

AUDITED FINANCIAL STATEMENTS

APQ ALEXANDRIA FUND LIMITED

For the year ended 31 December 2014
With Report of Independent Auditors

The attached financial statements of APQ Alexandria Master Fund Limited are an integral part of these financial statements and should be read in conjunction therewith.

APQ ALEXANDRIA FUND LIMITED

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Independent Auditors' Report

The Board of Directors
APQ Alexandria Fund Limited

We have audited the accompanying financial statements of APQ Alexandria Fund Limited (the "Fund") which comprise the statement of financial position as at 31 December 2014, and the statement of comprehensive income, statement of changes in net assets attributable to holders of redeemable participating shares and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of APQ Alexandria Fund Limited as at 31 December 2014, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Ernst & Young Ltd.

8 May 2015

APQ ALEXANDRIA FUND LIMITED

STATEMENT OF FINANCIAL POSITION

(Expressed in U.S. Dollars)

As at 31 December 2014

	<u>2014</u>	<u>2013</u>
Assets	\$	\$
Cash and cash equivalents	798	549,679
Financial assets at fair value through profit or loss	71,002,929	98,096,988
Other receivables and prepayments	9,202	19,427
Total assets	<u>71,012,929</u>	<u>98,666,094</u>
Liabilities:		
Subscriptions received in advance	-	549,205
Management fee payable	61,953	83,753
Incentive fees payable	-	1,397
Total Liabilities	<u>61,953</u>	<u>634,355</u>
Net assets attributable to holders of redeemable participating shares	<u>70,950,976</u>	<u>98,031,739</u>

Net asset value per share by class

AS at 31 December 2014

	No of shares		NAV per share
Class AR Series 2013/05 USD	712,556.33	\$	94.05
Class AR Series 2013/07 USD	5,429.01	\$	96.01
Class AR Series 2013/08 USD	4,799.60	\$	96.48
Class AR Series 2013/09 USD	1,545.48	\$	98.11
Class AR Series 2013/10 USD	1,438.94	\$	96.15
Class AR Series 2014/01 USD	2,179.55	\$	96.05
Class AR Series 2014/02 USD	339.72	\$	99.01
Class AR Series 2014/03 USD	3,092.17	\$	98.46
Class AR Series 2014/06 USD	1,253.23	\$	94.11
Class AR Series 2014/11 USD	714.53	\$	91.43
Class B Series 2013/11 GBP	1,000.00	£	94.28
Class B Series 2013/12 GBP	2,000.00	£	95.21
Class B Series 2014/01 GBP	2,000.00	£	95.34
Class B Series 2014/04 GBP	600.00	£	96.83
Class B Series 2014/05 GBP	1,000.00	£	96.09
Class B Series 2014/06 GBP	2,000.00	£	93.67
Class B Series 2014/07 GBP	1,000.00	£	92.69
Class B Series 2014/08 GBP	600.00	£	91.78
Class B Series 2014/09 GBP	1,500.00	£	92.21
Class B Series 2014/10 GBP	390.00	£	93.73
Class B Series 2014/09 USD	1,650.00	\$	92.16

The accompanying notes and attached financial statements of APQ Alexandria Master Fund Limited are an integral part of these financial statements and should be read in conjunction therewith.

APQ ALEXANDRIA FUND LIMITED

STATEMENT OF FINANCIAL POSITION

(Expressed in U.S. Dollars)

As at 31 December 2014

**Net asset value per share by class
as at 31 December 2013**

	No of shares		NAV per share
Class A Series 2013/05 USD	30,000.00	\$	97.68
Class AR Series 2013/05 USD	928,346.79	\$	97.92
Class A Series 2013/06 USD	24,000.00	\$	99.20
Class AR Series 2013/07 USD	5,429.01	\$	99.96
Class AR Series 2013/08 USD	4,799.60	\$	100.44
Class AR Series 2013/09 USD	1,545.48	\$	102.14
Class AR Series 2013/10 USD	1,438.94	\$	100.10
Class B Series 2013/11 GBP	1,000.00	£	98.89
Class B Series 2013/12 GBP	2,000.00	£	99.87

The accompanying notes and attached financial statements of APQ Alexandria Master Fund Limited are an integral part of these financial statements and should be read in conjunction therewith.

APQ ALEXANDRIA FUND LIMITED

STATEMENT OF COMPREHENSIVE INCOME

(Expressed in U.S. Dollars)

For the year ended 31 December 2014

	2014	2013*
Investment income/(loss)	\$	\$
Net realised loss on financial assets and financial liabilities through profit or loss and on foreign currency exchange	(442,993)	(20,944)
Net change in unrealised depreciation on financial assets and liabilities at fair value through profit or loss and on foreign currency exchange	(1,868,616)	(1,366,736)
	<u>(2,311,609)</u>	<u>(1,387,680)</u>
Expenses		
Professional fees	9,955	2,907
Directors' fees	28,333	17,500
Management fees	831,946	617,480
Incentive fee	7,156	1,397
Other expenses	13,800	2,538
	<u>891,190</u>	<u>641,822</u>
Operating loss	<u>(3,202,799)</u>	<u>(2,029,502)</u>
Decrease in net assets attributable to holders of redeemable participating shares from operations	<u>(3,202,799)</u>	<u>(2,029,502)</u>

* For the period from 14 March 2013 to 31 December 2013

The accompanying notes and attached financial statements of APQ Alexandria Master Fund Limited are an integral part of these financial statements and should be read in conjunction therewith.

APQ ALEXANDRIA FUND LIMITED

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES

(Expressed in U.S. Dollars)

For the year ended 31 December 2014

	2014	2013*
	\$	\$
As at 01 January 2014	98,031,739	-
Issue of redeemable participating shares	2,443,145	100,903,898
Redemption of redeemable participating shares	(26,321,109)	(842,657)
(Decrease)/increase in net assets attributable to holders of redeemable participating shares from transactions in shares	(23,877,964)	100,061,241
Decrease in net assets attributable to holders of redeemable participating shares from operations	(3,202,799)	(2,029,502)
As at 31 December 2014	70,950,976	98,031,739

* For the period from 14 March 2013 to 31 December 2013

APQ ALEXANDRIA FUND LIMITED

STATEMENT OF CASH FLOWS

(Expressed in U.S. Dollars)

For the year ended 31 December 2014

	<u>2014</u>	<u>2013*</u>
	\$	\$
Cash flows from operating activities		
Decrease in net assets attributable to holders of redeemable participating shares from operations	(3,202,799)	(2,029,502)
<i>Adjustments to reconcile decrease in net assets attributable to holders of redeemable participating shares from operations to net cash provided by/(used in) operating activities:</i>		
Payments for purchase of financial assets and financial liabilities at fair value through profit or loss	(2,291,627)	(100,903,897)
Proceeds from sale of financial assets and financial liabilities at fair value through profit or loss	27,073,883	1,419,215
Net realised loss on financial assets and financial liabilities at fair value through profit or loss	443,195	20,956
Net change in unrealised loss on financial assets and financial liabilities at fair value through profit or loss	1,868,608	1,366,738
Other receivables and prepayments	10,225	(19,427)
Subscriptions received in advance	(549,205)	549,205
Management fees payable	(21,800)	83,753
Incentive fees payable	(1,397)	1,397
Net cash provided by/(used in) operating activities	<u>23,329,083</u>	<u>(99,511,562)</u>
Cash flows from financing activities		
Proceeds from issue of redeemable participating shares	2,443,145	100,903,898
Payments on redemption of redeemable participating shares	(26,321,109)	(842,657)
Net cash (used in)/provided by financing activities	<u>(23,877,964)</u>	<u>100,061,241</u>
Net (decrease)/increase in cash and cash equivalents	(548,881)	549,679
Cash and cash equivalents, at beginning of year/period	<u>549,679</u>	<u>-</u>
Cash and cash equivalents, at end of year/period	<u><u>798</u></u>	<u><u>549,679</u></u>

* For the period from 14 March 2013 to 31 December 2013

The accompanying notes and attached financial statements of APQ Alexandria Master Fund Limited are an integral part of these financial statements and should be read in conjunction therewith.

APQ ALEXANDRIA FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014

(Expressed in U.S. Dollars)

1. Reporting Entity

APQ Alexandria Fund Limited (the "Fund") is a regulated mutual fund domiciled and incorporated, with limited liability in the Cayman Islands. The Fund was incorporated on 14 March 2013 and was registered with the Cayman Islands Monetary Authority ("CIMA") on 22 April 2013. The Fund commenced operations on 15 May 2013. The Fund's registered office is at 94, Solaris Avenue, Camana Bay, Grand Cayman.

The Fund will invest substantially all of its capital through a "master-feeder" structure in the APQ Alexandria Master Fund Limited (the "Master Fund") which is also a Cayman Islands regulated mutual fund. The Master Fund is 100% owned by the Fund as at 31 December 2014.

The investment objective of the Fund is to invest in the "Master Fund" which seeks to generate long-term returns through investments in global and emerging markets. The Master Fund will invest in stocks, bonds, foreign exchange, commodities and their derivatives across Asia, Latin America, Eastern Europe, Middle East, Africa, and the developed markets.

The Fund's investment activities are managed by APQ Partners LLP (the "Investment Manager"). The Investment Manager is an English limited liability partnership and is regulated by the Financial Conduct Authority ("FCA").

2.1. Basis of preparation

The financial statements of the Fund for the year ended 31 December 2014 have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standard Board ("IASB"). The financial statements are presented in US Dollars.

The financial statements have been prepared on a historical cost basis, except for financial assets and financial liabilities held at fair value through profit or loss, which have been measured at fair value. The financial statements of the fund were prepared as a going concern.

2.2. Summary of Significant Accounting Policies

(a) Use of estimates and judgments

The preparation of the financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

APQ ALEXANDRIA FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year 31 December 2014

(Expressed in U.S. Dollars)

2.2. Summary of Significant Accounting Policies (continued)

(a) *Use of estimates and judgments (continued)*

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

(b) *Foreign currency*

The Fund's functional and presentation currency is the currency of the primary economic environment in which it operates i.e. US Dollars. The Fund receives its investing capital primarily in US Dollars manages shareholder funds in this currency also. For this reason, management has determined that the functional currency of the Fund should be US Dollars.

Transactions in foreign currencies are translated into US Dollars at the spot exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated into US Dollars at the spot exchange rate at that date.

Foreign currency differences arising on translation are recognised in profit or loss in the "net realised loss on financial assets and financial liabilities through profit or loss, and on foreign currency exchange loss" line, except for those arising on financial instruments at fair value through profit or loss held at year end which is recognised in profit or loss in the "Net change in unrealised depreciation on financial assets and liabilities at fair value through profit or loss and on foreign currency exchange" line.

(c) *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances and are used by the Fund in the management of its commitments.

(d) *Income taxes*

The Fund is exempt from all forms of taxation in the Cayman Islands (including income, capital gains and withholding taxes). However, in some jurisdictions, investment income and capital gains are subject to withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the gross investment income in the Statement of Comprehensive Income. For the purpose of the statement of cash flows, cash inflows from investments are presented net of withholding taxes, when applicable.

APQ ALEXANDRIA FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year 31 December 2014

(Expressed in U.S. Dollars)

2.2. Summary of Significant Accounting Policies (continued)

(e) *Financial assets and financial liabilities*

The Fund has adopted the following classifications for financial assets and financial liabilities:

Financial assets and liabilities held for trading:

Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. This category includes investment in the Master Fund.

- (i) **Recognition**
The Fund recognises a financial asset or a financial liability when, and only when, it becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Fund commits to purchase or sell the asset.
- (ii) **Initial Measurement**
Financial assets and financial liabilities at fair value through profit or loss are recorded in the statement of financial position at fair value. All transaction costs for such instruments are recognised directly in the Statement of Comprehensive Income.
- (iii) **Subsequent measurement**
After initial measurement, the Fund measures financial instruments at fair value through profit or loss at fair value. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction on the measurement date.

APQ ALEXANDRIA FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year 31 December 2014

(Expressed in U.S. Dollars)

2.2. Summary of Significant Accounting Policies (continued)

(e) *Financial assets and financial liabilities (continued)*

(iv) Derecognition

The Fund derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Fund neither transfers nor retains substantially all the risks and rewards of ownership but transfers control of the financial asset. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Fund is recognised as a separate asset or liability in the statement of financial position. On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised), and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the Statement of Comprehensive Income.

The Fund derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

(v) Offsetting

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Fund has a legal right to set off the recognised amounts and it intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

(f) *Redeemable Participating Shares*

Redeemable participating shares are classified as financial liabilities and are measured at the redemption amounts representing the investor's right to a residual interest in the Funds' assets. In accordance with the Fund's prospectus, the redemption amounts of the redeemable participating shares are calculated using the closing prices of the Fund's underlying investments/short positions.

Subscriptions received in advance in the statement of financial position are amounts for subscriptions that have been received but not yet invested as at 31 December 2014.

(g) *Founder Shares*

The Fund's founder shares are classified as equity. The founder shares do not form part of the net assets of the Fund and are thus disclosed in the financial statements by way of this note only.

APQ ALEXANDRIA FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year 31 December 2014

(Expressed in U.S. Dollars)

2.2. Summary of Significant Accounting Policies (continued)

(h) *Income and Expenses*

Income and expenses are accounted for on an accrual basis in the Statement of Comprehensive Income.

(i) *Taxes*

Uncertainties exist with respect to the interpretation of complex tax regulations and changes in tax laws on foreign withholding tax. Given the wide range of international investments, differences arising between the actual investment income and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax expense already recorded. The Fund establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it invests. The amounts of such provisions are based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in their respective investment's domicile. As the Fund assesses the probability for litigation and subsequent cash outflow with respect to taxes as remote, no contingent liability has been recognised.

(j) *Going Concern*

The Fund's management has made an assessment of the Fund's ability to continue as a going concern and is satisfied that the Fund has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Fund's ability to continue as a going concern. Therefore, the financial statements have been prepared on a going concern basis.

(k) *Comparative information*

Certain comparative amounts used in the financial statements have been reclassified to conform to current year presentation. Such reclassifications do not have any impact on previously reported Net Asset Value or profit/loss.

APQ ALEXANDRIA FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year 31 December 2014

(Expressed in U.S. Dollars)

2.3. New and amended standards and interpretations

(i) *New standards, amendments and interpretations effective for the current reporting period:*

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 January 2014 that would be expected to have a material impact on the Fund's financial statements.

IFRS 10, 'Consolidated financial statements – Investment Entities'

A parent entity will need to make an assessment of whether it meets the definition of an investment entity.

An Investment Entity is defined as an entity that:

- (a) obtains funds from one or more investors for the purpose of providing those investor(s) with investment management services;
- (b) commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- (c) measures and evaluates the performance of substantially all of its investments on a fair value basis.

A parent entity will also need to consider a set of typical characteristics. These, combined with the above definition, are intended to allow for an appropriate balance between creating a clear scope and allowing judgment in assessing whether an entity is an investment entity. The characteristics are:

- (a) holding more than one investment;
- (b) having more than one investor;
- (c) having investors that are not related parties of the entity; and
- (d) having ownership in the form of equity or similar interests.

The above standard has no impact in the financial statements for the year ended 31 December 2014.

(ii) *New standards, amendments and interpretations effective for the current reporting period:*

IFRS 9 as issued reflects the first phase of the IASB's work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The standard is effective for annual periods beginning on or after 1 January 2018. In subsequent phases, the IASB will address hedge accounting and impairment of financial assets. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of the Fund's financial assets but will potentially have no impact on classification and measurements of financial liabilities. The

APQ ALEXANDRIA FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year 31 December 2014

(Expressed in U.S. Dollars)

2.4. New and amended standards and interpretations (continued)

(ii) *New standards, amendments and interpretations effective for the current reporting period (continued):*

Fund will quantify the effect in conjunction with the other phases, when issued, to present a comprehensive picture.

3. Financial Assets and Financial Liabilities at Fair Value through profit or loss

Valuation of financial instruments

The Fund measures fair values using the following fair value hierarchy that reflects the significance of inputs used in making the measurements:

- (i) Quoted (unadjusted) prices in active markets for identical assets or liabilities (Level 1).
- (ii) Securities valued using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly derived from price) (Level 2).
- (iii) Securities valued using inputs that are not based on observable data (unobservable data) (Level 3).

The Fund's Investment in the Master Fund is classified as a Level 2 security.

4. Share Capital and Redeemable Participating Shares

The authorised share capital of the Fund is \$50,000 divided into 10 founder shares of \$1 par value each and 4,999,000 redeemable participating shares of \$0.01 par value each, €50,000 divided into 5,000,000 redeemable participating shares of €0.01 par value each, £50,000 divided into 5,000,000 redeemable participating shares of £0.01 par value each and ¥5,000,000 divided into 5,000,000 redeemable participating shares of ¥1.00 par value each.

Redeemable participating Class A and Class B shares provide investors with the right to require redemption for cash at a value proportionate to the investor's share in the Fund's net assets at each monthly redemption date and also in the event of the Fund's liquidation. Each investor will be required to invest a minimum of 100,000 USD (or the currency equivalent thereof in the case of Shares not denominated in USD). Additional subscriptions may be made for a minimum of 10,000 USD (or the currency equivalent thereof), subject to the Directors' discretion to reduce this amount either generally or in relation to any particular Shareholder. Subscriptions are payable in full upon acceptance.

APQ ALEXANDRIA FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year 31 December 2014

(Expressed in U.S. Dollars)

4. Share Capital and Redeemable Participating Shares (continued)

The rights attaching to the redeemable participating shares are as follows:

Redeemable participating shares may be redeemed on the last business day of each month; on the provision that day is a business day for the Fund, at the net asset value per share of the respective share class. If that day is not a business day for the Fund, shares may be redeemed on the immediately preceding business day. The Shareholder must request such redemption at least 30 calendar days prior to the proposed redemption day or such other day as the Investment Manager may determine. Redeemable Shares in voting classes have the right to receive notice of, attend and vote at any general meeting of the Fund.

The classes in issue which have voting rights are classes Class A USD and Class B GBP. Gains/losses from forward foreign exchange contracts held for share class hedging purposes are attributed to the relevant share class only.

The analysis of movements in the number of redeemable Shares during the year/period are as follows:

	Outstanding at January 1 2014	Issued	Redeemed	Outstanding at 31 December 2014
USD Class A	54,000.00	-	(54,000.00)	-
USD Class A Restricted	941,559.83	7,579.20	(215,790.46)	733,348.57
USD Class B	-	1,650.00	-	1,650.00
GBP Class B	3,000.00	9,090.00	-	12,090.00
	<u>998,559.83</u>	<u>18,319.20</u>	<u>(269,790.46)</u>	<u>747,088.57</u>

	Outstanding at 14 March 2013	Issued	Redeemed	Outstanding at 31 December 2013
USD Class A	-	54,397.55	(397.55)	54,000.00
USD Class A Restricted	-	949,758.72	(8,198.89)	941,559.83
GBP Class B	-	3,000.00	-	3,000.00
	<u>-</u>	<u>1,007,156.27</u>	<u>(8,596.44)</u>	<u>998,559.83</u>

The rights attaching to the Founder Shares are as follows:

Founder Shares confer upon the holders thereof rights on a winding-up to repayment of capital in accordance with these Articles but confer no other right to participate in the profits or assets of the Fund. Founder Shares are not redeemable.

Unless there are no Shares in issue (in which case the Founder Shares shall carry the right to receive notice of, attend and vote at general meetings of the Fund), the Founder Shares shall not carry the right to receive notice of, attend or vote at general meetings of the Fund, save that the holders of the Founder Shares shall have the exclusive rights to

APQ ALEXANDRIA FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year 31 December 2014

(Expressed in U.S. Dollars)

4. Share Capital and Redeemable Participating Shares (continued)

vote (to the exclusion of the holders of the Shares) in respect of: (i) any alteration or amendment of the authorised share capital of the Fund; (ii) any change in the name of the Fund; and (iii) any amendment to the Articles to conform them to the terms of the Offering Memorandum issued in respect of the first issue of Shares.

Additional rights of the Founder Shares and all rights attached to Shares are disclosed fully in the Articles of Association of the Fund.

Capital management

As a result of the ability to issue and redeem shares, the capital of the Fund can vary depending on the demand for redemptions and subscriptions to the Fund. The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue or redemption of redeemable shares beyond those included in the Fund's constitution.

The Fund's objectives for managing capital are:

- To invest the capital in investments meeting the description, risk exposure and expected return indicated in its prospectus
- To achieve consistent returns while safeguarding capital by investing in diversified portfolio, by participating in derivative and other capital markets and by using various investment strategies and hedging techniques
- To maintain sufficient liquidity to meet the expenses of the Fund, and to meet redemption requests as they arise
- To maintain sufficient size to make the operation of the Fund cost-efficient

Refer to Financial risk management objectives and policies for the policies and processes applied by the Fund in managing its capital.

5. Financial Risk Management

The Fund is exposed to market risk (which includes currency risk, interest rate risk and other price risk), credit risk and liquidity risk arising primarily from its investment in the Master Fund. As the Fund and the Master Fund are considered to be an integrated structure, the Directors believe disclosures regarding risk associated with the Fund relates to the Master Fund. Such disclosures can be found in note 4 of the Master Fund's financial statements.

APQ ALEXANDRIA FUND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year 31 December 2014

(Expressed in U.S. Dollars)

6. Investment Management Agreement

In addition to serving as the Investment Manager to the Master Fund, the Investment Manager also serves as the Investment Manager to the Fund. Management and performance-based fees with relation to the foregoing relationships are incurred at the Fund level.

The Investment Manager receives a management fee payable monthly, in arrear, equal to one twelfth of 1% of the net asset value for Class A shares and 2% for Class B shares (before deduction of that month's management fee and any accrued performance fee) as at valuation day. The management fee is paid to the Manager, who in turn pays the Investment Manager.

The Investment Manager is also entitled to receive a performance related fee in respect of each Series of Shares in issue in relation to each Performance Period (as defined below) (the "Performance Fee"). For each Performance Period, the Performance Fee will be equal to 20% of the net profits in respect of each Series, namely the increase in the Net Asset Value per Share of such Series during that Performance Period, subject to a "High Water Mark", as described below.

The Performance Fee is calculated and payable, in respect of each calendar year (each, a "Performance Period"), annually on 31 December. However, the first calculation period in respect of the first Series of a Class commences on the date of the close of the Initial Offer Period of that Class and ends on 31 December of that year, and the first Performance Period in respect of a Series issued other than on the first Business Day of a calendar year commences on the date of issue and ends on 31 December of that year.

The Performance Fee will be deemed to accrue monthly and will be taken into account in the calculation of the Net Asset Value per Share on each Valuation Day. The Performance Fee in respect of each Performance Period is calculated by reference to the Net Asset Value per Share before the deduction of any accrued Performance Fees.

For each Series, a Performance Fee will be payable at the end of Performance Period if the Net Asset Value per Share of such Series at the end of the Performance Period exceeds the greater of (a) the highest previous Net Asset Value per Share of the relevant Series achieved as at the end of any previous Performance Period (if any) during which such Share was in issue; and (b) the original issue price of the Shares of that Series (the High Water Mark). All such calculations are made before deduction of the Performance Fee for the current Performance Period and by including realised and unrealised gains and losses.

APQ ALEXANDRIA FUND LIMITED

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2014

(Expressed in U.S. Dollars)

7. Related Parties

Board of Directors

The Board of Directors is entitled to remuneration for their services. Fees will be paid to the Directors in an amount up to \$25,000 each per annum per Director prorated across both the Fund and the Master Fund. This is payable in advance, together with their out of pocket expenses.

HighWater Limited provides corporate secretarial services to the Fund. Gary Linford is one of the directors of both HighWater Limited and the Fund. Corporate secretarial fees for the year ended 31 December 2014 amounted to \$5,417 (2013: \$-). The prepaid fee at year end was \$1,083 (2013: \$-).

Manager

APQ Capital Management Limited (the "Manager"), is an exempted company incorporated with limited liability under the laws of the Cayman Islands. The details of the management fee and incentive fee calculations are outlined above.

Tuva Mountains Limited hold 80% of the shares of APQ Capital Management Limited and the underlying beneficial owner of these shares is Bart Turtelboom. Bart Turtelboom is also a beneficial investor in the APQ Alexandria Fund.

All Founder Shares are held by the Manager.

Investment Manager

APQ Partners LLP, an English limited liability partnership and regulated by the FCA is the Investment Manager of the Fund and Master Fund. APQ Partners LLP is appointed as Investment Manager of the Fund by the Manager and is entitled to receive a fee from the Manager for this service.

Administrator

The Fund has appointed HedgeServ Limited, a fund administration company incorporated in the Republic of Ireland, to provide administrative services to the Fund. Administration fees are calculated and incurred at the Master Fund level. Please refer to note 11 of the Master Fund financial statements.

8. Subsequent Events

Subsequent to year end, the Fund received subscriptions of \$19,689,222 and £120,000 and, paid redemptions of \$30,914,865 and £195,009.

9. Approval of financial statements

The financial statements were approved by the board of directors of the Fund on 8 May 2015.

APQ ALEXANDRIA FUND LIMITED

APPENDIX I – GENERAL INFORMATION (UNAUDITED)

Manager

APQ Capital Management Limited
c/o Mourant Ozannes Corporate Services (Cayman)
Limited
94 Solaris Avenue, Camana Bay
PO Box 1348
Grand Cayman KY-1108
Cayman Islands

Registered Office

c/o Mourant Ozannes Corporate Services (Cayman) Limited
94 Solaris Avenue
Camana Bay PO Box 1348
Grand Cayman KY-1108
Cayman Islands

Non-executive Directors of the Fund

Mr. Todd Groome (appointed 21/03/2013)
Mr. Gary Linford (appointed 14/03/2013)

Legal Advisers

Stephenson Harwood
1 Finsbury Circus
London
EC2M 7SH

Investment Manager

APQ Partners LLP
3rd Floor
22-23 Old Burlington St
London W1s 2JJ
United Kingdom

Administrator

HedgeServ Limited
75 St. Stephen's Green
Dublin 2
Ireland

Auditors

Ernst & Young Ltd.
Suite 6401, 62 Forum Lane
Camana Bay
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Grand Cayman KY1-1106
Cayman Islands

Mourant Ozannes (in Cayman)
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