche Wohnen | 185,000 | 185,000 |
| Eurocommercial Properties | 164,700 | 164,700 |
| Fabege | 200,000 | 200,000 |
| Fastighets Balder | 241,731 | 193,419 |
| Fastighets Balder Pref | 49,000 | 49,000 |
| France Government 0% Bills 09.01.2014 | 2,000,000 | |
| France Government 0% Bills 06.02.2014 | 2,000,000 | |
| France Government 0% Bills 13.03.2014 | 2,000,000 | |
| France Government 0% Bills 28.05.2014 | 2,000,000 | |
| GAGFAH | 374,825 | 374,825 |
| Germany Government 0% Bills 27.11.2013 | 1,500,000 | |
| Hufvudstaden | | 132,805 |
| Klovern | | 170,000 |
| LEG Immobilien | 79,164 | 174,808 |
| Mobimo Holding | 13,200 | 13,200 |
| Picton Property Income | 2,563,878 | 1,265,424 |
| PSP Swiss Property | 30,996 | 53,841 |
| Sponda | 1,229,435 | 1,229,435 |
| Swiss Prime Site | | 24,200 |
| Unibail-Rodamco | | 4,100 |
| Vastned Retail | 169,300 | 261,300 |

TRADITIONAL FUNDS plc

UNAUDITED GENERAL INFORMATION

Information in this section is selective and should be read in conjunction with the full text of the prospectus.

Information about the Company

The Funds are valued on each Dealing Day and Shares may normally be purchased or realised by application on a Dealing Day. Dealing days are every Business Day and/or such other day or days as the Directors may determine. A Business Day is any day, other than a Saturday or Sunday, on which banks in both Dublin and London are open for business. For all Funds, public holidays in countries where the closure of local stock exchanges and markets makes it difficult to price a significant portion of the assets held within the Fund will not be a Dealing Day. In addition the following Business Days are not Subscription Dealing Days: Easter Thursday, a Business Day falling on a Friday before Christmas Eve where Christmas Eve falls on a Saturday or Sunday in that year, Christmas Eve of each year.

An initial charge upon subscription of up to 5% of the Net Asset Value per share is payable in respect of subscriptions for shares of all the Funds. Additionally a redemption charge payable out of the proceeds of redemption may be imposed in respect of redemptions of shares held for less than twelve months. This redemption charge may not exceed 3% in respect of any existing Funds and any additional Funds that may be added by the Directors.

Information for Investors in Norway and Switzerland

In the light of an EU Commission recommendation, the Norwegian Mutual Funds Association (NMFA) has added a new section in its branch standards. The branch standards now include requirements for publishing total operating cost (TER) for Funds semi-annually as shown below.

The Company has appointed Carnegie Fund Services S.A., 11, Rue du Général-Dufour, Case postale 5842, CH – 1211 Genève 11, Switzerland, as representative and Banque Cantonale de Genève, Quai de l'Île 17, Case postale 2251, 1211 Genève 2, Switzerland as paying agent for Switzerland (the "Swiss Representative").

The prospectus, the articles of association, the simplified prospectus, the annual and semi-annual report as well as a list containing all purchases and sales which have been made during the reporting period can be obtained free of charge at the Swiss Representative.

Following a guideline from the Swiss Funds Association (the "SFA") dated 27 July 2004, the Company is required to supply performance data in conformity with these guidelines. This data can be found below.

Portfolio Turnovers for the year ended 31 March 2014

| | Portfolio Turnover Rate |
|--|--|
| F&C High Income Bond Fund | 7.59 |
| F&C Global Emerging Markets Fund | 1.15 |
| F&C Macro Global Bond Fund (£) | 4.35 |
| F&C Macro Global Bond Fund (€) | 2.99 |
| F&C Macro Global Bond Fund (\$) | 5.30 |
| F&C Emerging Asia Fund | 0.94 |
| F&C Water and Agriculture Equity Long/Short Fund | 4.63 |
| F&C Real Estate Securities Fund | 4.12 |
| F&C Global Emerging Markets Equity Long/Short Fund | 5.92 |
| F&C Global High Yield Fund | 6.23 |
| F&C Real Estate Equity Long/Short Fund | 5.46 |

TRADITIONAL FUNDS plc

UNAUDITED GENERAL INFORMATION (continued)

Information for Investors in Norway and Switzerland (continued)

Total Expense Ratios for the year ended 31 March 2014

| | TER | |
|--|--------------------------|--------------------------|
| | Excluding Performance | Including Performance |
| F&C High Income Bond Fund | | |
| – Class A Euro Distributing | 1.97% | 1.97% |
| – Class A Sterling Distributing | 1.97% | 1.97% |
| – Class A US Dollar Distributing | 1.97% | 1.97% |
| – Class A Norwegian Krone Distributing | 1.97% | 1.97% |
| – A New Euro Accumulating Class | 1.97% | 1.97% |
| – A New Sterling Accumulating Class | 1.97% | 1.97% |
| – A New US Dollar Accumulating Class | 1.97% | 1.97% |
| – A New Euro Distributing Class | 1.97% | 1.97% |
| – A New Sterling Distributing Class | 1.97% | 1.97% |
| – A New US Dollar Distributing Class | 1.97% | 1.97% |
| – A New Norwegian Krone Distributing Class | 1.97% | 1.97% |
| – Class C Sterling Distributing | 1.28% | 1.28% |
| – Class C Sterling Accumulating | 1.28% | 1.28% |
| Eastern European Fund – US Dollar Class | 2.17% | 2.17% |
| F&C Global Emerging Markets Fund | | |
| – Class A Euro Accumulating | 2.60% | 2.60% |
| – Class A US Dollar Accumulating | 2.60% | 2.60% |
| – Class A Euro Distributing | 2.60% | 2.60% |
| – Class A Sterling Distributing | 2.60% | 2.60% |
| – Class A US Dollar Distributing | 2.60% | 2.60% |
| – Class C Sterling Accumulating | 0.00% | 0.00% |
| F&C Macro Global Bond Fund (£) | | |
| – Class A Sterling Accumulating | 1.25% | 1.25% |
| – Euro Distributing Class | 1.25% | 1.25% |
| – Class A Sterling Distributing | 1.25% | 1.25% |
| – US Dollar Distributing Class | 1.25% | 1.25% |
| – Class C Sterling Accumulating | 0.86% | 0.86% |
| – Class C Sterling Distributing | 0.86% | 0.86% |
| F&C Macro Global Bond Fund (€) | | |
| – Class A Euro Accumulating | 1.25% | 1.25% |
| – Class A Euro Distributing | 1.25% | 1.25% |
| – Class C Euro Accumulating | 0.91% | 0.91% |
| – Class C Euro Distributing | 0.91% | 0.91% |
| F&C Macro Global Bond Fund (\$) | | |
| – Class A US Dollar Accumulating | 1.56% | 1.56% |
| – Class A US Dollar Distributing | 1.56% | 1.56% |
| – Class C US Dollar Distributing | 1.36% | 1.36% |
| F&C Emerging Asia Fund | | |
| – Class B Sterling Distribution | 2.91% | 2.91% |
| – Class A Euro Accumulating | 3.41% | 3.41% |
| – Class A US Dollar Accumulating | 3.41% | 3.41% |
| – Class A Euro Distributing | 3.41% | 3.41% |
| – Class A Sterling Distributing | 3.41% | 3.41% |
| – Class A US Dollar Distributing | 3.41% | 3.41% |
| – Class C Sterling Accumulating | 2.78% | 2.78% |

TRADITIONAL FUNDS plc

UNAUDITED GENERAL INFORMATION (continued)

Information for Investors in Norway and Switzerland (continued)

Total Expense Ratios for the year ended 31 March 2014 (continued)

| | TER | |
|--|--------------------------|--------------------------|
| | Excluding Performance | Including Performance |
| F&C Water and Agriculture Equity Long/Short Fund | | |
| – Class A Euro Accumulating | 2.39% | 2.39% |
| – Class A Sterling Accumulating | 2.39% | 2.39% |
| – Class A US Dollar Accumulating | 2.39% | 2.39% |
| – Class A Norwegian Krone Accumulating | 2.39% | 2.65% |
| – Class A Singapore Dollar Accumulating | 2.39% | 2.65% |
| – Class A Euro Distributing | 2.39% | 2.39% |
| – Class A Sterling Distributing | 2.39% | 2.39% |
| – Class A US Dollar Distributing | 2.39% | 2.39% |
| – Class C Sterling Accumulating | 1.67% | 2.03% |
| – Class C Sterling Distributing | 1.67% | 2.03% |
| F&C Real Estate Securities Fund | | |
| – Class A Euro Accumulating | 2.03% | 3.38% |
| – Class A Sterling Accumulating | 2.03% | 3.38% |
| – Class A Sterling Distributing | 2.03% | 3.38% |
| – Class B Euro Accumulating | 1.53% | 2.52% |
| – Class B Sterling Accumulating | 1.53% | 2.52% |
| – Class A Norwegian Krone Accumulating | 2.03% | 3.38% |
| – Class C Sterling Distributing | 1.53% | 2.86% |
| F&C Real Estate Equity Long/Short Fund | | |
| – Class A Euro Accumulating | 2.17% | 2.53% |
| – Class A Sterling Accumulating | 2.17% | 2.53% |
| – Class A US Dollar Accumulating | 2.17% | 2.53% |
| – Class B Euro Accumulating | 1.48% | 1.99% |
| – Class C Sterling Accumulating | 1.47% | 1.96% |

TRADITIONAL FUNDS plc

UNAUDITED GENERAL INFORMATION (continued)

Information for Investors in Norway and Switzerland (continued)

Fund performance data

| | Performance 01.04.2013 to 31.03.2014 | Performance 01.04.2012 to 31.03.2013 | Performance 01.04.2011 to 31.03.2012 |
|---|--|--|--|
| F&C High Income Bond Fund** | | | |
| – Class A Euro Distributing | -4.8% | +2.5% | -10.7% |
| – Class A Sterling Distributing | -4.6% | +3.1% | -10.6% |
| – Class A US Dollar Distributing | -4.7% | +2.9% | -10.9% |
| – Class A Norwegian Krone Distributing | -3.6% | +4.3% | -9.1% |
| – A New Euro Accumulating Class | 0.8% | +2.6% | -4.1% |
| – A New Sterling Accumulating Class | 1.2% | +3.3% | -4.1% |
| – A New US Dollar Accumulating Class | 1.0% | +3.1% | -4.4% |
| – A New Euro Distributing Class | -4.9% | +2.6% | -11.2% |
| – A New Sterling Distributing Class | -4.6% | +3.1% | -11.0% |
| – A New US Dollar Distributing Class | -4.8% | +3.0% | -11.4% |
| – A New Norwegian Krone Distributing Class | -3.5% | +4.3% | -9.6% |
| – Class C Sterling Distributing | -3.3% | -1.2% | – |
| – Class C Sterling Accumulating | 2.5% | – | – |
| Eastern European Fund | | | |
| – US Dollar Class | -8.6% | +2.9% | -16.3% |
| INDEX: MSCI TR NET EMERGING MARKETS Europe Free Index | -8.0% | +1.0% | -18.5% |
| F&C Global Emerging Markets Fund | | | |
| – Class A Euro Accumulating | -10.6% | +5.0% | -7.4% |
| – Class A US Dollar Accumulating | -4.0% | +1.2% | -13.1% |
| – Class A Euro Distributing | -10.6% | +5.1% | -7.4% |
| – Class A Sterling Distributing | -12.6% | +6.6% | -12.9% |
| – Class A US Dollar Distributing | -4.0% | +1.2% | -13.2% |
| INDEX: MSCI TR Net Daily Series EM USD | -1.4% | +2.0% | -8.8% |
| F&C Macro Global Bond Fund (£) | | | |
| – Class A Sterling Accumulating | 0.6% | -4.1% | -3.7% |
| – Euro Distributing Class | 0.2% | -4.7% | -4.4% |
| – Class A Sterling Distributing | 0.6% | -4.1% | -4.3% |
| – US Dollar Distributing Class | 0.2% | -4.3% | -4.6% |
| – Class C Sterling Accumulating | 0.9% | -1.1% | – |
| – Class C Sterling Distributing | 0.9% | -2.1% | – |
| INDEX: 50% FTSE All Stock . 50% Citigroup World Global Government Bond | -5.1% | +4.9% | 9.9% |
| F&C Macro Global Bond Fund (€) | | | |
| – Class A Euro Accumulating | -0.6% | -2.4% | -0.6% |
| – Class A Euro Distributing | -0.6% | -2.5% | -1.3% |
| – Class C Euro Distributing | 0.9% | – | – |
| INDEX: 50% Citigroup Euro Govt Bond . 50% Citigroup World Government Bond in € | -0.01% | +5.2% | 10.2% |
| F&C Macro Global Bond Fund (\$) | | | |
| – Class A US Dollar Accumulating | 3.3% | -5.5% | -4.0% |
| – Class A US Dollar Distributing | 3.2% | -5.5% | -4.4% |
| – Class C US Dollar Distributing | 1.1% | – | – |
| INDEX: 50% Citigroup US Govt Bond . 50% Citigroup World Government Bond in \$ | 0.1% | +1.2% | 5.5% |

TRADITIONAL FUNDS plc

UNAUDITED GENERAL INFORMATION (continued)

Information for Investors in Norway and Switzerland (continued)

Fund performance data

| | Performance 01.04.2013 to 31.03.2014 | Performance 01.04.2012 to 31.03.2013 | Performance 01.04.2011 to 31.03.2012 |
|---|--|--|--|
| F&C Emerging Asia Fund | | | |
| – Class B Sterling Distribution | -9.4% | +7.9% | -11.1% |
| – Class A Euro Accumulating | -7.8% | +5.7% | -5.9% |
| – Class A US Dollar Accumulating | -1.1% | +1.8% | -11.7% |
| – Class A Euro Distributing | -7.7% | +5.7% | -5.9% |
| – Class A Sterling Distributing | -9.8% | +7.3% | -11.5% |
| – Class A US Dollar Distributing | -1.1% | +1.9% | -11.7% |
| – Class C Sterling Accumulating | -5.1% | – | – |
| INDEX: MSCI TR Net Emerging Asia | 3.4% | +5.2% | -7.9% |
| F&C Water and Agriculture Equity Long/Short Fund*** | | | |
| – Class A Euro Accumulating | 1.4% | +5.3% | -7.9% |
| – Class A Sterling Accumulating | 1.9% | +5.9% | -7.9% |
| – Class A US Dollar Accumulating | 1.7% | +5.8% | -8.0% |
| – Class A Norwegian Krone Accumulating | 2.4% | +6.7% | -6.6% |
| – Class A Singapore Dollar Accumulating | 1.3% | +5.1% | -0.3% |
| – Class A Euro Distributing | 1.5% | +5.3% | -7.9% |
| – Class A Sterling Distributing | 1.9% | +5.9% | -7.8% |
| – Class A US Dollar Distributing | 1.6% | +5.8% | -7.9% |
| – Class C Sterling Accumulating | 2.5% | +3.5% | – |
| – Class C Sterling Distributing | 2.4% | +3.5% | – |
| F&C Real Estate Securities Fund | | | |
| – Class A Euro Accumulating | 19.7% | 17.5% | -10.4% |
| – Class A Sterling Accumulating | 20.3% | 18.6% | -9.4% |
| – Class A Sterling Distributing | 17.1% | 18.7% | -10.5% |
| – Class B Euro Accumulating | 20.9% | 17.8% | -10.0% |
| – Class B Sterling Accumulating | 21.4% | 18.7% | -8.9% |
| – Class A Norwegian Krone Accumulating | 20.7% | 19.5% | -14.7% |
| – Class C Sterling Distributing | 17.4% | 19.2% | -10.3% |
| INDEX: FTSE EPRA/NAREIT Developed Europe Capped Total Return (Net) Index | 14.8% | 17.3% | -9.9% |
| F&C Global Emerging Markets Equity Long/Short Fund*** | | | |
| – Class A Euro Accumulating | -4.3% | +4.5% | -12.9% |
| – Class A Sterling Accumulating | -4.7% | +5.2% | -12.8% |
| – Class A Norwegian Krone Accumulating | -4.5% | +6.4% | -12.1% |
| – Class A US Dollar Accumulating | -4.5% | +5.2% | -12.7% |
| – Class A Sterling Distributing | -4.7% | +5.2% | -12.8% |
| – Class C Sterling Distributing | -1.9% | +5.9% | – |
| F&C Global High Yield Fund** | | | |
| – Class A Euro Accumulating | 2.9% | 11.8% | -4.0% |
| – Class A Sterling Accumulating | 2.5% | 12.1% | -4.1% |
| – Class A US Dollar Accumulating | 2.8% | 12.2% | -4.2% |
| – Class A Euro Distributing | -2.3% | 11.6% | -5.7% |
| – Class A US Dollar Distributing | -2.0% | 11.5% | -5.8% |
| – Class A Sterling Distributing | -2.5% | 12.3% | -5.8% |
| – Class A Norwegian Krone Distributing | -1.8% | 12.9% | -4.5% |

TRADITIONAL FUNDS plc

UNAUDITED GENERAL INFORMATION (continued)

Information for Investors in Norway and Switzerland (continued)

Fund performance data

| | Performance 01.04.2013 to 31.03.2014 | Performance 01.04.2012 to 31.03.2013 | Performance 01.04.2011 to 31.03.2012 |
|---|--|--|--|
| F&C Real Estate Equity Long/Short Fund *** | | | |
| – Class A Euro Accumulating | 2.0% | +0.4% | – |
| – Class A Sterling Accumulating | 1.7% | +0.5% | – |
| – Class A US Dollar Accumulating | 3.0% | – | – |
| – Class B Euro Accumulating | 2.2% | +0.6% | – |
| – Class C Sterling Accumulating | 2.5% | +0.7% | – |

** The Fund is a total return fund managed with reference to global credit markets and is not benchmarked against a specific index

*** The Fund is an absolute return fund and is not benchmarked against a specific index

DISCLAIMER:

Past performance is no indication of current or future performance.

The performance data do not take account of the commissions and costs incurred on the issue and redemption of shares.

TRADITIONAL FUNDS plc

ENQUIRIES

For further information, please contact the F&C Sales Support Team:

Thames River Capital LLP
Exchange House
Primrose Street
London EC2A 2NY
United Kingdom

Tel: +44 (0)20 7011 4444
Fax: +44 (0)20 7628 8118
email: client.service@fandc.com
website: www.fandc.com

Thames River Capital LLP is authorised and regulated by the Financial Conduct Authority.

DEALING SERVICES

State Street Fund Services (Ireland) Limited

Tel: +353 (0) 1 242 5529

CLIENT SERVICES

Thames River Capital LLP

Tel: +44 (0)20 7011 4444