



Traditional Funds plc

Annual Report and Audited Financial Statements

31 March 2014

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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

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TRADITIONAL FUNDS plc

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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.

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:

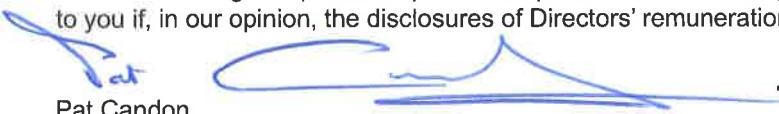
- give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland of the state of the company's and Funds' affairs as at 31 March 2014 and of their results for the year then ended; and
- have been properly prepared in accordance with the requirements of the Companies Acts 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
						1.13		–
Canada	Pacific Rubiales Energy 5.125% 28.03.2023	USD	1,630,000	1,585		0.15		
	Pacific Rubiales Energy 5.375% 26.01.2019	USD	200,000	208				
					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 8.625% 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	
Indonesia	Indosat Palapa 7.375% 29.07.2020	USD	440,000	477	0.83	–
	Republic of Iraq 5.800% 15.01.2028	USD	2,000,000	1,760	0.34	1.43
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	
Italy				605	0.43	–
				–	–	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	
Luxembourg				738	0.53	–
	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		1.22
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		1.19
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	–		
	Sberbank of Russia 6.125% 07.02.2022	USD	200,000	206	0.15	4.54		
Russia	PSA International 4.625% 11.09.2019	USD	270,000	297	0.21			
Singapore	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 Telecom 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		2.20
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	Türkiye Garanti Bankasi 4.000% 13.09.2017	USD	200,000	199	0.14			
	Türkiye Garanti Bankasi 6.250% 20.04.2021	USD	200,000	205	0.15			
	Türkiye Halk Bankasi 4.875% 19.07.2017	USD	290,000	292	0.21			
	Türkiye Sise ve Cam Fabrikalari 4.250% 09.05.2020	USD	300,000	273	0.19			
				969		0.69		–
Ukraine				–		–		3.38
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	
	Türkiye Vakıflar Bankası 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
Europe	FX Options					
	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
Europe	Options					
				–	–	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
				No. of Contracts			
United States	Futures						
	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					7,739	5.51	1.25
	CDX EM CDS 500	20.12.2018	USD	(10,000,000)	887	0.63	
	Total Credit Default Swaps					8,898	6.33
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)	(0.59)
Total financial liabilities at fair value through profit or loss		(11,692)	(8.29)	(2.29)
Total investments at fair value through profit or loss		127,227	90.51	67.63
Cash at bank		6,654	4.73	22.80
Margin cash		12,325	8.76	4.15
Other net (liabilities)/assets		(5,622)	(4.00)	5.42
Total Net Assets		140,584	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	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		
	Komerční 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	Türk Telekomunikasyon	TRY	785,100	2,172		0.56		
	Türkcell 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				
Country	Futures	Unrealised Loss US\$000	Mar 2014 % of NAV	Mar 2013 % 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
						3.71

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						
Country	Bonds	Currency	Nominal Holding	Fair Value £000	Mar 2014 % of NAV	Mar 2013 % of NAV
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	30.40
South Africa				–	–	3.74
United Kingdom	United Kingdom Treasury 0% Bills 07.04.2014	GBP	12,000,000	11,999	3.37	
	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	24.72
United States	United States Treasury 0% Bills 22.05.2014	USD	12,000,000	7,197	2.02	
	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	23.27
Total Bonds				326,016	91.58	89.95
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						
Country	Bonds	Currency	Nominal Holding	Fair Value €000	Mar 2014 % of NAV	Mar 2013 % of NAV
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)	
		(244)	(0.28)	(0.18)
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
	100.00

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 Macro Global 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
Australia	Australia Government 4.500% Bonds 21.10.2014	AUD	870,000	815	2.63	3.03
Canada	Canadian Government 0.750% Bonds 01.05.2014	CAD	1,165,000	1,055	3.41	3.70
Germany	German Treasury 0% Bills 16.07.2014	EUR	2,950,000	4,065	13.13	
	German Treasury 0% Bills 29.10.2014	EUR	790,000	1,088	3.51	
				5,153	16.64	16.04
South Africa				–	–	2.42
United Kingdom	United Kingdom Treasury 0% Bills 28.07.2014	GBP	450,000	749	2.42	–
United States	United States Treasury 0% Bills 03.04.2014	USD	500,000	500	1.61	
	United States Treasury 0% Bills 10.04.2014	USD	1,700,000	1,700	5.49	
	United States Treasury 0% Bills 17.04.2014	USD	1,500,000	1,500	4.84	
	United States Treasury 0% Bills 15.05.2014	USD	2,200,000	2,200	7.10	
	United States Treasury 0% Bills 22.05.2014	USD	2,500,000	2,500	8.07	
	United States Treasury 0% Bills 05.06.2014	USD	1,500,000	1,500	4.84	
	United States Treasury 0% Bills 17.07.2014	USD	2,600,000	2,600	8.40	
	United States Treasury 2.750% Bonds 15.08.2042	USD	438,000	374	1.21	
	United States Treasury 2.750% Bonds 15.11.2042	USD	435,000	370	1.20	
	United States Treasury 2.875% Bonds 15.05.2043	USD	424,000	370	1.19	
	United States Treasury 3.000% Bonds 15.05.2042	USD	411,000	370	1.20	
	United States Treasury 3.125% Bonds 15.02.2043	USD	405,000	372	1.20	
	United States Treasury 0% Strip Principal 15.05.2043	USD	11,180,000	3,757	12.13	
	United States Treasury Inflation Indexed Bonds 0.625% 15.02.2043	USD	3,021,381	2,527	8.16	
				20,640	66.64	61.39
Total Bonds				28,412	91.74	86.58
Open Forward Foreign Currency Transactions						
	Currency Sold		Currency Bought	Unrealised Gain US\$000		
	Investment Level			–	–	0.19
Total Open Forward Foreign Currency Transactions				–	–	0.19
FX Options						
			Nominal Holding	Fair Value US\$000		
United Kingdom	GBP USD Put	GBP	31,000,000	37	0.12	–
Total FX Options				37	0.12	–
Total financial assets at fair value through profit or loss				28,449	91.86	86.77
Financial liabilities at fair value through profit or loss						
	Futures		No of contracts	Unrealised Loss US\$000		
Germany				–	–	(0.29)
United Kingdom				–	–	(0.66)
United States				–	–	(0.05)
Total Futures				–	–	(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 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 US\$000	Mar 2014 % of NAV	Mar 2013 % of NAV
AUD 930,000	USD	(34)	(0.11)	
CAD 1,165,000	USD	(6)	(0.02)	
EUR 3,800,000	USD	(3)	(0.01)	
USD 2,508,300	GBP	(8)	(0.02)	
		(51)	(0.16)	(0.10)
Total Open Forward Foreign Currency Transactions		(51)	(0.16)	(0.10)
Total financial liabilities at fair value through profit or loss		(51)	(0.16)	(1.10)
Total investments at fair value through profit or loss		28,398	91.70	85.67
Cash at bank		2,753	8.89	50.49
Margin cash		—	—	3.99
Other net liabilities		(182)	(0.59)	(40.15)
Total Net Assets		30,969	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	90.94
OTC financial derivative instruments	0.12
Other assets	8.94
	100.00

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

Forwards: Barclays Bank
FX Options: 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	
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	
India	Tata Motors ADR	USD	11,500			
	Bank Mandiri Persero	IDR	590,500	491	3.05	
	Matahari Department Store	IDR	347,600	419	2.60	
Malaysia	Malayan Banking	MYR	106,834			
	Ayala Land	PHP	349,000	232	1.44	
	Puregold Price Club	PHP	192,500	189	1.17	
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	
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	
Thailand	Kasikornbank PCL NVDR	THB	96,700	529	3.28	
	Supalai PCL NVDR	THB	326,100	178	1.11	
Vietnam	Viet Nam Dairy Products	VND	20,000			
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	
				<u>2,829</u>	<u>8.66</u>	
Chile				–	–	0.69
China	First Tractor	HKD	1,000,000	543	1.66	–
Denmark				–	–	0.68
Faeroe Islands	Bakkafrøst 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	
				<u>1,824</u>	<u>5.58</u>	<u>1.86</u>
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	
				<u>2,550</u>	<u>7.80</u>	<u>1.24</u>
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	
				<u>16,770</u>	<u>51.30</u>	<u>32.48</u>
	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
	Futures		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)						
Country	Futures	Currency	No of Contracts	Unrealised Loss US\$000	Mar 2014 % of NAV	Mar 2013 % of NAV
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 6eme 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	Currency Bought	Unrealised Gain £000			
	Investment Level					
	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
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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)	
	Kloven	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	Currency Bought			
Investment Level				
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		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 2014

	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	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
Current Assets													
Cash at bank	6,654	55,084	411	32,954	6,841	2,753	517	872	19,355	98	75	20,536	138,896
Margin cash	12,325	12,406	284	-	-	-	52	4,135	7,897	-	-	8,600	39,340
Debtors	7,553	201	570	796	424	40	46	22	828	13	20	166	8,702
Financial assets at fair value through profit or loss	138,919	327,961	69,129	327,143	80,479	28,449	15,795	28,760	18,239	-	-	11,408	951,540
Total current assets	165,451	395,652	70,394	360,893	87,744	31,242	16,410	33,789	46,319	111	95	40,710	1,138,478
Current Liabilities													
Financial liabilities at fair value through profit or loss	2,3 (11,692)	-	-	(1,532)	(244)	(51)	-	(430)	(809)	-	-	(447)	(12,354)
Bank overdraft	5(c) -	-	(11)	-	-	-	-	-	-	-	-	-	(8)
Margin cash payable	5(b) -	-	(283)	-	-	-	(52)	(370)	-	-	-	-	(512)
Creditors - amounts falling due within one year	7 (13,649)	(9,914)	(347)	(3,574)	(1,926)	(236)	(285)	(311)	(889)	(111)	(95)	(904)	(26,720)
Total current liabilities	(25,341)	(9,914)	(1,141)	(5,106)	(2,170)	(289)	(337)	(1,111)	(1,698)	(111)	(95)	(1,351)	(39,594)
Net assets attributable to redeemable participating shares (at bid market prices)	140,110	385,738	69,253	355,787	85,574	30,953	16,073	32,678	44,621	-	-	39,359	1,098,884
Adjustment from bid market prices to last traded market prices	474	-	131	193	47	16	40	11	34	-	-	20	828
Net assets attributable to redeemable participating shares (at last traded market prices)	140,584	385,738	69,384	355,980	85,621	30,969	16,113	32,689	44,655	-	-	39,379	1,099,712

* Terminated 29 August 2013

** Terminated 30 December 2013

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

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 Macro Global Bond Fund (\$)	F&C Asia Fund	Thames River World Agriculture	F&C Water and Land Fund	F&C Global Credit Fund****	F&C Credit Select Fund****	F&C Real Estate Fund	F&C Global Emerging Markets Short Fund	Thames River – BSI Bond Fund**	F&C Global High Yield Fund	F&C Real Estate Equity Short Fund****	Total
Current Assets	Notes	€000	US\$000	US\$000	US\$000	€000	€000	US\$000	US\$000	€000	US\$000	€000	€000	€000	US\$000	€000	€000	€000	€000
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

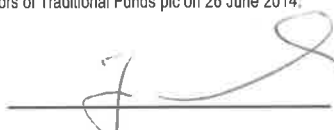
Gains and losses arose solely from continuing operations except for the F&C Global Emerging Markets Equity Long/Short Fund which terminated on 29 August 2013 and F&C Global High Yield Fund which terminated on 30 December 2013.

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**** €000	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	Thames River World Government Bond Fund* £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

	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	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
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	32,689	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

	F&C European Equity Long/Short Fund**** €000	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 Government Asia Fund US\$000	Thames River World Agriculture Equity Long/ Short Fund* €000	F&C Water and 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 – Bond Fund** €000	F&C Global High Yield Fund €000	F&C Real Estate Equity Long/Short Fund*** €000	Total €000	
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.

NOTES TO THE 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

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.

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)

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

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 €000	2013 US\$000	2013 US\$000	2013 US\$000	2013 £000	2013 €000	2013 US\$000	2013 US\$000	2013 £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

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****	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
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	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
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****	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
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	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
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

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	

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
				1,011,299	

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
				349,421	

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
				79,508	

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
				1,591,442	

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
				1,192,387	

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
				1,137,720	

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	

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	

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>	

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

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>	

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	–		–	
Class B Swiss Franc Accumulating (CHF)				
Opening Shares	–		89,720	
Subscriptions	–	–	–	–
Redemptions	–	–	(89,720)	(828,402)
Closing Shares	–		–	
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	–		18,782	
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	–		317,248	
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	–		73,860	
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	–		101,046	
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	–		201,833	

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>	

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

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	Less than	1 month	1 - 5	Over	Non-interest	Total
As at 31 March 2014	1 month	- 1 year	years	5 years	bearing	2014
Assets	US\$000	US\$000	US\$000	US\$000	US\$000	US\$000
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)

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	1 month - 1 year	1 - 5 years	Over 5 years	Non-interest bearing	Total 2013
Assets	€000	€000	€000	€000	€000	€000
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	1 month - 1 year	1 - 5 years	Over 5 years	Non-interest bearing	Total 2013
Assets	US\$000	US\$000	US\$000	US\$000	US\$000	US\$000
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)

NOTES TO THE FINANCIAL STATEMENTS (continued)

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

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

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 % of debt securities	At 31 March 2013 % of debt securities
By rating category		
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.

	2014 US\$000	2014 Ratings	2013 US\$000	2013 Ratings
F&C High Income Bond Fund				
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	–	–

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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.

F&C High Income Bond Fund	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>						
- 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 (£)	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>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 (€)	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>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 (\$)	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>Gross settled derivatives</i>						
Forward foreign currency contracts – pay legs	9,610	-	-	-	-	9,610
Forward foreign currency contracts – receive legs	9,661	-	-	-	-	9,661

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2014

10. Derivatives & Other Financial Instruments (continued)

(vi) Liquidity risk (continued)

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2014

10. Derivatives & Other Financial Instruments (continued)

(vi) Liquidity risk (continued)

F&C Real Estate Securities Fund	Less than 1 month	1 month - 1 year	1 - 5 years	Over 5 years	No stated maturity	2013 Total
Liabilities	£000	£000	£000	£000	£000	£000
<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	Less than 1 month	1 month - 1 year	1 - 5 years	Over 5 years	No stated maturity	2013 Total
Liabilities	US\$000	US\$000	US\$000	US\$000	US\$000	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	Less than 1 month	1 month - 1 year	1 - 5 years	Over 5 years	No stated maturity	2013 Total
Liabilities	€000	€000	€000	€000	€000	€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	Less than 1 month	1 month - 1 year	1 - 5 years	Over 5 years	No stated maturity	2013 Total
Liabilities	€000	€000	€000	€000	€000	€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.

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

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.

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
Assets	€000	€000	€000	€000
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
Assets	US\$000	US\$000	US\$000	US\$000
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
Assets	US\$000	US\$000	US\$000	US\$000
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
Assets	US\$000	US\$000	US\$000	US\$000
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	Level 1	Level 2	Level 3	Total
Assets	€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)

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)

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)

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

Net Asset Value	Audited 31.03.2014	Audited 31.03.2013	Audited 31.03.2012
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
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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	–

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	–

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

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

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	1.50%
Class B – Institutional	1.00%
Class C – Institutional	0.75%
Eastern European Fund	1.75%
F&C Global Emerging Markets Fund	
Class A – Non Institutional	1.75%
Class C – Institutional	1.00%
F&C Macro Global Bond Fund (£)	
Class A – Non Institutional	1.00%
Class C – Institutional	0.60%
F&C Macro Global Bond Fund (€)	
Class A – Non Institutional	1.00%
Class C – Institutional	0.60%
F&C Macro Global Bond Fund (\$)	
Class A – Non Institutional	1.00%
Class C – Institutional	0.60%
F&C Emerging Asia Fund	
Class A – Non Institutional	1.75%
Class B – Institutional	1.25%
Class C – Institutional	1.00%
F&C Water and Agriculture Equity Long/Short Fund	
Class A – Non Institutional	1.75%
Class C – Institutional	1.00%
F&C Real Estate Securities Fund	
Class A – Non Institutional	1.50%
Class B & C – Institutional	1.00%
F&C Global Emerging Markets Equity Long/Short Fund	
Class A – Non Institutional	1.75%
Class B & C – Institutional	1.00%
F&C Global High Yield Fund	
Class A – Non Institutional	1.50%
Class B – Institutional	1.00%
Class C – Institutional	0.75%
F&C Real Estate Equity Long/Short Fund	
Class A – Non Institutional	1.75%
Class B & C – Institutional	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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

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.

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 No. of Shares held	2014 %	2013 No. of Shares held	2013 %
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

NOTES TO THE FINANCIAL STATEMENTS (continued)

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>

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
Komerční 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 Oszczędności Bank Polski	1,510,000	1,222,000
Powszechny Zakład Ubezpieczeń	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 İletişim Hizmetleri	4,485,000	3,615,900
Türkiye Garanti Bankası	3,595,000	5,364,700
Türkiye Halk Bankası	1,506,000	2,507,400
Türkiye İş Bankası	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 15.05.2043	66,000,000	27,025,000
United States Treasury 2.750% Bonds 15.08.2042		2,530,000
United States Treasury Inflation Indexed 0.625% Bonds 15.02.2043	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
Pictou 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

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%

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.

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

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

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