



Traditional Funds plc

Annual Report and Audited Financial Statements

31 March 2013

Annual Report and Audited Financial Statements

TRADITIONAL FUNDS plc

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

For the year ended 31 March 2013

TRADITIONAL FUNDS plc

TABLE OF CONTENTS

Management and Administration	2
Investment Managers' Reports	
– <i>F&C European Equity Long/Short Fund</i>	3
(formerly known as Thames River European Absolute Return Fund) (<i>terminated 26 March 2013</i>)	
– <i>F&C High Income Bond Fund</i>	4
(formerly known as Thames River High Income Fund)*	
– <i>Eastern European Fund</i>	5
– <i>F&C Global Emerging Markets Fund</i>	8
(formerly known as Thames River Global Emerging Markets Fund)*	
– <i>F&C Macro Global Bond Fund (£)</i>	9
(formerly known as Thames River Global Bond Fund (£))*	
– <i>F&C Macro Global Bond Fund (€)</i>	9
(formerly known as Thames River Global Bond Fund (€))*	
– <i>F&C Macro Global Bond Fund (\$)</i>	9
(formerly known as Thames River Global Bond Fund (\$))*	
– <i>F&C Emerging Asia Fund</i>	10
(formerly known as Thames River Emerging Asia Fund)*	
– <i>Thames River World Government Bond Fund (terminated 17 April 2012)</i>	11
– <i>F&C Water and Agriculture Equity Long/Short Fund</i>	12
(formerly known as Thames River Water and Agriculture Absolute Return Fund)*	
– <i>F&C Global Credit Fund</i>	14
(formerly known as Thames River Global Credit Fund) (<i>terminated 26 March 2013</i>)	
– <i>F&C Credit Select Fund</i>	15
(formerly known as Thames River Credit Select Fund) (<i>terminated 26 March 2013</i>)	
– <i>F&C Real Estate Securities Fund</i>	16
(formerly known as Thames River Real Estate Securities Fund)*	
– <i>F&C Global Emerging Markets Equity Long/Short Fund</i>	18
(formerly known as Thames River Global Emerging Markets Absolute Return Fund)*	
– <i>Thames River – BSI Bond Opportunity Fund (terminated 17 December 2012)</i>	20
– <i>F&C Global High Yield Fund</i>	21
(formerly known as Thames River Global High Yield Fund)*	
– <i>F&C Real Estate Equity Long/Short Fund</i>	22
Directors' Report	24
Independent Auditors' Report	28
Custodian's Report	29
Portfolio Statements	30
Balance Sheet	63
Profit and Loss Account	65
Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shareholders	69
Notes to the Financial Statements	71
Significant Portfolio Movements (unaudited)	170
General Information (unaudited)	187
Enquiries	194

* Effective 6 April 2013

TRADITIONAL FUNDS plc

MANAGEMENT AND ADMINISTRATION

Registered Office

78 Sir John Rogerson's Quay
Dublin 2
Ireland

Directors

David Hammond (Chairman)*
John Fitzpatrick*
Loudon Greenlees (resigned 31 December 2012)
Victor Holmes*
Gerald Moloney*
Toby Hampden-Acton
(alternate director for Loudon Greenlees –
appointment ceased on 31 December 2012)

Investment Managers

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

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

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

Administrator, Registrar and Secretary

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

Custodian

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

Legal Advisers

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

In Ireland

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

Independent Auditors

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

Sponsoring Broker

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

* Non-executive Directors independent of the Investment Managers

TRADITIONAL FUNDS plc

INVESTMENT MANAGER'S REPORT

F&C European Equity Long/Short Fund

Performance

The F&C European Equity Long/Short Fund closed on 26 March 2013.

The net asset value of the euro share class of the Fund rose by 10.5% in the period to 26 March 2013. By comparison, the benchmark (2% per annum in excess of three month euro interbank offer rate [EURIBOR]) return was 4.2%.

Market Review

European equities made solid gains during the period under review. This was despite the ongoing political turmoil caused by the sovereign debt crisis and the onset of recession in the third calendar quarter of 2012. Confidence in equities had been supported by moves by the authorities to boost the financial system. The principal development in this regard was in September when the European Central Bank announced its intention to buy up the bonds of the most distressed nations as part a commitment announced earlier in July to do 'whatever it takes' to save the euro. This saw the markets rally into the end of the 2012, although data suggesting the recession was deepening and an inconclusive Italian general election and a mishandled bailout of Cyprus caused further jitters in the first quarter of 2013.

Portfolio Review

The first six months of the review period can be split into two. The first three months was a fight against failing markets and increased fear and uncertainty. The turning point was the end of July when the President of the European Central Bank, Mario Draghi, pledged to do 'whatever it takes' to save euro.

The key issue for us was that high government borrowing costs had been a symptom and not the problem per se. The problem is very simply that government debt to GDP is too high. The ECB can provide liquidity but not resolve the solvency issue. Thus in reality Draghi could only provide time for politicians to reform the public sector. As the situation in Greece showed however, one cannot assume that such time will always be spent efficiently or indeed that everyone in the political tent will recognise the problems or believe in the same solution.

Our investment process is less reactive to markets and we focused on being more measured and trying to position ourselves for longer-term value and with a portfolio that should have some resilience to the downside.

At the start of the period we had been in a 'capital preservation' mode and generally had low sensitivity to market movements. Towards the middle of the review period we increased our market sensitivity as we felt that there were significant opportunities in the market and it was worth running with higher net exposures.

Going into the second half of the period, we ran a higher net exposure and also increased our equity exposure ahead of the US presidential election. We continued to find European equities attractive on any valuation measure and remained well invested here through to the end of 2012. The US election result and a partial resolution to the US fiscal cliff issue gave confidence to markets and this had a positive impact on the Fund.

2013 started with equity markets surging to their strongest start for many years and the equity rally carried through until the end of the reporting period. Although this was punctuated by unsettling news such as the indecisive Italian election and the haphazard bailout of Cyprus, we still found valuation metrics for European equities to be appealing in a long-term context and relative to most other asset classes. Our positive view on markets was more about value and diminishing risk than about a return to demand growth. The Portfolio return in the final months of the period was dominated by a long position in European cable companies which were subject to M&A speculation and activity.

F&C Management Limited
May 2013

F&C High Income Bond Fund

Market Review

Over the review period, US large-cap equity, US Treasuries and emerging market corporate bonds returned 13.96%, 3.28% and 10.56% respectively¹. The financial crisis that began in 2007 moved to a new phase, as central banks provided markets with sufficient support to quell fears of a further financial meltdown. The European Central Bank (ECB) made it clear that it would do whatever was necessary to prevent the risk of a eurozone breakup. The Federal Reserve (Fed) meanwhile committed to an \$85 billion a month asset purchase programme, while the Bank of Japan and the Bank of England pursued similar asset purchase programmes. While low interest rates helped justify low government bond yields, they also formed the basis of a powerful rally in credit markets. Low rates on cash deposits and government bonds increased the attraction of owning higher yielding fixed income instruments, such as high yield and emerging market debt. Asset purchase programmes meanwhile reduced the net supply of credit instruments available to investors. The other consequence of central bank activism was that it dampened volatility in risk asset markets, providing a further lift to credit and equity valuations. From a macroeconomic viewpoint, the healing of the US economy continued, helped in large part by the actions of the US central bank. The housing market started to rebound while manufacturing orders picked-up despite the recent contraction in US fiscal policy. The eurozone economy, in contrast, remained mired in recession with conditions bleakest in peripheral eurozone economies. Against this background, central bank action proved a more powerful driver of asset class returns than either macroeconomic or idiosyncratic factors.

Performance Review

The High Income Fund returned 3.1% (USD accumulation share class) over the fiscal year. In terms of activity, we began the review period moderately invested. However, towards the end of May, we significantly increased credit risk in anticipation of a favourable outcome to the eurozone June summit. Market-positive measures, which were agreed at the summit, such as support for the Spanish banking sector, triggered a rally in credit markets, benefiting fund performance. We subsequently de-risked the Fund in late July, rotating out of credit instruments into cash. This reflected uncertainty over the direction of US and eurozone monetary policy, which had increased the risk of taking directional market views. The decision to de-risk had a negative impact on performance (relative to emerging credit markets), as risk assets rallied over the late summer months. In September, the ECB and the Fed announced asset purchase programmes, which transformed credit market conditions by diminishing tail risks, such as a eurozone breakup. In the changed market environment, we began to rebuild credit market exposure, purchasing emerging market corporate bonds in both the primary and the secondary markets. We also tilted the fund's bias away from an emphasis on macro credit strategies to a more balanced mix of macro credit views and security selection.

Outlook

We remain constructive on the outlook for credit markets. In the medium-term, we expect the Fed and the ECB to maintain their commitment to expansive monetary policies through a mix of low interest rates and asset purchase programmes; an approach that has been mirrored in other major economies such as the UK and Japan. A continuation of these policies should translate into continued demand for risk assets while dampening volatility in these markets. Emerging market debt and high yield – as two of the highest yielding asset classes in the fixed income market – should continue to benefit from investors' continued reach for yield.

¹ The index used for large cap US equity is the S&P 500 Total Return index; the index used for US Treasuries is the JP Morgan US Treasury index; the index for emerging market corporate bonds is the JP Morgan Corporate EMBI Broad Diversified index.

TRADITIONAL FUNDS plc

INVESTMENT MANAGER'S REPORT

Eastern European Fund

Performance

The Eastern European Fund (the "Fund") rose by 2.9% in the twelve month period ending 31 March compared to a 1.0% rise for the MSCI Emerging Europe Index.

Market Review & Fund Activity

April was a quiet month with limited regional news flow. The Fund declined by 2.1% in dollar terms. Hungary was the best performing market in the region, rising by 0.6% in dollar terms as hopes increased of a new IMF package following an agreement between the government and the EU over the disputed central bank law. The Fund benefitted as a result of its continued overweight in Hungary. Elsewhere oil fell as OPEC in general (and Saudi in particular) continued to steadily increase production to new highs. We remained comfortable with the medium term outlook for oil and so slightly reduced energy exposure within the Fund as a result.

May was a brutal month for emerging markets as fears of a co-ordinated global economic slowdown were heightened by further signs of slowing growth in China, softer US economic data and the continued grinding Euro crisis. Emerging Europe underperformed global markets, falling by 17.9% over the course of the month. The Fund outperformed, declining by 16.0%. Despite outperformance by Turkey (which fell only 11.9%), the fund benefitted overall on a relative basis as a result of its high cash position which was further increased during the month in response to the deteriorating risk environment. Russia had a poor month as the oil price declined sharply towards \$100 per barrel in response to global growth fears. Despite this, exposure to the market was maintained as we did not expect a further collapse in the oil price but rather OPEC to support current levels by reducing output at their forthcoming meeting. Within Central Europe, we took advantage of significant stock outperformance to reduce exposure to Hungary.

Following May's violent sell off, markets rallied in June. Russia rose 9.2% in dollar terms as the oil price continued to plummet to an intra-month low of \$89 per barrel before rallying strongly into month end. The 2012 Russian budget was based on a fairly aggressive oil price forecast of \$117 per barrel and so the domestic economy began to suffer at prices below this level. The Fund further reduced exposure to the Russian oil sector during the month. Turkey continued to perform strongly as a result of portfolio flows from regional and global funds rotating their exposure in response to the aforementioned move in oil. The Fund's significant underweight was reduced slightly as we sold Russia, but we continued to dislike both the domestic macro outlook and valuations in Turkey.

In common with global markets, the region finished July by ticking higher on the month as hopes of significant intervention by the ECB lifted markets from their intra-month funk. Despite a strong oil price (that had rallied \$19 from its' late June low of \$89) Turkey was once again the best performing market in the region. This was due to a strong rally in the domestic debt market which had seen yields fall by over 200 basis points from 9.5% at the end of May. Whilst this was good news for the current quarter's financial sector earnings due to higher trading gains, it was a longer term negative for subsequent quarters due to the effect that lower yields have on the banks' interest margins and so, given the continued high valuations in Turkey, we were happy to remain significantly underweight.

Amid subdued summer volumes, global markets rose during August as ECB Head Draghi fleshed out his promise to establish a new sovereign bond purchase program to contain Eurozone yields. The Fund rose by 3% over the course of the month. The ECB's action, whilst doing little for the underlying macro fundamentals within Europe, did remove the risk of a disorderly sovereign default and hence reduced the global risk premium. Combined with market positioning (participants remained short / underweight equities after the low volume summer rally) this created a more positive short-term outlook and within the portfolio cash was reduced in early September in response. This was done by adding money to Russia, the worst performing market in the region during the month (+0.9% in \$ terms) despite continued strong performance by the oil price, and Turkey.

TRADITIONAL FUNDS plc

INVESTMENT MANAGER'S REPORT

Eastern European Fund (continued)

The region continued to move higher during September on the back of the Fed's announcement of open ended Quantitative Easing. The Fund rose by 3.8% over the course of the month. Within the portfolio cash was further reduced in response to the Fed's actions with money being added to Turkey and Russia. Exposure to the CE3 was not increased given the continued poor macro fundamentals in Western Europe and the knock-on impact that this is having to regional PMI's. Despite this, the Hungarian and Polish markets both rose by 8.5% in dollar terms over the course of the month, helped partly by a stronger Euro.

October was a quiet month within the region with the Fund rising by 0.7%. Russia was the worst performing regional market falling by 3.4% in dollar terms. The Fund benefitted from strong stock selection in the oil sector following the announcement that state controlled Rosneft was to buy TNK from BP and its Russian oligarch owners – a deal which was highly earnings accretive. Turkey was the best performing market in the region rising by 10.4% over the course of the month. Having added back some high beta exposure to the market during August and September, the Fund did not suffer as a result as the stock portfolio outperformed strongly.

The Fund rose by 0.8% during November. Global markets traded in a tight range as the US presidential election and continued horse trading over the looming US fiscal cliff continued to dominate the headlines. Poland was the best performing market rising by 5.5% as money switched away from unattractive stocks in the Czech Republic and continued macro uncertainty in Hungary. Performance was aided by further strong stock selection in Russian oils as well as placings in Turkish financials and, towards the end of the month, Russian mobiles.

The region, in common with the whole EM universe, enjoyed a strong end to the year. The Fund rose by 7.0%. Whilst the US political stalemate over the fiscal cliff dragged relentlessly on, regional dynamics were very similar to those of November. Poland was once again the best performing market in the region rising by 8.5% in \$ terms whilst Hungary, where once again the PMI has slipped below 50, was the worst, fell by 3.1% in \$ terms. Within the portfolio the main drivers of performance were also the same. Strong stock selection in Russia, both in the oil and mobile telephony sectors drove outperformance.

The region enjoyed a strong start to the new calendar year, outperforming the EM universe amid strong inflows into global equities. The Fund rose by 3.8% over the course of the month. Central Europe underperformed the region as a whole despite an improvement in January PMI data and the strength of the Euro. Given generally unattractive company valuations we remained underweight and waited for a significant pick-up in Western European PMI's as an early indicator of an improvement for the CE-3 as a whole. Russia outperformance of the region was entirely driven by domestic and financial sector stocks with the oil sector underperforming following a strong end to 2012.

Emerging market equities underperformed global markets during February. The region suffered further as both the Euro and the oil price gave up their January gains. The Fund fell by 3.2% over the course of the month. Turkey was the best performing market in the region as it benefitted, in relative terms, from a further improvement in trade data, continued portfolio inflows and the decline in the oil price. Despite being slightly underweight the market as a whole the Fund still had a relatively high beta portfolio and benefitted from stock selection in both the financial and telecom sectors. Elsewhere, Russia underperformed following a buoyant start to the year but Fund performance was enhanced by the continued strong performance of one of its largest telecoms holdings.

Emerging markets underperformed global equities during March and the Fund returned -1.5% over the course of the month. The region saw a wide divergence of performance with Turkey proving the best performing market as the banking sector performed strongly on the back of continued higher than expected loan growth. We would expect the Central Bank to try to reduce the rate of loan growth from the current 25% year-on-year rate to nearer their 15% target over the course of this year in order to prevent a renewed significant deterioration in the current account. Elsewhere, Central Europe was weak as the combination of poor Eurozone Flash PMI numbers and a weak Euro weighed. Hungary fell by 10.3% in dollar terms as the Forint declined yet further against the Euro in response to clear indications of further monetary loosening from the newly installed head of the National Bank of Hungary. Exposure to Russia was reduced early in the month in response to the Cypriot banking sector crisis with the money reallocated to the Czech Republic and Turkey. The majority of the outperformance of the portfolio once again came as a result of our Russian telecoms exposure.

TRADITIONAL FUNDS plc

INVESTMENT MANAGER'S REPORT

Eastern European Fund (continued)

Market Outlook

Since year end, increased uncertainty in global markets has arisen from the Fed's impending tapering of QE and the desire of the Chinese leadership to clamp down on runaway unofficial bank sector lending. This combined with a weak regional macroeconomic outlook and uninspiring valuations means that Fund currently holds 13% cash.

Nevsky Capital LLP
June 2013

TRADITIONAL FUNDS plc

INVESTMENT MANAGER'S REPORT

F&C Global Emerging Markets Fund

Performance

The F&C Global Emerging Markets Fund (the "Fund") rose by 1.19% in the twelve months ending 31 March 2012. Over the same period the MSCI Emerging Markets TR Index rose by 1.96% in US dollar terms.

Performance Review

The Fund started the review period well as our emphasis on high-quality business models and management teams helped shelter the portfolio from a deterioration in investor sentiment. Among the main contributors to performance were the Filipino retailer Puregold Price Club and the property developer China Overseas Land. Good earnings boosted the retailers BIM of Turkey and Mr Price Group of South Africa. The Fund lost a measure of relative performance, however, when risk appetite recovered on the back of the announcement by the ECB and Federal Reserve to use monetary policy to ensure high global liquidity and low interest rates. This led to a recovery in investor sentiment and a strong rally in low-quality stocks, which the Fund did not own. In the second half of the period, relative returns were boosted by overweights in China and Turkey and underweights in Chile and Malaysia. Stock selection was also positive, driven by Brazil, Mexico, Russia, South Africa and Taiwan. The most disappointing returns came from our Korean holdings, with Kia Motors suffering from the weaker yen. At the start of the 2013, performance suffered as some of the higher-quality companies held in the portfolio consolidated previous gains. There were also some disappointing returns from stocks in the materials sector. Among the holdings that added value was TAV as the Turkish airport operator has enjoyed strong traffic growth. Other positive contributors included the leading Mexican bank Banorte, the brewers Femsa and SABMiller and a variety of south-east Asian stocks.

Strategy

Given the uncertain backdrop that prevailed during the review period, we kept faith with our strategy of investing in good quality companies that have strong franchises and a high level of earnings visibility. At a country level, we maintained our overweight positions in China, India, Indonesia, Turkey, Thailand and Brazil. In Latin America, we purchased the steel manufacturer Gerdau, which we expected to benefit from infrastructure spending in Brazil and the US. In India, we purchased the car manufacturer Maruti Suzuki as we expected it to be a beneficiary of weaker yen. Sells included Hyundai Steel as we had become less optimistic about the near-term outlook for the sector. Following its good performance since coming to the market in 2012, we also disposed of Santander Mexico on valuation grounds. We sold the Colombian oil producer Ecopetrol on downgraded forecasts for production and Airports of Thailand after the stock reached fair value following strong performance. We reduced further our position in the Brazilian oil giant Petrobras.

Outlook

Our focus continues to be on high-quality companies in emerging markets such as Samsung Electronics, Banco Bradesco and TSMC. At a country level, the key overweights remain Brazil, Korea, Turkey, Indonesia and China. We continue to believe that performance for the asset class will improve in 2013 as evidence of economic recovery becomes clearer and earnings pick-up.

F&C Management Limited
May 2013

TRADITIONAL FUNDS plc

INVESTMENT MANAGER'S REPORT

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

Performance

The F&C Macro Global Bond Fund (£), F&C Macro Global Bond Fund (€) and F&C Macro Global Bond Fund (\$) 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 28 March 2013 the F&C Macro Global Bond Fund (£) accumulating share class returned -4.07% compared to the benchmark index return of +4.92%. The F&C Macro Global Bond Fund (€) accumulating share class returned -2.38% compared to the benchmark index return of +5.23% and the F&C Macro Global Bond Fund (\$) accumulating share class returned -5.52% compared to the benchmark index return of +1.20%.

Portfolio Strategy

The Funds' investment strategy over the year remained broadly unchanged, in that we continued with the negative view on bond markets, although the negative duration exposure was increased from minus 5 years to minus 6 years. This was the major contributor to underperformance as bond markets rallied further. The continuation of monetary easing, particularly by the Fed, remained supportive for the core bond markets. Our currency strategy, being long and positive of the US dollar, contributed to performance. Our strategy over the period was based on the belief that negative real interest rates would ultimately be unsustainable and that the policies being adopted by both central banks and governments would either fail and therefore end in insolvency for government balance sheets or end in a significant uplift in inflation expectations. Neither outcome can be good for bond holders but as previous experience has now taught us, bubbles have a habit of lasting for longer than one might expect. Of course, the longer they do last the more dramatic the eventual outcome.

Outlook

Under any valuation basis, core government bond markets have never been more overvalued, in real or nominal terms. Bond investors have never made good returns over the medium term by locking into negative real interest rates. The macro outcome has never been less important for bond investors because all possible scenarios look grim for bond markets. Either the world returns to a benign cyclical upturn, probably led by the US and China, or inflation expectations rise as a result of the aggressive monetary easing we have already experienced, or, and this is the worst case for sovereign bond markets, policy makers fail and the global economy slips into a deflationary spiral. The first scenario is the best bond investors can hope for. Real yields would rise and bond yields reach their equilibrium level of nominal GDP growth. If inflation expectations break out to the upside, bond yields are likely to come under severe pressure. But the scenario that worries us the most, deflation, and which is conventionally positive for core bond yields, means that all governments are insolvent. The risk for bond investors is highly asymmetric. We have high conviction that a crisis in bonds is coming, but like all bubbles the timing is difficult. We therefore continue with the short duration position and continue to believe that the US dollar is not only the ultimate safe haven but also the new growth currency. The greenback is the only currency game in town and from a currency perspective we remain long.

Thames River Capital LLP
May 2013

F&C Emerging Asia Fund

Performance

In the twelve months to 31 March 2013, the F&C Emerging Asia Fund rose by 1.79% in US dollar terms, underperforming the MSCI Emerging Asia Index, which rose by 5.21%. Returns for the major Asian MSCI indices in US dollar terms were as follows:

Philippines	43.4%
Thailand	22.3%
Indonesia	14.0%
China	6.6%
Malaysia	4.3%
Taiwan	1.7%
India	2.3%
Korea	1.6%

The Fund underperformed the benchmark over the twelve months under review. It started the period well, however, primarily thanks to stock selection in Korea, Thailand, Taiwan and the Philippines. Among the strongest individual stocks were the Filipino retailer Pure Gold Price Club and China Overseas Land. Relative returns suffered in the second half of the period as exporting companies were hit by the fact that a weaker yen was making Japanese companies more competitive. Korean car manufacturers suffered a further setback as doubts were cast about the veracity of published fuel consumption data. The expectation that fewer Japanese visitors would travel to Korea because of a depreciating yen also hurt Hotel Shilla and Grand Korea Leisure. As the period drew to a close, stock selection in China subtracted value as the economy continued to perform unevenly. However, this was offset to a degree by our holdings that were geared into the intra-regional travel theme.

Strategy

The key overweights were China and Korea while the main underweight was Malaysia. At the start of the period, we selectively increased our exposure to high quality companies, mainly in Indonesia. In addition, we felt that many of the macro and political concerns had become reflected in Indian valuations and thus we substantially increased our weighting in the market, again through high quality, blue-chip companies. Among the purchases in other markets were the well-managed Filipino property company Ayala Land and Mediatek, which has exposure to increasing smartphone usage across emerging markets. We also added to Samsung Electronics as it continued to gain market share from its main competitor Apple. We sold Hyundai Steel as we had become less optimistic about the near-term outlook for the sector and the Chinese food manufacturer Want Want as the stock reached fair value. Other disposals included the camera-phone lens maker Largan and Tencent on concerns about the impact of a changing business model on its core activities.

Outlook

We continue to believe that performance for the asset class will improve in 2013 as evidence of economic recovery becomes clearer and earnings pick-up. Our key overweights are China, Korea and Indonesia. The Fund is underweight Malaysia ahead of the upcoming elections. We remain focused on high-quality stocks, such as Samsung Electronics and TSMC.

F&C Management Limited
May 2013

TRADITIONAL FUNDS plc

INVESTMENT MANAGER'S REPORT

Thames River World Government Bond Fund

The Thames River World Government Bond Fund was terminated on 17 April 2012.

Thames River Capital LLP
May 2013

TRADITIONAL FUNDS plc

INVESTMENT MANAGER'S REPORT

F&C Water and Agriculture Equity Long/Short Fund

Performance Review

The net asset value of the US Dollar Accumulation Share class of the F&C Water and Agriculture Equity Long/Short Fund returned 5.84%. The benchmark return of 2% per annum over three month LIBOR in US dollars achieved a positive return of 2.38%. For reference the DAX Agribusiness Index returned 13.22% and the Palisades Water Index returned 24.36% both in US dollar terms.

Our view going into the year, was that the lack of funds available to refinance Greece, Italy and Spain, would trigger a European banking crisis. This crash, we thought, could not be prevented by piecemeal policy, but required significant transfers and/or debt monetisation, both of which the German people abhor. In the event, we turned out to be wrong. We underestimated the extent to which the European Central Bank (ECB) was in fact able to drastically reduce the probability of a Lehman-style meltdown in the European banking sector, via its long-term refinancing operations (LTRO).

With hindsight, the appropriate exposure throughout the year, should have been at least 60% net long, rather than the approximately 30% position which the Fund maintained because, despite the large amounts of European sovereign and bank debt that were due to be rolled over during the course of the year, low government bond yields continued to enable authorities to step in and inject further monetary or fiscal stimulus into the economy. Furthermore, equity valuations remained low, and at the beginning of the year, major indices were trading at the low end of their respective ranges.

Strategy

Money printing by central banks will continue to support government bonds (as the Fed can print as many dollars as it likes and can use them to buy Treasuries), and will cause the price of 'hard assets' to go up (the more dollars the Fed prints, the more the value of things that they do not produce more of will increase), but result in range-trading equity markets (because printing dollars will not produce earnings growth). This leaves us with an environment that looks very much like the 1970s, which was characterized by similar low GDP growth and low interest rates and produced side-ways trading equity markets.

The only asset classes that benefitted from Nixon's closing of the gold window in 1971 were farm land and gold, which is why we have significantly repositioned the Fund after US Federal Reserve Chairman Ben Bernanke announced unlimited Quantitative Easing and the 6.5% unemployment target. The Fund is now positioned market neutral in 'farm inputs', as well as 'farm output downstream processing', but long 'hard assets' (which are farming operations, owners of forest land and owners of water rights) and long US focused producers of water pumps and pipes (which is a call option on the US housing recovery).

So the Fund is very much in adherence of the old adage, which is to 'not to fight the Fed', and we expect the Fed to follow through its promise of printing as much money as needed (which of course will benefit real/hard assets) to revive the job market (which will benefit housing). The portfolio has holdings in both very short-term and extremely long-term maturities. We have exposure to listed farming operations that control close to 2m hectares of land globally via companies such as Cresud (in Argentina), SLC (in Brazil), Pico and Tejon Ranch (in the US), PrimeAg (in Australia), Trigon (in Ukraine), Black Earth (in Russia), McLeod (Indian tea plantations), KLK and GMG (which are Malaysian rubber and CPO plantations). This part of the portfolio is pretty evenly spread across both geographies and crops, in order to hedge against unfavourable weather, disease or local political developments.

So questions regarding political stability aside, farmland outside of the developed markets is very good value in relative terms, with prices quoted of between \$1,000 (Russia) and \$4,000 (Brazil) per hectare, compared to \$8,000 to \$15,000 per hectare for the US and Europe. Returns are also good, with gross average farm yields delivering around \$1,700 per hectare for the farmer. However, we don't necessarily expect to make a huge amount of money on this part of the book – historically, farmland has appreciated by around 6% p.a., but in a very steady fashion – the real opportunity in the portfolio during 2013 is likely to come from names that are benefitting from a continued US housing recovery, such as producers of water pumps and pipes (Mueller Water, Masco, Watts Water and Wolseley).

TRADITIONAL FUNDS plc

INVESTMENT MANAGER'S REPORT

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

Strategy (continued)

A significant upside for the Fund over the coming years will materialise if the Fed eventually succeeds in bringing unemployment down, as each one of the stocks listed above has the potential to triple. And since trying to bring unemployment down will come at the expense of inflation, we expect the 'hard asset' portion of the book to benefit, even if the Fed's newly embraced monetary experiment fails.

Outlook

At this current juncture we have a very high degree of conviction in the current positioning of the portfolio, because we expect to make money both if the Fed fails to reflate the economy (in which case the hard asset portion of the book will appreciate), or if the Fed does succeed at reflatting the economy (in which case the housing related stocks should go up significantly). The only factor that would alter our view is the automatic stop-loss we operate at the portfolio level. In other words, if fiscal cliff fears flare up again, if Europe breaks up, Iran announces it is capable of producing nuclear-armed missiles, or indeed any other event results in a more significant market riot, we would take the net exposure close to zero, in order to protect capital. Otherwise, we are sticking with our conviction.

Thames River Capital LLP
May 2013

F&C Global Credit Fund

Market Review

Over the review period US large-cap equity, US Treasuries and emerging market corporate bonds returned 13.96%, 3.28% and 10.56% respectively*. The financial crisis that began in 2007 moved to a new phase, as central banks provided markets with sufficient support to quell fears of a further financial meltdown. The European Central Bank (ECB) made it clear that it would do whatever was necessary to prevent the risk of a eurozone breakup. The Federal Reserve (Fed) meanwhile committed to an \$85 billion a month asset purchase programme, while the Bank of Japan and the Bank of England pursued similar asset purchase programmes. While low interest rates helped justify low government bond yields, they also formed the basis of a powerful rally in credit markets. Low rates on cash deposits and government bonds increased the attraction of owning higher yielding fixed income instruments, such as high yield and emerging market debt. Asset purchase programmes meanwhile reduced the net supply of credit instruments available to investors. The other consequence of central bank activism was that it dampened volatility in risk asset markets, providing a further lift to credit and equity valuations. From a macroeconomic viewpoint, the healing of the US economy continued, helped in large part by the actions of the US central bank. The housing market started to rebound while manufacturing orders picked-up despite the recent contraction in US fiscal policy. The eurozone economy, in contrast, remained mired in recession with conditions bleakest in peripheral eurozone economies. Against this background, central bank action proved a more powerful driver of asset class returns than either macroeconomic or idiosyncratic factors

Performance Review

The Global Credit Fund returned 0.17% (EUR accumulation share class) before it was closed on 26 March. In terms of activity, we began the review period moderately invested. However, towards the end of May, we significantly increased credit risk in anticipation of a favourable outcome to the eurozone June summit. Market-positive measures, which were agreed at the summit, such as support for the Spanish banking sector triggered a rally in credit markets, benefiting fund performance. We subsequently de-risked the fund in late July, rotating out of credit instruments into cash. This reflected uncertainty over the direction of US and eurozone monetary policy, which had increased the risk of taking directional market views. The decision to de-risk had a negative impact on performance (relative to high yield markets), as risk assets rallied over the late summer months. In September, the ECB and the Fed announced asset purchase programmes, which transformed credit market conditions by diminishing tail risks, such as a breakup of the eurozone. In the changed market environment, we began to rebuild credit market exposure, purchasing corporate bonds in both the primary and the secondary markets. We also tilted the Fund's bias away from an emphasis on macro credit strategies to a more balanced mix of macro credit views and security selection. A decrease in the size of the fund, which raised its fixed running costs, saw its closure in the interests of clients on 26 March.

* The index used for large cap US equity is the S&P 500 Total Return index; the index used for US Treasuries is the JP Morgan US Treasury index; the index for emerging market corporate bonds is the JP Morgan Corporate EMBI Broad Diversified index.

F&C Credit Select Fund

Market Review

Over the review period US large-cap equity, US Treasuries and emerging market corporate bonds returned 13.96%, 3.28% and 10.56% respectively*. The financial crisis that began in 2007 moved to a new phase, as central banks provided markets with sufficient support to quell fears of a further financial meltdown. The European Central Bank (ECB) made it clear that it would do whatever was necessary to prevent the risk of a eurozone breakup. The Federal Reserve (Fed) meanwhile committed to an \$85 billion a month asset purchase programme, while the Bank of Japan and the Bank of England pursued similar asset purchase programmes. While low interest rates helped justify low government bond yields, they also formed the basis of a powerful rally in credit markets. Low rates on cash deposits and government bonds increased the attraction of owning higher yielding fixed income instruments, such as high yield and emerging market debt. Asset purchase programmes meanwhile reduced the net supply of credit instruments available to investors. The other consequence of central bank activism was that it dampened volatility in risk asset markets, providing a further lift to credit and equity valuations. From a macroeconomic viewpoint, the healing of the US economy continued, helped in large part by the actions of the US central bank. The housing market started to rebound while manufacturing orders picked-up despite the recent contraction in US fiscal policy. The eurozone economy, in contrast, remained mired in recession with conditions bleakest in peripheral eurozone economies. Against this background, central bank action proved a more powerful driver of asset class returns than either macroeconomic or idiosyncratic factors

Performance Review

The Credit Select Fund returned -0.19% (EUR accumulation share class) before it was closed on 26 March. In terms of activity, we began the review period moderately invested. However, towards the end of May, we significantly increased credit risk in anticipation of a favourable outcome to the eurozone June summit. Market-positive measures, which were agreed at the summit, such as support for the Spanish banking sector triggered a rally in credit markets, benefiting fund performance. We subsequently de-risked the Fund in late July, rotating out of credit instruments into cash. This reflected uncertainty over the direction of US and eurozone monetary policy, which had increased the risk of taking directional market views. The decision to de-risk had a negative impact on performance (relative to high yield markets), as risk assets rallied over the late summer months. In September, the ECB and the Fed announced asset purchase programmes, which transformed credit market conditions by diminishing tail risks, such as a break-up of the eurozone. In the changed market environment, we began to rebuild credit market exposure, purchasing corporate bonds in both the primary and the secondary markets. We also tilted the Fund's bias away from an emphasis on macro credit strategies to a more balanced mix of macro credit views and security selection. A decrease in the size of the fund, which raised its fixed running costs, saw its closure in the interests of clients on 26 March.

* The index used for large cap US equity is the S&P 500 Total Return index; the index used for US Treasuries is the JP Morgan US Treasury index; the index for emerging market corporate bonds is the JP Morgan Corporate EMBI Broad Diversified index.

TRADITIONAL FUNDS plc

INVESTMENT MANAGER'S REPORT

F&C Real Estate Securities Fund

Summary

The Fund returned 18.6% in the 12 months to 31 March 2013, whilst the benchmark, the FTSE EPRA/NAREIT Developed Europe Capped Total Return (Net) Index in sterling, rose 17.3% leading to outperformance of 190bps. These figures are net of all costs.

The Fund celebrated its 3 year anniversary shortly after the year end. Since launch and over that 3 year period it has returned 30.3% against a benchmark return of 21.8%.

Performance and activity

A glance at the returns from property equities for the year under review and you would be forgiven for thinking that everything was ticking along nicely. It is, of course, pleasing to report that in certain parts of the market that is indeed the case and our broadly positive views 12 months ago have been rewarded. However, we also need to report that renewed investor appetite for equities across Continental Europe and the UK remains sentiment driven rather than in response to underlying broad economic improvement. We are in danger of serial repetition when we remind investors of the huge structural reforms which we believe still need to be undertaken across the fractured single currency union. However we remain confident that some progress has been made, particularly with regard to central bank responses, not only in Europe but across the world. Whilst global central bank monetary policy remains 'unconventional' through quantitative easing and other liquidity mechanisms, in Europe the ECB went a step further with its assurance of unlimited intervention in sovereign bonds of member states if required. The longer term consequences of such offers of intervention are unknown, the short term impact was dramatic with peripheral Eurozone bond yields returning to levels last seen in late 2010. The subsequent fall in risk premia and market volatility duly benefited equity valuations.

The second half of the year particularly illustrates the market's bias of responding positively to macro forces rather than regional economic fundamentals. Our approach remains driven by a 'bottom-up' investment philosophy and normally such euphoria in the face of weak fundamentals would make us duly nervous. However, we believe there are grounds for optimism particularly for listed real estate. Our opening comments referred to certain parts of our investible universe as performing both well and as expected. This statement relates not just to those geographic sub-markets where the economic and real estate fundamentals are enjoying positive growth, but also to those listed companies who may be exposed to temporarily 'ex-growth' conditions but are able to manufacture returns through the continuing reduction in their cost of debt and utilisation of their balance sheets.

In essence, the themes we drew on in last year's report still remain our central conviction. We maintain exposure to those markets where we see positive trends in real estate fundamentals. The dispersion of returns across sub-markets and sectors continues to be amplified through listed stocks providing us with plenty of opportunity to stock pick. However, whilst those remain consistent themes in our strategy they have been joined by a broader trend. The improvement in market sentiment coupled with the ability of many of our companies to source both debt and equity has given us greater confidence that a broader range of businesses can extract acceptable returns from their chosen markets. European commercial property continues to offer investors a steady source of income, much of it index-linked and at greater spreads over corporate bonds than a year ago.

Market Outlook

We expect underlying economic growth to remain muted at best across much of Europe over the next year. However, there will be earnings growth in a substantial number of our property companies through a mixture of index-linked rents, development profits and further falls in the marginal cost of debt through refinancings and access to new sources of debt capital.

TRADITIONAL FUNDS plc

INVESTMENT MANAGER'S REPORT

F&C Real Estate Securities Fund (continued)

Market Outlook (continued)

Furthermore, the record breaking lack of new development across virtually all markets (French shopping centres the surprising exception) is a significant underpinning for property markets. If (or when) demand recovers we will quickly experience a shortage of high grade commercial space in a large number of markets. A typical development cycle has an element of speculative construction as developers seek to take advantage of depressed land prices and construction costs and time their buildings' completions into a rising economic cycle, borrowing historically almost entirely from the banks. Since 2008 finance for this type of development has dried up almost entirely. Lending is focused at the balance sheet level and development without significant preletting is at historically low levels.

Once again, we reiterate that real estate investment is not a passive activity and again it is our best managerial teams who have displayed their ability in making the most effective use of their capital resource. Equally so, in these difficult times, the weaker businesses have failed to deliver and the dispersion of returns across markets and companies is set to continue. The ultra loose monetary policy across the globe continues to drive demand for income and we see this as a strong underpinning for real estate and real assets which offer income. We are aware of the likelihood of further dividend cuts from some weaker performers but that is within an overall picture of modest earnings growth.

Thames River Capital LLP
May 2013

TRADITIONAL FUNDS plc

INVESTMENT MANAGER'S REPORT

F&C Global Emerging Markets Equity Long/Short Fund

Performance

The net asset value of the US Dollar Accumulation Share class of the Fund achieved growth of 5.15%, in the period to 31 March 2013, closing the period at \$9.18 per US Dollar Share. By reference, the benchmark return of 2% per annum in excess of three month LIBOR achieved growth of 2.39%, while the MSCI Emerging Markets Index was down 0.85% (Total return of 2.07%).

Performance Review

Almost from the start of the financial year, the markets threw off the relatively positive tone seen in the March 2012 quarter as concerns around Eurozone sovereign debt resurfaced. These fears turned to panic in May as an inconclusive Greek election raised possibility of a Eurozone break-up and sent markets tumbling. At its June trough the MSCI Emerging Markets Index had fallen by 15.3% from the beginning of the fiscal year. At that stage the Fund was down just 2.1% reflecting our low net exposure and cautious positioning. The 'long side' of the portfolio had remained almost exclusively focused on emerging market consumer plays, accounting for 80% of NAV (Coca-Cola Femsa, AmBev, China Mobile). The 'short side' of the book accounted for 40% of NAV, and consisted of resource heavy Emerging Market index futures.

The composition of the book remained largely unchanged through June and July reflecting our view that a return of crisis conditions remained a tail-risk and that the European policy response was currently inadequate.

In August we took the decision to take the Fund more 'pro-beta' based on the observation that a number of economic indicators in China were beginning to signal an end to the deteriorating growth momentum. As a result, we initiated new long positions in China related stimulus plays, such as iron ore and steel (Vale, CSN, Mechel, Severstal) as well as construction (China Railway, Fibria Celulose).

The timing of this pro-beta move proved a little premature and resulted in a drawdown of 4.7% in August, above our monthly tolerance. Despite this we maintained our bullish China stance into September and increased beta and net exposure throughout the month. This allowed us to capture significant upside in September as further green shoots in the Chinese economy emerged and the Fed embarked on a new open-ended round of quantitative easing.

In October we took the decision to gradually reduce the beta of the book, concerned that whilst US monetary policy was supporting equities, a further leg up in risk assets would require an upside surprise in global growth. With negotiations around the US fiscal cliff threatening to de-rail an already frail economic recovery, we thought it was prudent to lock-in some of the year-to-date performance and increase our hedges.

As a result, the Fund lagged the index in December and January as a last minute resolution to the US fiscal cliff and an aggressive new stimulus programme from the Bank of Japan propelled markets to new highs. Whilst a number of our largest long positions, particularly those in Latin America (Asur, Cemex, Ambev), performed well this positive contribution was offset by the significant rally in our hedges, including the resource and bank heavy MSCI Emerging Markets Index future.

We maintained the view that this liquidity fuelled rally in emerging markets was based on weak fundamentals and prone to a correction so positioning remained concentrated in Mexico which was benefiting from political reforms and exposure to the ongoing economic recovery in the US. This allowed us to preserve capital in a turbulent period for the emerging market index and particularly the larger BRIC economies.

TRADITIONAL FUNDS plc

INVESTMENT MANAGER'S REPORT

F&C Global Emerging Markets Equity Long/Short Fund (continued)

Strategy

We continue to believe that long/short is the right investment strategy in emerging markets, where even though domestic demand continues to be a strong driver of economic growth, it is not enough to counter the significant negative fiscal and demographic headwinds of the West. Until that day arrives, the pace of the global recovery continues to be dependent on the global trade cycle and the US consumer. Although we have a constructive view on the global growth environment in 2013, we think it is highly unlikely that we are on the cusp of a period of extended and dramatic outperformance in EM equities. Asia's raging bull markets will not remain immune from the darkening clouds in Madrid, Rome and Paris. As a result, the emerging market index itself has seen directionless trading for the past three years, suggesting that the decade long bull market that started in 1998 is now over. Investors looking to allocate to the asset class should consider the long/short strategy going forward.

Outlook

The prospect of Fed tapering has caused some volatility in financial markets during Q2 2013. However, we view this as an opportunity to accumulate assets which have been unfairly sold and increase our net exposure. The Fed reducing the rate of quantitative easing would be a clear signal that the US economy has reached escape velocity, economic growth is back on trend and global reflationary policies have been successful. This is unambiguously positive for risk assets such as Emerging Markets equities but negative for 'safety trades' inflated by excess liquidity. The MSCI Emerging Market Index now trades on just 10.3x earnings, with 14% EPS growth and a 3% dividend yield. This means the asset class offers a unique combination of value, growth and yield. For this reason, having defended money in a challenging time for Emerging Markets we are now adding to exposure.

Thames River Capital LLP
May 2013

TRADITIONAL FUNDS plc

INVESTMENT MANAGER'S REPORT

Thames River – BSI Bond Opportunity Fund

Market Review

Over the review period US large-cap equity, US Treasuries and emerging market corporate bonds returned 13.96%, 3.28% and 10.56% respectively*. The financial crisis that began in 2007 moved to a new phase, as central banks provided markets with sufficient support to quell fears of a further financial meltdown. The European Central Bank (ECB) made it clear that it would do whatever was necessary to prevent the risk of a eurozone breakup. The Federal Reserve (Fed) meanwhile committed to an \$85 billion a month asset purchase programme, while the Bank of Japan and the Bank of England pursued similar asset purchase programmes. While low interest rates helped justify low government bond yields, they also formed the basis of a powerful rally in credit markets. Low rates on cash deposits and government bonds increased the attraction of owning higher yielding fixed income instruments, such as high yield and emerging market debt. Asset purchase programmes meanwhile reduced the net supply of credit instruments available to investors. The other consequence of central bank activism was that it dampened volatility in risk asset markets, providing a further lift to credit and equity valuations. From a macroeconomic viewpoint, the healing of the US economy continued, helped in large part by the actions of the US central bank. The housing market started to rebound while manufacturing orders picked-up despite the recent contraction in US fiscal policy. The eurozone economy, in contrast, remained mired in recession with conditions bleakest in peripheral eurozone economies. Against this background, central bank action proved a more powerful driver of asset class returns than either macroeconomic or idiosyncratic factors

Performance Review

The BSI Bond Opportunity Fund returned 1.42% (EUR accumulation share class) before it was closed at the end of December. In terms of activity, we began the review period moderately invested. However, towards the end of May, we significantly increased credit risk in anticipation of a favourable outcome to the eurozone June summit. Market-positive measures, which were agreed at the summit, such as support for the Spanish banking sector triggered a rally in credit markets, benefiting fund performance. We subsequently de-risked the Fund in late July, rotating out of credit instruments into cash. This reflected uncertainty over the direction of US and eurozone monetary policy, which had increased the risk of taking directional market views. The decision to de-risk had a negative impact on performance (relative to high yield markets), as risk assets rallied over the late summer months. In September, the ECB and the Fed announced asset purchase programmes, which transformed credit market conditions by diminishing tail risks, such as a break-up of the eurozone. In the changed market environment, we began to rebuild credit market exposure, purchasing corporate bonds in both the primary and the secondary markets. We also tilted the Fund's bias away from an emphasis on macro credit strategies to a more balanced mix of macro credit views and security selection. The client's wish for a benchmarked strategy led to the closure of the fund at the end of December.

* The index used for large cap US equity is the S&P 500 Total Return index; the index used for US Treasuries is the JP Morgan US Treasury index; the index for emerging market corporate bonds is the JP Morgan Corporate EMBI Broad Diversified index.

Thames River Capital LLP
May 2013

TRADITIONAL FUNDS plc

INVESTMENT MANAGER'S REPORT

F&C Global High Yield Fund

Market Review

Over the review period, US large-cap equity, US Treasuries and emerging market corporate bonds returned 13.96%, 3.28% and 10.56% respectively¹. The financial crisis that began in 2007 moved to a new phase, as central banks provided markets with sufficient support to quell fears of a further financial meltdown. The European Central Bank (ECB) made it clear that it would do whatever was necessary to prevent the risk of a eurozone breakup. The Federal Reserve (Fed) meanwhile committed to an \$85 billion a month asset purchase programme, while the Bank of Japan and the Bank of England pursued similar asset purchase programmes. While low interest rates helped justify low government bond yields, they also formed the basis of a powerful rally in credit markets. Low rates on cash deposits and government bonds increased the attraction of owning higher yielding fixed income instruments, such as high yield and emerging market debt. Asset purchase programmes meanwhile reduced the net supply of credit instruments available to investors. The other consequence of central bank activism was that it dampened volatility in "risk asset" markets, providing a further lift to credit and equity valuations. From a macroeconomic viewpoint, the healing of the US economy continued, helped in large part by the actions of the US central bank. The housing market started to rebound while manufacturing orders picked-up despite the recent contraction in US fiscal policy. The eurozone economy, in contrast, remained mired in recession with conditions bleakest in peripheral eurozone economies. Against this background, central bank action proved a more powerful driver of asset class returns than either macroeconomic or idiosyncratic factors.

Performance Review

The Global High Yield Fund returned 11.77% (EUR accumulation share class) over the fiscal year. In terms of activity, we began the review period moderately invested. However, towards the end of May, we significantly increased credit risk in anticipation of a favourable outcome to the eurozone June summit. Market-positive measures, which were agreed at the summit, such as support for the Spanish banking sector, triggered a rally in credit markets, benefiting fund performance. We subsequently de-risked the Fund in late July, rotating out of credit instruments into cash. This reflected uncertainty over the direction of US and eurozone monetary policy, which had increased the risk of taking directional market views. The decision to de-risk had a negative impact on performance (relative to high yield markets), as risk assets rallied over the late summer months. In September, the ECB and the Fed announced asset purchase programmes, which transformed credit market conditions by diminishing tail risks, such as a breakup of the eurozone. In the changed market environment, we began to rebuild credit market exposure, purchasing high yield corporate bonds in both the primary and the secondary markets. We also tilted the Fund's bias away from an emphasis on macro credit strategies to a more balanced mix of macro credit views and security selection.

Outlook

We remain constructive on the outlook for credit markets. In the medium-term, we expect the Fed and the ECB to maintain their commitment to expansive monetary policies through a mix of low interest rates and asset purchase programmes; an approach that has been mirrored in other major economies such as the UK and Japan. A continuation of these policies should translate into continued demand for risk assets while dampening volatility in these markets. Emerging market debt and high yield – as two of the highest yielding asset classes in the fixed income market – should continue to benefit from investors' continued reach for yield.

¹ The index used for large cap US equity is the S&P 500 Total Return index; the index used for US Treasuries is the JP Morgan US Treasury index; the index for emerging market corporate bonds is the JP Morgan Corporate EMBI Broad Diversified index.

F&C Real Estate Equity Long/Short Fund

Performance Review

The net asset value of the £ share class was up 0.50% since inception of the Fund on 4 December 2012. The underlying market in the form of the FTSE EPRA/NAREIT Developed Europe Index returned 0.61% for that period. The Euro Stoxx 50 Index returned 1.61% and the Dow Jones Credit Suisse Long/Short Equity Hedge Fund Index returned 4.92%.

Since the launch of the Fund in December 2012 we have slowly been building out the book from roughly 60% gross to approximately 120% at the end of the reporting period. The strategy is to have limited net exposure and during the reporting period the net ranged from +2% to -8%. The initial few months after launch were quite subdued for the market with property stocks trading in a narrow range.

In the short period since the launch of the Fund the market has been trading in a relatively small range. Towards the end of the calendar year we saw the tail end of a trend that had continued all year of companies announcing restructurings and new dividend policies. Corio announced a new strategy of focusing on its so-called Favourite Meeting Places (c80% of the portfolio in value terms), while the remainder of its assets, Eur 1.4bn in value terms, is earmarked for sale in the next three to four years. The sale of such a big part of its portfolio in what still is a difficult economic environment at or slightly below book value will be a challenge. We question especially a successful sale of their assets in Spain and the Netherlands. Corio also joined the ranks of other companies in adopting a new dividend policy. The policy basically means a lower pay out ratio and hence a lower dividend.

This calendar year started with the long awaited IPO of LEG Immobilien. This German company owns residential properties in North Rhine Westphalia and – with a free float of 50% – will be a substantial part of the EPRA index. We do hope to see more companies coming to the market this year with another German residential company, Deutsche Annington, the most likely and largest candidate.

Most of the companies in our universe report numbers in the first quarter of the calendar year. In Belgium both Cofinimmo and Befimmo reported weak office markets with pressure on values and rental levels. The Dutch market was the same, with Nieuwe Steen Investments reporting further drops in values and pressure on rental levels. Corio, which invests mainly in retail properties across Europe, also reported numbers and expressed some concern with respect to the retail environment on the continent. In the UK, companies like Hammerson, Derwent London and Capital and Counties reported, as expected, strong numbers due to the strength of the London office and retail market. In Germany, Prime Office and Alstria Office reported numbers. Prime Office focuses on a small number of large offices and this market is still difficult. It was unable to lease out a substantial portion of the vacancies it has (or will soon have as current leases expire) in the portfolio. Values and cash flows are therefore still under pressure. Alstria focuses more on small to medium size offices and reported stable valuations and cash flow. The Austrian companies that reported, Conwert and Immofinanz, again delivered disappointing results. As regards Immofinanz we continue to have concerns over its ability to execute on its strategy. The issue for Conwert is that its portfolio, compared to that of its German counterparts, is weaker on the residential side and its office portfolio has a much higher level of vacancies.

As expected, with most companies trading near or at their net asset value, we saw many companies raise money. In the UK, we saw British Land, St Modwen and Intu Properties raise money during the quarter. In Finland, Citycon did a rights issue and in Belgium, Cofinimmo raised €87m by selling treasury shares.

TRADITIONAL FUNDS plc

INVESTMENT MANAGER'S REPORT

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

Strategy

Our strategy remains to keep a relatively low net exposure combined with a gross book of 120% or more. We remain focused on pair trades based on our fundamental research where we aim to keep net exposure on a country and sector level quite low. In Belgium for example we are long Cofinimmo and short Befimmo based on the 100bps valuation difference between the two and the former's higher exposure to the preferred nursing homes sector. In the Netherlands we have Vastned Retail and Eurocommercial long and Corio and Wereldhave short as we like the strategy of the former two and have our doubt about the feasibility of the strategy of the latter two. In the UK we remain focused on companies with exposure to retail (preferably in London) and in Germany we have a large long position in a specific residential company which we offset by short positions in other residential companies and have a pair trade with the office sector long and the retail sector short.

Outlook

Although the problems in Europe are far from resolved, it seems central bankers are trying their best and with bond yields as low as they are, there is a high demand for anything with a decent yield. Real estate equity yields under 4% at the moment and although that is not high, it does seem to be enough for some at the moment. We are however concerned about the impact of austerity measures in Europe on consumers and we have already seen spending drop across the continent. Retail real estate in the end is dependent on retailers and end consumers, hence our concerns. With respect to the office sector, vacancies in some regional markets is still a big concern and in these markets we expect further pressure on values and rents.

Thames River Capital LLP
May 2013

TRADITIONAL FUNDS plc

DIRECTORS' REPORT

For the year ended 31 March 2013

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 2013.

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 2012 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, since 1 April 2012, 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, since 1 April 2012, 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 Real Estate Equity Long/Short Fund was launched on 3 December 2012. The Thames River World Government Bond Fund and the Thames River – BSI Bond Opportunity Fund terminated on 17 April 2012 and 17 December 2012 respectively. The F&C European Equity Long/Short Fund, F&C Global Credit Fund and F&C Credit Select Fund terminated on 26 March 2013.

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 2013

Results and dividends

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

Events since the year end

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

Directors

The Directors of the Company at 31 March 2013 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 resolved during the year to adopt 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 will comply 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 1963-2012 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

TRADITIONAL FUNDS plc

DIRECTORS' REPORT (continued)

For the year ended 31 March 2013

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.

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.

TRADITIONAL FUNDS plc

DIRECTORS' REPORT (continued)

For the year ended 31 March 2013

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 four 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.

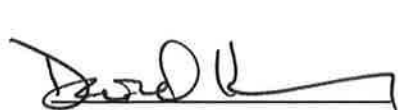
Mr. Hammond and Mr. Moloney were appointed Directors on 11 March 1999, Mr. Greenlees was appointed a Director on 2 March 2000, and resigned with effect from 31 December 2012. Mr. Holmes was appointed a Director on 31 January 2003, and Mr. Fitzpatrick was appointed Director on 30 December 2005. Mr. Hampden-Acton was appointed alternate for Mr. Greenlees on 14 March 2008, and his appointment terminated with Mr. Greenlees' resignation.

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.

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
27 June 2013



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 2013 which comprise the Balance Sheet, the Profit and Loss Account, the Statement of Changes in Net Assets Attributable to Holders of 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 24, 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. 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 2013 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 2012 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 2012

- 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 2012 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

27 June 2013

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 2013, 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

27 June 2013

J. Kennedy
Director - SSCSL

TRADITIONAL FUNDS plc

PORTFOLIO STATEMENT as at 31 March 2013

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 2013 % of NAV	Mar 2012 % of NAV
Argentina				–	–	1.61
Austria				–	–	1.95
Azerbaijan	State Oil of the Azerbaijan Republic 4.750% 13.03.2023	USD	1,000,000	982	0.47	–
Brazil	Brazil Letras do Tesouro Nacional 0.000% 01.04.2013	BRL	23,750,000	11,750	5.61	
	Brazil Letras do Tesouro Nacional 0.000% 01.07.2013*	BRL	37,722,000	18,348	8.75	
	Marfrig Holding Europe 8.375% 09.05.2018	USD	5,500,000	5,012	2.39	
	OAS Investments GmbH 8.250% 19.10.2019	USD	3,000,000	3,209	1.53	
	OGX Austria GmbH 8.500% 01.06.2018	USD	4,500,000	3,490	1.67	
				41,809	19.95	29.38
China	Future Land Development Holdings 10.250% 31.01.2018	USD	2,000,000	1,960	0.93	
	Kaisa Group Holdings 8.875% 19.03.2018	USD	1,000,000	1,018	0.49	
	Kaisa Group Holdings 10.250% 08.01.2020	USD	2,000,000	2,068	0.99	
	Longfor Properties 6.875% 18.10.2019	USD	2,500,000	2,651	1.26	
				7,697	3.67	2.73
Dominican Republic	Aeropuertos Dominicanos Siglo XXI 9.250% 13.11.2019	USD	3,000,000	3,241	1.55	–
France	CMA CGM 8.500% 15.04.2017	USD	2,000,000	1,850	0.88	
	Labco SAS 8.500% 15.01.2018	EUR	1,550,000	2,097	1.00	
				3,947	1.88	9.84
Germany	Heckler & Koch GmbH 9.500% 15.05.2018	EUR	3,400,000	3,853	1.84	2.93
Indonesia	Star Energy Geothermal Wayang Windu 6.125% 27.03.2020	USD	3,000,000	2,996	1.43	–
Ireland	Bank of Ireland 10.000% 30.07.2016	EUR	2,800,000	3,680	1.76	–
Italy	Wind Acquisition Finance 11.750% 15.07.2017	EUR	4,250,000	5,728	2.73	
	Wind Acquisition Holdings Finance 12.250% 15.07.2017	EUR	2,000,000	2,616	1.25	
				8,344	3.98	–
Japan				–	–	1.94
Kazakhstan				–	–	0.23
Mexico	Grupo Cementos de Chihuahua SAB de CV 8.125% 08.02.2020	USD	3,000,000	3,264	1.56	
	Servicios Corporativos Javier SAPI de CV 9.875% 06.04.2021	USD	6,050,000	5,695	2.71	
				8,959	4.27	–
Netherlands	UPC Holding 6.750% 15.03.2023	EUR	2,000,000	2,554	1.22	11.76
Peru	Gas Natural de Lima y Callao 4.375% 01.04.2023	USD	2,500,000	2,496	1.19	1.18
Philippines	Petron 7.500% 31.12.2049	USD	4,000,000	4,104	1.96	–
Poland				–	–	1.51
Russia	EuroChem Mineral & Chemical OJSC via EuroChem GI 5.125% 12.12.2017	USD	4,000,000	4,058	1.94	
	Phosagro OAO via Phosagro Bond Funding 4.204% 13.02.2018	USD	2,250,000	2,248	1.07	
	VTB Bank OJSC via VTB Eurasia 9.500% 31.12.2049	USD	3,000,000	3,202	1.53	
				9,508	4.54	1.59
South Africa				–	–	0.59

* Fully funded Bond Total Return Swap

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

TRADITIONAL FUNDS plc

PORTFOLIO STATEMENT as at 31 March 2013

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 2013 % of NAV	Mar 2012 % of NAV
Spain	BC Luxco 1 7.375% 29.01.2020	USD	2,000,000	2,075	0.99	
	Befesa Zinc SAU Via Zinc Capital 8.875% 15.05.2018	EUR	1,830,000	2,531	1.21	
				4,606	2.20	–
Switzerland	Aquarius + Investments for Swiss Reinsurance 6.375% 01.09.2024	USD	3,000,000	2,981	1.42	–
Ukraine	State Export-Import Bank of Ukraine JSC via Biz Finance 8.750% 22.01.2018	USD	4,000,000	4,036	1.93	
	Ukraine Government International Bond 7.800% 28.11.2022	USD	3,000,000	3,036	1.45	
				7,072	3.38	–
United Arab Emirates	ADIB Capital Invest 1 6.375% 31.12.2049	USD	2,000,000	2,100	1.00	–
United Kingdom	Gala Electric Casinos 11.500% 01.06.2019	GBP	2,000,000	3,149	1.50	5.77
United States	United States Treasury Notes 0.625% 30.04.2013#	USD	16,000,000	16,007	7.63	–
	Total Bonds			140,085	66.84	78.01
	FX Options					
Europe				–	–	0.19
Norway	NOK SEK Call	NOK	100,000,000	55	0.03	–
United Kingdom	GBP USD Put	GBP	10,000,000	10	–	
	GBP USD Put	GBP	10,000,000	42	0.02	
				52	0.02	–
United States				–	–	0.28
	Total FX Options			107	0.05	0.47
	Options					
Europe	iTraxx X-Over Series 18 (450) 17.04.2013	EUR	96,000,000	504	0.24	
	iTraxx X-Over Series 19 (450) 15.05.2013	EUR	92,000,000	454	0.22	
				958	0.46	–
United States	iShares IBoxx High Yield Corporate Bond Fund 20.04.2013	USD	370,700	45	0.02	–
	Total Options			1,003	0.48	–
	Swaptions			–	–	0.10
	Interest Rate Swaps					
	Fund Pays					
Turkey	USD 6M Libor	TRY	181,500,000	247	0.12	4.44
	Total Interest Rate Swaps			247	0.12	4.44
	Credit Default Swaps					
	Fixed (Buy protection)	Maturity Date				
Brazil	Brazil CDS 100	20.06.2018	USD	20,000,000	364	0.17
Canada				–	–	0.07
Europe	iTraxx Main Series 18 CDS 100	20.12.2017	EUR	38,000,000	336	0.17
				–	–	1.65
France				–	–	0.87
Germany				–	–	0.07
Italy	Unicredit CDS 300	20.06.2018	EUR	9,500,000	531	0.25
Turkey				–	–	0.28
				1,231	0.59	2.94

Pledged as collateral to JP Morgan for over the counter financial derivative instruments held by the Fund.

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

TRADITIONAL FUNDS plc

PORTFOLIO STATEMENT as at 31 March 2013

F&C High Income Bond Fund (continued)

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

	Credit Default Swaps Fixed (Sell protection)	Maturity Date	Currency	Nominal Holding	Fair Value US\$000	Mar 2013 % of NAV	Mar 2012 % of NAV
Europe	iTraxx X-Over Series						
	18 CDS 500	20.12.2017	EUR	(20,000,000)	786	0.37	
	iTraxx X-Over Series						
	18 CDS 500	20.12.2017	EUR	(42,250,000)	1,843	0.88	
					2,629	1.25	–
	Total Credit Default Swaps				3,860	1.84	2.94

Open Forward Foreign Currency Transactions

Currency Sold	Currency Bought	Unrealised Gain US\$000	Mar 2013 % of NAV	Mar 2012 % of NAV
Investment Level				
USD 167,180	GBP	–	–	
USD 131,151	NOK	–	–	
BRL 118,319,596	USD	1,063	0.51	
EUR 18,954,655	USD	105	0.05	
NOK 197,570	USD	–	–	
		1,168	0.56	4.24

Share Class Level

Open Forward Foreign Currency Transactions – Euro Distributing Class	2	–	0.47
Open Forward Foreign Currency Transactions – Sterling Distributing Class	11	0.01	0.23
Open Forward Foreign Currency Transactions – Norwegian Krone Distributing Class	–	–	0.01
Open Forward Foreign Currency Transactions – A New Euro Accumulating Class	3	–	0.98
Open Forward Foreign Currency Transactions – A New Euro Distributing Class	2	–	0.53
Open Forward Foreign Currency Transactions – A New Sterling Distributing Class	38	0.02	1.37
Open Forward Foreign Currency Transactions – A New Norwegian Krone Accumulating Class	8	–	0.16
Open Forward Foreign Currency Transactions – A New Sterling Accumulating Class	1	–	0.03
Open Forward Foreign Currency Transactions – Class C Sterling Distributing	1	–	–
Total Open Forward Foreign Currency Transactions	1,234	0.59	8.02

Total financial assets at fair value through profit or loss	146,536	69.92	93.98
--	----------------	--------------	--------------

Financial liabilities at fair value through profit or loss

Country	Options	Currency	Nominal Holding	Fair value US\$000	Mar 2013 % of NAV	Mar 2012 % of NAV
Europe	iTraxx X-Over Series 18 (525)	EUR	(96,000,000)	(90)	(0.04)	–
United States	iShares IBoxx High Yield Corporate Bond Fund 20.04.2013	USD	(370,700)	(11)	(0.01)	–
	Total Options			(101)	(0.05)	–
	Swaptions			–	–	(0.04)
	Interest Rate Swaps			–	–	(0.25)

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

TRADITIONAL FUNDS plc

PORTFOLIO STATEMENT as at 31 March 2013

F&C High Income Bond Fund (continued)

Financial liabilities at fair value through profit or loss (continued)								
	Credit Default Swaps Fixed (Buy protection)	Maturity Date	Currency	Nominal Holding	Fair Value US\$000		Mar 2013 % of NAV	Mar 2012 % of NAV
China						–		–
Europe	iTraxx X-Over Series 18 CDS 500	20.12.2017	EUR	5,000,000	(220)		(0.10)	
	iTraxx X-Over Series 18 CDS 500	20.12.2017	EUR	15,000,000	(622)		(0.30)	
	iTraxx X-Over Series 18 CDS 500	20.12.2017	EUR	42,250,000	(1,843)		(0.88)	
					(2,685)		(1.28)	–
Netherlands					–		–	(0.32)
	Credit Default Swaps Fixed (Sell protection)							
Europe	iTraxx Main Series 18 CDS 100	20.12.2017	EUR	(3,750,000)	(33)		(0.02)	
	iTraxx Main Series 18 CDS 100	20.12.2017	EUR	(17,250,000)	(153)		(0.07)	
	iTraxx Main Series 18 CDS 100	20.12.2017	EUR	(17,000,000)	(150)		(0.07)	
					(336)		(0.16)	(6.00)
Ireland					–		–	(0.31)
Italy	Intesa Sanpaolo CDS 300	20.06.2018	EUR	(9,500,000)	(436)		(0.21)	–
Poland					–		–	(0.19)
	Total Credit Default Swaps				(3,457)		(1.65)	(6.85)
Open Forward Foreign Currency Transactions								
	Currency Sold		Currency Bought		Unrealised Loss US\$000		Mar 2013 % of NAV	Mar 2012 % of NAV
	Investment Level							
	USD 29,615,539		BRL		(541)		(0.27)	
	USD 411,911		EUR		(3)		–	
	USD 65,842		GBP		–		–	
	USD 39,852		NOK		–		–	
	EUR 2,199,000		USD		(9)		–	
	GBP 2,173,440		USD		(3)		–	
	TRY 186,129,057		USD		(340)		(0.16)	
					(896)		(0.43)	(11.42)
	Share Class Level							
	Open Forward Foreign Currency Transactions – Euro Distributing Class				(88)		(0.04)	(0.02)
	Open Forward Foreign Currency Transactions – Sterling Distributing Class				–		–	(0.02)
	Open Forward Foreign Currency Transactions – Norwegian Krone Distributing Class				–		–	–
	Open Forward Foreign Currency Transactions – A New Euro Accumulating Class				(127)		(0.06)	(0.06)
	Open Forward Foreign Currency Transactions – A New Euro Distributing Class				(123)		(0.06)	(0.02)
	Open Forward Foreign Currency Transactions – A New Sterling Distributing Class				(1)		–	(0.12)
	Open Forward Foreign Currency Transactions – A New Norwegian Krone Accumulating Class				(1)		–	(0.02)
	Open Forward Foreign Currency Transactions – A New Sterling Accumulating Class				–		–	–
	Open Forward Foreign Currency Transactions – Class C Sterling Distributing				–		–	–
	Total Open Forward Foreign Currency Transactions				(1,236)		(0.59)	(11.68)
	Futures				–		–	(0.15)

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

TRADITIONAL FUNDS plc

PORTFOLIO STATEMENT as at 31 March 2013

F&C High Income Bond Fund (continued)

	Unrealised Loss US\$000	Mar 2013 % of NAV	Mar 2012 % of NAV
Total financial liabilities at fair value through profit or loss	(4,794)	(2.29)	(18.97)
Total investment at fair value through profit or loss	141,742	67.63	75.01
Cash at bank	47,786	22.80	5.68
Margin cash	8,685	4.15	13.10
Other net assets	11,361	5.42	6.21
Total Net Assets	209,574	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	63.03
Financial derivative instruments traded on an exchange	0.02
OTC financial derivative instruments	2.88
Other assets	34.07
	100.00

The following is a list of counterparties to the derivative contracts held on this sub-fund at 31 March 2013:

Goldman Sachs, JP Morgan, and State Street Bank and Trust

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

TRADITIONAL FUNDS plc

PORTFOLIO STATEMENT as at 31 March 2013

Eastern European Fund

Financial assets at fair value through profit or loss						
Country	Equities	Currency	Nominal Holding	Fair Value US\$000	Mar 2013 % of NAV	Mar 2012 % of NAV
Austria	Erste Group Bank	EUR	35,000	979	0.18	–
Czech Republic	Ceske Energeticke Zavody	CZK	333,000	9,801	1.78	
	Komerční Banka	CZK	12,937	2,467	0.45	
	Telefonica O2 Czech Republic	CZK	1,379,292	20,669	3.74	
				32,937	5.97	3.33
Hungary	Mol Magjar Olaj-Es Gazipare	HUF	48,397	3,348	0.61	
	OTP Bank	HUF	303,400	5,483	0.99	
				8,831	1.60	8.44
Kazakhstan	Dragon Oil	GBP	700,000	6,949	1.26	
	KazMunaiGas Exploration Production GDR	USD	202,654	3,836	0.69	
				10,785	1.95	2.92
Netherlands	VimpelCom ADR	USD	53,200	632	0.11	–
Poland	Bank Pekao	PLN	192,000	9,233	1.67	
	KGHM Polska Miedz	PLN	218,493	10,574	1.92	
	PGE	PLN	415,425	2,133	0.39	
	Polski Koncern Naftowy Orlen	PLN	771,275	12,158	2.20	
	Powszechna Kasa Oszczednosci Bank Polski	PLN	696,000	7,375	1.34	
	Powszechny Zaklad Ubezpieczen	PLN	81,820	10,137	1.84	
	Telekomunikacja Polska	PLN	750,000	1,506	0.27	
				53,116	9.63	9.57
Russia	AK Transneft Pref	USD	3,527	7,536	1.37	
	Federal Hydrogenerating JSC	USD	31,875,000	626	0.11	
	Gazprom ADR	USD	4,458,260	37,851	6.86	
	Lukoil ADR	USD	688,000	43,772	7.94	
	Magnit OJSC	USD	163,000	7,390	1.34	
	MegaFon GDR	USD	1,734,000	53,685	9.73	
	MMC Norilsk Nickel ADR	USD	1,424,605	24,019	4.36	
	NovaTek GDR	USD	127,530	13,735	2.49	
	Polyus Gold International	GBP	474,038	1,532	0.28	
	Rosneft GDR	USD	2,842,800	21,664	3.92	
	Sberbank of Russia ADR	USD	4,110,475	52,203	9.46	
	Surgutneftegas ADR	USD	703,750	6,288	1.14	
	Surgutneftegas ADR Pref	USD	675,770	4,685	0.85	
	TGK-5 GDR	USD	8	–	–	
	Uralkali GDR	USD	423,290	15,610	2.83	
	X5 Retail Group GDR	USD	100,000	1,680	0.30	
				292,276	52.98	43.68
Turkey	Akbank TAS	TRY	1,385,472	7,271	1.32	
	Turk Telekomunikasyon	TRY	900,000	3,977	0.72	
	Turkcell Iletisim Hizmetleri	TRY	4,297,000	28,723	5.21	
	Turkiye Garanti Bankasi	TRY	5,322,000	28,165	5.10	
	Turkiye Halk Bankasi	TRY	1,942,000	20,705	3.75	
	Turkiye Is Bankasi	TRY	3,216,000	12,223	2.22	
				101,064	18.32	6.81
Total Equities				500,620	90.74	74.75
Open Forward Foreign Currency Transactions				–	–	0.09
Total financial assets at fair value through profit or loss				500,620	90.74	74.84

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

TRADITIONAL FUNDS plc

PORTFOLIO STATEMENT as at 31 March 2013

Eastern European Fund (continued)

Financial liabilities at fair value through profit or loss						
Country	Futures	Currency	No. of contracts	Unrealised Loss US\$000	Mar 2013 % of NAV	Mar 2012 % of NAV
Russia	RTS Index Future June 13	USD	3,100	(21)	(0.01)	(1.25)
	Total Futures			(21)	(0.01)	(1.25)
	Open Forward Foreign Currency Transactions			–	–	(0.12)
	Total financial liabilities at fair value through profit or loss			(21)	(0.01)	(1.37)
	Total investments at fair value through profit or loss			500,599	90.73	73.47
	Cash at bank			57,325	10.39	16.93
	Margin cash			4,998	0.91	9.83
	Other net liabilities			(11,201)	(2.03)	(0.23)
	Total Net Assets			551,721	100.00	100.00

Analysis of Portfolio (unaudited)

	% of Total Assets
Transferable securities admitted to an official stock exchange listing or traded on a regular market	87.62
Other assets	12.38
	100.00

The following is a list of counterparties to the derivative contracts held on this sub-fund at 31 March 2013:

Credit Suisse

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

TRADITIONAL FUNDS plc

PORTFOLIO STATEMENT as at 31 March 2013

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 2013 % of NAV	Mar 2012 % of NAV
Brazil	Banco Bradesco ADR	USD	313,830	5,338	3.38	
	BR Malls Participacoes	BRL	132,700	1,655	1.05	
	BR Properties	BRL	169,700	1,884	1.19	
	CCR	BRL	223,200	2,273	1.44	
	Cia Brasileira de Distribuicao Grupo					
	Pao de Acucar Pref	BRL	18,000	948	0.60	
	Cia de Bebidas das Americas ADR Pref	USD	83,754	3,545	2.25	
	Gerdaul ADR	USD	159,600	1,229	0.78	
	Lojas Renner	BRL	41,300	1,542	0.98	
	Souza Cruz	BRL	111,700	1,636	1.04	
	Ultrapar Participacoes	BRL	90,900	2,304	1.46	
	Vale ADR	USD	95,638	1,654	1.05	
	Vale ADR Pref	USD	100,230	1,654	1.05	
				25,662		
Chile				–		16.27
China	Agricultural Bank of China	HKD	7,307,000	3,502	2.22	16.87
	China Communications Construction	HKD	1,456,000	1,349	0.85	0.79
	China Life Insurance	HKD	1,017,000	2,633	1.67	
	China National Building	HKD	848,000	1,066	0.68	
	COSCO Pacific	HKD	732,000	1,056	0.67	
	Industrial & Commercial Bank of China	HKD	7,076,385	4,950	3.14	
	Jiangxi Copper	HKD	525,200	1,161	0.74	
	PetroChina	HKD	2,414,000	3,159	2.00	
				18,876		
Hong Kong	AAC Technologies Holdings	HKD	203,500	977	0.62	11.97
	AIA Group	HKD	223,800	977	0.62	16.49
	Belle International Holdings	HKD	1,117,000	1,853	1.17	
	China Mengniu Dairy	HKD	546,000	1,558	0.99	
	China Overseas Land & Investment	HKD	633,800	1,751	1.11	
	China State Construction International Holdings	HKD	1,006,000	1,369	0.87	
	China Unicom Hong Kong	HKD	1,004,000	1,340	0.85	
	Golden Eagle Retail Group	HKD	783,000	1,414	0.90	
				11,239		
India	ICICI Bank ADR	USD	5,700	245	0.15	0.44
Indonesia	Astra International	IDR	1,880,000	1,519	0.96	–
	Bank Mandiri Persero	IDR	2,524,000	2,597	1.65	
	Matahari Department Store	IDR	674,500	763	0.49	
	Semen Indonesia Persero	IDR	764,000	1,392	0.88	
				6,271		
Malaysia	Malayan Banking	MYR	449,400	1,361	0.86	2.15
Mexico	Fomento Economico Mexicano ADR	USD	23,200	2,633	1.67	0.89
	Grupo Aeroportuario del Sureste	USD	5,300	723	0.46	
	Grupo Financiero Banorte	MXN	308,100	2,472	1.56	3.71
				5,828		
Nigeria				–		3.69
Peru	Credicorp	USD	9,300	1,544	0.98	–
Philippines	Ayala Land	PHP	1,417,300	1,118	0.71	
	Puregold Price Club	PHP	862,800	846	0.53	
				1,964		
Poland	Alior Bank	PLN	51,347	1,093	0.69	1.24
	Bank Zachodni	PLN	20,775	1,603	1.02	0.53
				2,696		
Russia	Lukoil ADR	USD	63,600	4,037	2.56	1.71
	Mobile Telesystems ADR	USD	91,800	1,903	1.21	1.37
	Sberbank of Russia	USD	1,113,395	3,532	2.24	
				9,472		
					6.01	6.61

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

TRADITIONAL FUNDS plc

PORTFOLIO STATEMENT as at 31 March 2013

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 2013 % of NAV	Mar 2012 % of NAV
South Africa	Mr Price Group	ZAR	123,633	1,574	1.00	
	MTN Group	ZAR	61,910	1,087	0.69	
	Shoprite Holdings	ZAR	90,857	1,797	1.14	
				4,458		2.83
South Korea	Amorepacific	KRW	1,077	905	0.57	
	Grand Korea Leisure	KRW	52,990	1,553	0.98	
	GS Engineering & Construction	KRW	14,778	715	0.45	
	Hotel Shilla	KRW	25,260	1,246	0.79	
	Hyundai Department Store	KRW	5,960	873	0.55	
	Hyundai Heavy Industries	KRW	5,280	1,011	0.64	
	Hyundai Motor	KRW	15,558	3,118	1.98	
	Kia Motors	KRW	42,402	2,134	1.35	
	LG Chemical	KRW	7,714	1,837	1.17	
	LG Display	KRW	49,208	1,429	0.91	
	S-Oil	KRW	14,378	1,206	0.77	
	Samsung Electronics	KRW	7,670	10,389	6.59	
				26,416		16.75
Taiwan	Asustek Computer	TWD	112,000	1,331	0.85	
	E.Sun Financial Holding	TWD	2,863,000	1,723	1.09	
	First Financial Holding	TWD	1,399,180	870	0.55	
	Hon Hai Precision	TWD	627,234	1,735	1.10	
	MediaTek	TWD	146,000	1,658	1.05	
	Novatek Microelectronics	TWD	230,000	1,000	0.63	
	Prince Housing & Development	TWD	1,567,000	1,108	0.70	
	Synnex Technology International	TWD	470,000	849	0.54	
	Taiwan Cement	TWD	855,000	1,052	0.67	
	Taiwan Semiconductor	TWD	1,800,000	6,014	3.81	
				17,340		10.99
Thailand	Kasikornbank PCL NVDR	THB	355,800	2,515	1.59	
	PTT PCL NVDR	THB	88,200	976	0.62	
	Supalai PCL NVDR	THB	1,579,900	1,117	0.71	
				4,608		2.92
Turkey	BIM Birlesik Magazalar	TRY	41,067	1,991	1.26	
	TAV Havalimanlari Holding	TRY	263,224	1,695	1.08	
	Turkiye Garanti Bankasi	TRY	408,012	2,160	1.37	
				5,846		3.71
United Kingdom	BHP Billiton	GBP	42,873	1,247	0.79	
	SABMiller	ZAR	35,364	1,866	1.18	
				3,113		1.97
	Total Equities			146,939	93.16	89.49

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

TRADITIONAL FUNDS plc

PORTFOLIO STATEMENT as at 31 March 2013

F&C Global Emerging Markets Fund (continued)

Financial assets at fair value through profit or loss (continued)						
Country	Equity Linked Notes	Currency	Nominal Holding	Fair Value US\$000	Mar 2013 % of NAV	Mar 2012 % of NAV
India	Glenmark Pharmaceuticals (Barclays Warrant)	USD	108,579	923	0.58	
	Glenmark Pharmaceuticals (Macquaire Warrant)	USD	53,545	455	0.29	
	HDFC Bank (CS Warrant)*	USD	166,506	1,921	1.22	
	Icici Bank (Barclays Warrant)	USD	101,563	1,962	1.24	
	ITC (CS Warrant)	USD	262,274	1,494	0.95	
	Larsen & Toubro (Barclays Warrant)	USD	971,700	245	0.16	
	Larsen & Toubro (DB Warrant)	USD	48,057	1,210	0.77	
	Maruit Suzuki (UBS Warrant)*	USD	5,848,900	1,372	0.87	
	Ultratech Cement (Barclays Warrant)	USD	1,469,800	506	0.32	
				10,088	6.40	5.59
Netherlands				–	–	0.72
Taiwan				–	–	0.46
United Kingdom				–	–	1.19
	Total Equity Linked Notes			10,088	6.40	7.96
	Total financial assets at fair value through profit or loss			157,027	99.56	97.45
	Financial liabilities at fair value through profit or loss					
Country	Futures			Unrealised Loss US\$000	Mar 2013 % of NAV	Mar 2012 % of NAV
India				–	–	(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			157,027	99.56	97.44
	Cash at bank			(610)	(0.38)	1.48
	Margin cash			1,205	0.76	0.53
	Other net assets			98	0.06	0.55
	Total Net Assets			157,720	100.00	100.00

*unlisted security

Analysis of Portfolio (unaudited)

	% of Total Assets
Transferable securities admitted to an official stock exchange listing or traded on a regulated market	95.76
Transferable securities not admitted to an official stock exchange listing or traded on a regulated market	2.05
Other assets	2.19
	100.00

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

TRADITIONAL FUNDS plc

PORTFOLIO STATEMENT as at 31 March 2013

F&C Macro Global Bond Fund (£)

Financial assets at fair value through profit or loss						
Country	Bonds	Currency	Nominal Holding	Fair Value £000	Mar 2013 % of NAV	Mar 2012 % of NAV
Australia	Australia Government 0% Bonds 12.04.2013	AUD	30,900,000	21,188	4.68	2.27
Canada	Canadian Government 0.75% Bonds 01.05.2014	CAD	22,000,000	14,220	3.14	13.81
Germany	Germany Government 0% Bills 24.04.2013	EUR	135,290,000	114,410	25.27	
	Germany Government 0% Bills 15.05.2013	EUR	27,480,000	23,238	5.13	
				137,648	30.40	2.66
South Africa	South Africa Government 7.5% Bonds 15.01.2014	ZAR	232,000,000	16,926	3.74	2.27
United Kingdom	United Kingdom Treasury 0% Bills 02.04.2013	GBP	2,000,000	2,000	0.44	
	United Kingdom Treasury 0% Bills 08.04.2013	GBP	20,000,000	19,998	4.42	
	United Kingdom Treasury 0% Bills 22.04.2013	GBP	32,000,000	31,993	7.06	
	United Kingdom Treasury 0% Bills 29.04.2013	GBP	3,000,000	2,999	0.66	
	United Kingdom Treasury 0% Bills 07.05.2013	GBP	50,000,000	49,981	11.04	
	United Kingdom Treasury 0% Bills 08.07.2013	GBP	5,000,000	4,995	1.10	
				111,966	24.72	10.26
United States	United States Treasury 0% Bills 23.05.2013	USD	35,700,000	23,509	5.19	
	United States Treasury 0% Bills 06.06.2013	USD	40,000,000	26,340	5.82	
	United States Treasury 0% Bills 13.06.2013	USD	84,330,000	55,530	12.26	
				105,379	23.27	58.50
	Total Bonds			407,327	89.95	89.77
				Unrealised Gain £000	Mar 2013 % of NAV	Mar 2012 % of NAV
Country	Futures					
United Kingdom				–	–	0.06
	Total Futures			–	–	0.06
Open Forward Foreign Currency Transactions						
	Currency Sold	Currency Bought		Unrealised Gain £000	Mar 2013 % of NAV	Mar 2012 % of NAV
	Investment Level					
	AUD 31,700,000	GBP	46	0.01		
	CAD 22,000,000	GBP	49	0.01		
	EUR 167,000,000	GBP	3,961	0.87		
	ZAR 232,000,000	GBP	117	0.03		
				4,173	0.92	0.13
	Total Open Forward Foreign Currency Transactions			4,173	0.92	0.13
	Total financial assets at fair value through profit or loss			411,500	90.87	89.96
Financial liabilities at fair value through profit or loss						
Country	Futures	Currency	No. of contracts	Unrealised Loss £000	Mar 2013 % of NAV	Mar 2012 % of NAV
Germany	German Euro Bund Futures Jun 13	EUR	(233)	(353)	(0.08)	–
United Kingdom	UK Long Gilt Bond Futures Jun 13	GBP	(1,986)	(6,858)	(1.51)	–
United States	US Treasury Notes 10 year Futures Jun13	USD	(492)	(34)	(0.01)	–
Europe				–	–	(0.17)
	Total Futures			(7,245)	(1.60)	(0.17)

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

TRADITIONAL FUNDS plc

PORTFOLIO STATEMENT as at 31 March 2013

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 2013 % of NAV	Mar 2012 % of NAV
Investment Level				
GBP 12,318,598	USD	(186)	(0.04)	–
Share Class Level				
Open Forward Foreign Currency Transactions – Euro Distributing Class		(1)	–	–
Open Forward Foreign Currency Transactions – US Dollar Distributing Class		–	–	–
Total Open Forward Foreign Currency Transactions		(187)	(0.04)	–
Total financial liabilities at fair value through profit or loss		(7,432)	(1.64)	(0.17)
Total investments at fair value through profit or loss		404,068	89.23	89.79
Cash at bank		54,122	11.95	7.93
Margin cash		21,982	4.85	2.28
Other net liabilities		(27,331)	(6.03)	–
Total Net Assets		452,841	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	82.99
OTC financial derivative instrument	0.85
Other Assets	16.16
	100.00

The following is a list of counterparties to the derivative contracts held on this sub-fund at 31 March 2013:

Barclays, Credit Suisse, Goldman Sachs and State Street Bank and Trust

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

TRADITIONAL FUNDS plc

PORTFOLIO STATEMENT as at 31 March 2013

F&C Macro Global Bond Fund (€)

Financial assets at fair value through profit or loss						
Country	Bonds	Currency	Nominal Holding	Fair Value €000	Mar 2013 % of NAV	Mar 2012 % of NAV
Australia	Australia Government 0% Bonds 12.04.2013	AUD	6,700,000	5,432	2.68	1.88
Canada	Canadian Government 0.75% Bonds 01.05.2014	CAD	7,700,000	5,885	2.91	12.29
Germany	Germany Government 0% Bills 10.04.2013	EUR	13,000,000	13,000	6.42	
	Germany Government 0% Bills 24.04.2013	EUR	14,230,000	14,230	7.03	
	Germany Government 0% Bills 15.05.2013	EUR	11,000,000	11,000	5.44	
	Germany Government 0% Bills 26.06.2013	EUR	32,000,000	32,000	15.81	
	Germany Government 0% Bills 24.07.2013	EUR	25,250,000	25,250	12.48	
	Germany Government 0% Bills 14.08.2013	EUR	12,600,000	12,600	6.23	
				108,080	53.41	10.04
Netherlands	Netherlands Government 0% Bill 30.09.2013	EUR	10,000,000	10,000	4.94	5.58
Norway	Norway Government 5% Bonds 15.05.2015	NOK	35,400,000	5,095	2.52	1.90
South Africa	South Africa Government 7.5% Bonds 15.01.2014	ZAR	48,500,000	4,184	2.07	1.81
United States	United States Treasury 0% Bills 23.05.2013	USD	33,000,000	25,697	12.70	
	United States Treasury 0% Bills 06.06.2013	USD	26,300,000	20,479	10.12	
	United States Treasury 0% Bills 27.06.2013	USD	3,000,000	2,336	1.15	
				48,512	23.97	59.14
Total Bonds				187,188	92.50	92.64
				Unrealised Gain €000	Mar 2013 % of NAV	Mar 2012 % of NAV
Country	Futures					
United Kingdom				–	–	0.06
Total Futures				–	–	0.06
Open Forward Foreign Currency Transactions						
Currency Sold		Currency Bought	Unrealised Gain €000	Mar 2013 % of NAV	Mar 2012 % of NAV	
Investment Level						
EUR 4,345,953		USD	54	0.03		
NOK 35,685,000		EUR	20	0.01		
				74	0.04	0.04
Total Open Forward Foreign Currency Transactions				74	0.04	0.04
Total financial assets at fair value through profit or loss				187,262	92.54	92.74
Financial liabilities at fair value through profit or loss						
Country	Futures	Currency	No of contracts	Unrealised Loss €000	Mar 2013 % of NAV	Mar 2012 % of NAV
Europe				–	–	(0.14)
Germany	German Euro Bund Futures Jun 13	EUR	(706)	(1,264)	(0.62)	–
United Kingdom	UK Long Gilt Bond Futures Jun 13	GBP	(162)	(730)	(0.36)	–
United States	US Treasury Note 10 Year Futures Jun13	USD	(374)	(59)	(0.03)	–
Total Futures				(2,053)	(1.01)	(0.14)

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

TRADITIONAL FUNDS plc

PORTFOLIO STATEMENT as at 31 March 2013

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

Open Forward Foreign Currency Transactions

Currency Sold Investment Level	Currency Bought	Unrealised Loss €000	Mar 2013 % of NAV	Mar 2012 % of NAV
AUD 6,600,000	EUR	(133)	(0.07)	–
CAD 7,700,000	EUR	(140)	(0.07)	–
ZAR 48,500,000	EUR	(82)	(0.04)	–
		(355)	(0.18)	–
Total Open Forward Foreign Currency Transactions		(355)	(0.18)	–
Total financial liabilities at fair value through profit or loss		(2,408)	(1.19)	(0.14)
Total investments at fair value through profit or loss		184,854	91.35	92.60
Cash at bank		26,202	12.95	7.76
Margin cash		6,937	3.43	2.21
Other net liabilities		(15,630)	(7.73)	(2.57)
Total Net Assets		202,363	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	84.82
OTC financial derivative instruments	0.03
Other Assets	15.15
	100.00

The following is a list of counterparties to the derivative contracts held on this sub-fund at 31 March 2013:

Barclays, Credit Suisse and Goldman Sachs

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

TRADITIONAL FUNDS plc

PORTFOLIO STATEMENT as at 31 March 2013

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 2013 % of NAV	Mar 2012 % of NAV
Australia	Australia Government 0% Bonds 12.04.2013	AUD	900,000	937	3.03	1.45
Canada	Canadian Government 0.75% Bonds 01.05.2014	CAD	1,165,000	1,143	3.70	7.58
Germany	Germany Government 0% Bills 24.04.2013	EUR	2,950,000	3,788	12.26	
	Germany Government 0% Bills 15.05.2013	EUR	910,000	1,169	3.78	
				4,957	16.04	1.93
South Africa	South Africa Government 7.5% Bonds 15.01.2014	ZAR	6,760,000	749	2.42	1.44
United States	United States Treasury 0% Bills 04.04.2013	USD	1,000,000	1,000	3.24	
	United States Treasury 0% Bills 11.04.2013	USD	3,500,000	3,500	11.32	
	United States Treasury 0% Bills 18.04.2013	USD	1,000,000	1,000	3.23	
	United States Treasury 0% Bills 23.05.2013	USD	3,000,000	3,000	9.70	
	United States Treasury 0% Bills 06.06.2013	USD	3,670,000	3,669	11.87	
	United States Treasury 0% Bills 13.06.2013	USD	2,210,000	2,210	7.15	
	United States Treasury 0% Bills 20.06.2013	USD	4,000,000	3,999	12.94	
	United States Treasury 0% Bills 27.06.2013	USD	600,000	600	1.94	
				18,978	61.39	78.57
Total Bonds				26,764	86.58	90.97
Unrealised Gain US\$000						
Country	Futures			Unrealised Gain US\$000	Mar 2013 % of NAV	Mar 2012 % of NAV
United Kingdom				–	–	0.06
Total Futures				–	–	0.06
Open Forward Foreign Currency Transactions						
Currency Sold	Currency Bought			Unrealised Gain US\$000	Mar 2013 % of NAV	Mar 2012 % of NAV
Investment Level						
EUR 3,800,000	USD			60	0.19	–
Total Open Forward Foreign Currency Transactions				60	0.19	0.10
Total financial assets at fair value through profit or loss				26,824	86.77	91.13
Financial liabilities at fair value through profit or loss						
Country	Futures	Currency	No of contracts	Unrealised Loss US\$000	Mar 2013 % of NAV	Mar 2012 % of NAV
Denmark				–	–	(0.16)
Germany	German Euro Bund Futures Jun 13	EUR	(39)	(90)	(0.29)	–
United Kingdom	UK Long Gilt Bond Futures Jun 13	GBP	(35)	(202)	(0.66)	–
United States	US Treasury Notes 10 year Futures Jun13	USD	(74)	(16)	(0.05)	–
Total Futures				(308)	(1.00)	(0.16)
Open Forward Foreign Currency Transactions						
Currency Sold	Currency Bought			Unrealised Loss US\$000	Mar 2013 % of NAV	Mar 2012 % of NAV
Investment Level						
AUD 930,000	USD			(13)	(0.04)	–
CAD 1,165,000	USD			(13)	(0.04)	–
ZAR 6,760,000	USD			(6)	(0.02)	–
				(32)	(0.10)	–
Total Open Forward Foreign Currency Transactions				(32)	(0.10)	–
Total financial liabilities at fair value through profit or loss				(340)	(1.10)	(0.16)

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

TRADITIONAL FUNDS plc

PORTFOLIO STATEMENT as at 31 March 2013

F&C Macro Global Bond Fund (\$) (continued)

	Fair Value US\$000	Mar 2013 % of NAV	Mar 2012 % of NAV
Total investment at fair value through profit or loss	26,484	85.67	90.97
Cash at bank	15,607	50.49	6.67
Margin cash	1,233	3.99	2.20
Other net liabilities	(12,411)	(40.15)	0.16
Total Net Assets	30,913	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	61.06
OTC financial derivative instrument	0.14
Other Assets	38.80
	100.00

The following is a list of counterparties to the derivative contracts held on this sub-fund at 31 March 2013:

Barclays, Credit Suisse and Goldman Sachs

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

TRADITIONAL FUNDS plc

PORTFOLIO STATEMENT as at 31 March 2013

F&C Emerging Asia Fund

Financial assets at fair value through profit or loss						
Country	Equities	Currency	Nominal Holding	Fair Value US\$000	Mar 2013 % of NAV	Mar 2012 % of NAV
China	Agricultural Bank of China	HKD	1,219,000	584	3.25	
	China Communications Construction	HKD	271,000	251	1.40	
	China Life Insurance	HKD	162,000	420	2.33	
	China National Building	HKD	138,060	174	0.97	
	COSCO Pacific	HKD	154,000	222	1.24	
	Industrial & Commercial Bank of China	HKD	1,384,000	968	5.39	
	Jiangxi Copper	HKD	120,880	267	1.49	
	PetroChina	HKD	396,000	518	2.88	
				3,404	18.95	25.56
Hong Kong	AAC Technologies Holdings	HKD	36,000	173	0.96	
	AIA Group	HKD	35,800	156	0.87	
	Belle International Holdings	HKD	193,000	320	1.78	
	China Mengniu Dairy	HKD	89,000	254	1.41	
	China Overseas Land & Investment	HKD	133,000	368	2.05	
	China State Construction International Holdings	HKD	194,000	264	1.47	
	China Unicom Hong Kong	HKD	195,720	261	1.45	
	Golden Eagle Retail Group	HKD	148,000	267	1.49	
	Pacific Basin Shipping	HKD	312,000	184	1.02	
	Wharf Holdings	HKD	9,000	80	0.45	
				2,327	12.95	0.87
Indonesia	Astra International	IDR	279,500	226	1.26	
	Bank Mandiri Persero	IDR	338,500	348	1.94	
	Matahari Department Store	IDR	189,500	215	1.19	
	Semen Indonesia Persero	IDR	124,000	226	1.26	
				1,015	5.65	3.26
Malaysia	Malayan Banking	MYR	66,800		202	1.12
Philippines	Ayala Land	PHP	215,800	170	0.95	
	Puregold Price Club	PHP	121,600	119	0.66	
				289	1.61	0.94
South Korea	Amorepacific	KRW	196	165	0.92	
	Grand Korea Leisure	KRW	11,070	324	1.81	
	GS Engineering & Construction	KRW	2,842	137	0.76	
	Hotel Shilla	KRW	4,760	235	1.31	
	Hyundai Department Store	KRW	1,085	159	0.89	
	Hyundai Heavy Industries	KRW	1,290	247	1.37	
	Hyundai Motor	KRW	3,196	641	3.57	
	Kia Motors	KRW	6,941	349	1.94	
	LG Chemical	KRW	1,504	358	1.99	
	LG Display	KRW	8,380	243	1.35	
	S-Oil	KRW	3,305	277	1.54	
	Samsung Electronics	KRW	1,319	1,787	9.95	
				4,922	27.40	25.14
Taiwan	Asustek Computer	TWD	18,000	214	1.19	
	E.Sun Financial Holding	TWD	760,000	457	2.54	
	First Financial Holding	TWD	206,280	128	0.71	
	Hon Hai Precision	TWD	106,125	293	1.63	
	MediaTek	TWD	25,000	284	1.58	
	Novatek Microelectronics	TWD	39,000	170	0.95	
	Prince Housing & Development	TWD	268,000	190	1.06	
	Synnex Technology International	TWD	98,000	177	0.99	
	Taiwan Cement	TWD	103,000	127	0.71	
	Taiwan Semiconductor Manufacturing	TWD	313,000	1,046	5.82	
				3,086	17.18	17.71
Thailand	Kasikornbank PCL NVDR	THB	49,600	351	1.95	
	PTT PCL NVDR	THB	18,100	200	1.12	
	Supalai PCL NVDR	THB	404,700	286	1.59	
				837	4.66	5.05
Total Equities				16,082	89.52	80.03

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

TRADITIONAL FUNDS plc

PORTFOLIO STATEMENT as at 31 March 2013

F&C Emerging Asia Fund (continued)

Financial assets at fair value through profit or loss (continued)						
Country	Equity Linked Notes	Currency	Nominal Holding	Fair Value US\$000	Mar 2013 % of NAV	Mar 2012 % of NAV
India	Glenmark Pharmaceuticals (Barclays Warrant)	USD	18,530	157	0.88	
	HDFC Bank (CS Warrant)	USD	26,878	310	1.73	
	Icici Bank (Barclays Warrant)	USD	19,540	378	2.10	
	ITC (Barclays Warrant)	USD	31,980	182	1.01	
	ITC (CS Warrant)	USD	13,471	77	0.43	
	Larsen & Toubro (DB Warrant)	USD	9,812	247	1.37	
	Maruit Suzuki (UBS Warrant)	USD	1,043,300	245	1.36	
	UltraTech Cement (Barclays Warrant)	USD	269,500	93	0.52	
				1,689	9.40	5.55
Netherlands				–	–	1.73
Taiwan				–	–	0.68
United Kingdom				–	–	2.48
Total Equity Linked Notes				1,689	9.40	10.44
Country	Futures	Currency	No. of contracts	Unrealised Gain US\$000	Mar 2013 % of NAV	Mar 2012 % of NAV
India	Sgx Cnx Nifty Index Futures	USD	16	2	0.02	0.01
	Total Futures			2	0.02	0.01
Total financial assets at fair value through profit or loss				17,773	98.94	90.48
Financial liabilities at fair value through profit or loss						
Country	Futures	Currency	No. of contracts	Unrealised Loss US\$000	Mar 2013 % of NAV	Mar 2012 % of NAV
China South Korea	Hang Seng China Ent Index Futures	HKD	2	(1)	(0.01)	(0.01)
				–	–	(0.01)
Total futures				(1)	(0.01)	(0.02)
Total financial liabilities at fair value through profit or loss				(1)	(0.01)	(0.02)
Total investments at fair value through profit or loss				17,772	98.93	90.46
Cash at bank				381	2.12	5.08
Margin cash				16	0.09	1.32
Other net liabilities				(205)	(1.14)	3.14
Total Net Assets				17,964	100.00	100.00
Analysis of Portfolio (unaudited)					% of Total Assets	
Transferable securities admitted to an official stock exchange listing or traded on a regular market					95.02	
Transferable securities not admitted to an official stock exchange listing or traded on a regulated market					1.69	
Financial derivative instruments dealt on a regulated market					0.01	
Other Assets					3.28	
					100.00	

The following is a list of counterparties to the derivative contracts held on this sub-fund at 31 March 2013:

Goldman Sachs

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

TRADITIONAL FUNDS plc

PORTFOLIO STATEMENT as at 31 March 2013

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 2013 % of NAV	Mar 2012 % of NAV	
Australia				–	–	6.75	
Brazil	Brazil Government International Bond 7.125% 20.01.2037	USD	2,000,000	2,775	4.98	–	
Mexico	Mexico Government International 6.750% 27.09.2034	USD	2,000,000	2,660	4.77	–	
Russia	Russian Foreign Bond – Eurobond 7.500% 31.03.2030	USD	1,550,000	1,920	3.44	–	
United States						3.92	
Total Bonds				7,355	13.19	10.67	
Equities							
Argentina	Cresud SACIF y AADR	USD	50,000	468	0.84	–	
Australia	PrimeAg	AUD	250,000	313	0.56		
	Treasury Wine Estates	AUD	100,000	592	1.06		
				905	1.62	0.63	
Brazil	SLC Agricola	BRL	50,000	457	0.82	0.71	
Canada				–	–	2.53	
Chile	Vina Concha y Toro	USD	10,000	385	0.69	–	
Denmark	Trigon Agri	SEK	500,000	379	0.68	1.00	
France				–	–	1.23	
Germany	Bayer	EUR	10,000	1,035	1.86	0.48	
Hong Kong	China Liansu Group Holdings	HKD	1,000,000	565	1.01		
	Guangdong Investment	HKD	2,000,000	1,746	3.13		
				2,311	4.14	0.78	
India	Larsen & Toubro GDR	USD	25,000	628	1.13	–	
Malaysia	Kuala Lumpur Kepong Bhd	MYR	50,000	335	0.60	–	
Netherlands	Arcadis	EUR	25,000	692	1.24	–	
Norway				–	–	2.74	
Philippines	Manila Water	PHP	1,000,000	978	1.75	–	
Poland				–	–	0.25	
Singapore	GMG Global	SGD	5,000,000	504	0.90	2.32	
South Korea				–	–	1.89	
Spain				–	–	1.02	
Sweden	Black Earth Farming	SEK	249,957	466	0.84	–	
Switzerland	Syngenta ADR	USD	10,000	841	1.51	4.31	
United Kingdom	Diageo ADR	USD	10,000	1,259	2.26	1.83	
United States	Adecoagro	USD	50,000	386	0.69		
	American Water Works	USD	75,000	3,089	5.54		
	AO Smith	USD	25,000	1,841	3.30		
	Cheniere Energy	USD	50,000	1,393	2.50		
	Flowserve	USD	5,000	838	1.50		
	Golar LNG	USD	50,000	1,841	3.30		
	HaloSource	GBP	1,000,000	380	0.68		
	Lindsay	USD	10,000	880	1.58		
	Mosaic	USD	25,000	1,490	2.67		
	Mueller Water Products	USD	200,000	1,194	2.14		
	PICO Holdings	USD	20,000	444	0.80		
	St Joe	USD	30,000	637	1.14		
	Tejon Ranch	USD	20,000	604	1.08		
	Thermo Fisher Scientific	USD	20,000	1,530	2.74		
	Weyerhaeuser Reits	USD	50,000	1,569	2.82		
Total Equities				18,116	32.48	39.77	
				29,759	53.36	61.49	

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

TRADITIONAL FUNDS plc

PORTFOLIO STATEMENT as at 31 March 2013

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

Financial assets at fair value through profit or loss (continued)						
Country	Collective Investment Schemes	Currency	Nominal Holding	Fair Value US\$000	Mar 2013 % of NAV	Mar 2012 % of NAV
Jersey	ETFS Commodity Securities –					
	Daily Short Brent Crude	USD	50,000	2,432	4.37	
	ETFS Commodity Securities – Short Corn	USD	25,000	608	1.09	
	ETFS Commodity Securities – Wheat	USD	500,000	850	1.52	
				3,890	6.98	–
United Kingdom				–	–	1.41
United States				–	–	6.32
Total Collective Investment Schemes				3,890	6.98	7.73
Country	Contracts for Difference	Currency	Nominal Holding	Unrealised Gain US\$000	Mar 2013 % of NAV	Mar 2012 % of NAV
Canada	Potash Corp of Saskatchewan	USD	(20,000)	28	0.05	0.01
France				–	–	0.01
Germany	BASF	EUR	(10,000)	26	0.05	–
United Kingdom	Genus	GBP	20,000	49	0.09	
	Severn Trent	GBP	50,000	63	0.11	
				112	0.20	0.23
United States	Caterpillar	USD	(10,000)	26	0.05	
	CF Industries Holdings	USD	(10,000)	13	0.02	
				39	0.07	0.09
Total Contracts for Difference				205	0.37	0.34
Country	Futures	Currency	No. of contracts	Unrealised Gain US\$000	Mar 2013 % of NAV	Mar 2012 % of NAV
Unites States	BP Currency Futures June 2013	USD	(20)	1	–	
	EUR Currency Futures June 2013	USD	(75)	44	0.08	
	MXN Currency Futures June 2013	USD	100	78	0.14	
				123	0.22	0.24
Total Futures				123	0.22	0.24
Open Forward Foreign Currency Transactions						
Currency Sold		Currency Bought	Unrealised Gain US\$000		Mar 2013 % of NAV	Mar 2012 % of NAV
Investment Level						
USD 64,469		SGD	–		–	
USD 31,946		GBP	–		–	
USD 23,514		GBP	–		–	
EUR 185		USD	–		–	
USD 110,325		GBP	–		–	
USD 27,885		SGD	1		–	
EUR 3,110		USD	–		–	
				1	–	–
Share Class Level						
Open Forward Foreign Currency Transactions –						
Class A Norwegian Krone Accumulating				1	–	0.05
Open Forward Foreign Currency Transactions – Class A Euro Accumulating				5	0.01	0.11
Open Forward Foreign Currency Transactions – Class A Euro Distributing				–	–	0.01
Open Forward Foreign Currency Transactions – Class A Sterling Accumulating				3	0.01	0.29
Open Forward Foreign Currency Transactions – Class A Sterling Distributing				15	0.02	0.59
Total Open Forward Foreign Currency Transactions				25	0.04	1.05
Total financial assets at fair value through profit or loss				41,357	74.16	81.52

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

TRADITIONAL FUNDS plc

PORTFOLIO STATEMENT as at 31 March 2013

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

Financial liabilities at fair value through profit or loss						
Country	Contracts for Difference	Currency	Nominal Holding	Unrealised Loss US\$000	Mar 2013 % of NAV	Mar 2012 % of NAV
Brazil				–	–	(0.27)
Cayman Islands				–	–	(0.17)
Denmark	Novozymes	DKK	(50,000)	(32)	(0.06)	
Germany	K+S	EUR	(10,000)	(47)	(0.08)	(0.04)
India	McLeod Russel India	USD	100,000	(39)	(0.07)	
United Kingdom	Intertek Group	GBP	10,000	(6)	(0.01)	
United States	American States Water	USD	(50,000)	(669)	(1.20)	
	Calgon Carbon	USD	(50,000)	(187)	(0.33)	
	Caterpillar	USD	(10,000)	–	–	
	Smithfield Foods	USD	(25,050)	(104)	(0.19)	
	Tyson Foods	USD	(50,000)	(228)	(0.41)	
				(1,188)	(2.13)	(0.16)
	Total Contracts for Difference			(1,312)	(2.35)	(0.64)
Country	Futures	Currency	No. of contracts	Unrealised Loss US\$000	Mar 2013 % of NAV	Mar 2012 % of NAV
United States	CAD Currency Futures 2013	USD	(20)	(12)	(0.02)	(0.13)
	Total Futures			(12)	(0.02)	(0.13)
Open Forward Foreign Currency Transactions						
Currency Sold		Currency Bought	Unrealised Loss US\$000	Mar 2013 % of NAV	Mar 2012 % of NAV	
Investment Level						
USD 283,281		EUR	(4)	(0.01)		
USD 143,680		EUR	–	–		
GBP 240		USD	–	–		
GBP 1,275		USD	–	–		
			(4)	(0.01)	–	
Share Class Level						
Open Forward Foreign Currency Transactions – Class A Euro Accumulating				(21)	(0.04)	(0.15)
Open Forward Foreign Currency Transactions – Class A Euro Distributing				(1)	–	(0.01)
Open Forward Foreign Currency Transactions – Class A Sterling Accumulating				–	–	–
Open Forward Foreign Currency Transactions – Class A Sterling Distributing				(1)	–	(0.01)
Open Forward Foreign Currency Transactions – Class A Norwegian Krone Accumulating				–	–	(0.06)
	Total Open Forward Foreign Currency Transactions			(27)	(0.05)	(0.23)
	Total financial liabilities at fair value through profit or loss			(1,351)	(2.42)	(1.00)
	Total investments at fair value through profit or loss			40,006	71.74	80.52
	Cash at bank			11,013	19.75	7.47
	Margin cash			4,390	7.87	3.75
	Other net assets			358	0.64	8.26
	Total Net Assets			55,767	100.00	100.00

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

TRADITIONAL FUNDS plc

PORTFOLIO STATEMENT as at 31 March 2013

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

Analysis of Portfolio (unaudited)

	% of Total Assets
Transferable securities admitted to an official stock exchange listing or traded on a regulated market	61.09
Financial derivative instruments dealt on a regulated market	0.20
OTC financial derivative instruments	0.38
Collective Investment Schemes	6.40
Other assets	31.93
	<u>100.00</u>

The following is a list of counterparties to the derivative contracts held on this sub-fund at 31 March 2013:

Bank of America Merrill Lynch, Deutsche Bank, Morgan Stanley and State Street Bank and Trust.

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

TRADITIONAL FUNDS plc

PORTFOLIO STATEMENT as at 31 March 2013

F&C Real Estate Securities Fund

Financial assets at fair value through profit or loss							
Country	Bonds	Currency	Nominal Holding	Fair Value £000	Mar 2013 % of NAV	Mar 2012 % of NAV	
Germany	GSW Immobilien 2.000% 20.11.2019	EUR	300,000	274	0.86	–	
	Total Bonds			274	0.86	–	
	Equities						
Austria	CA Immobilien Anlagen	EUR	65,248	563	1.77	1.51	
Belgium	Befimmo	EUR		7,149	2.98	0.94	
	Cofinimmo	EUR		6,083	4.59	1.44	
				757	2.38	2.54	
Finland	Citycon	EUR	88,610	166	0.53		
	Sponda	EUR	32,000	99	0.31		
				265	0.84	–	
France	ANF Immobilier	EUR	2,991	54	0.17		
	Mercialys	EUR	10,424	141	0.44		
	Societe de la Tour Eiffel	EUR	565	21	0.07		
	Terreis	EUR	43,327	612	1.92		
	Unibail-Rodamco	EUR	16,100	2,473	7.77		
				3,301	10.37	20.83	
Germany	Alstria Office	EUR	64,178	476	1.50		
	Deutsche Euroshop	EUR	39,091	1,041	3.27		
	Deutsche Wohnen	EUR	19,000	227	0.71		
	DIC Asset	EUR	11,007	73	0.23		
	GSW Immobilien	EUR	7,139	186	0.58		
	LEG Immobilien	EUR	46,586	1,642	5.16		
	TAG Immobilien	EUR	12	–	–		
				3,645	11.45	8.76	
Italy	Beni Stabili	EUR	463,790	181	0.57		
	Immobiliare Grande Distribuzione	EUR	47,585	33	0.10		
				214	0.67	0.80	
Netherlands	Corio	EUR	909	28	0.09		
	Eurocommercial Properties	EUR	14,800	356	1.12		
	Wereldhave	EUR	8,000	365	1.14		
				749	2.35	7.94	
Norway	Norwegian Property	NOK	197,661	203	0.64	0.83	
Sweden	Atrium Ljungberg	SEK	3,076	28	0.09		
	Fastighets Balder	SEK	49,482	230	0.72		
	Kungsleden	SEK	52,673	221	0.69		
				479	1.50	0.97	
Switzerland	PSP Swiss Property	CHF	20,947	1,260	3.96		
	Swiss Prime Site	CHF	21,901	1,170	3.68		
				2,430	7.64	9.32	
United Kingdom	Big Yellow Group	GBP	28,184	100	0.31		
	British Land	GBP	55,000	299	0.94		
	Intu Properties	GBP	93,000	310	0.98		
	St. Modwen Properties	GBP	168,314	431	1.35		
				1,140	3.58	–	
	Total Equities			13,746	43.19	53.50	
	Warrants						
Netherlands	Nieuwe Steen Investments – Warrant (Exp 01 Apr 13)	EUR	6,205	–	–	–	
	Total Warrants			–	–	–	

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

TRADITIONAL FUNDS plc

PORTFOLIO STATEMENT as at 31 March 2013

F&C Real Estate Securities Fund (continued)

Financial assets at fair value through profit or loss (continued)								
Country	Contracts for Difference	Currency	Nominal Holding	Unrealised Gain £000		Mar 2013 % of NAV	Mar 2012 % of NAV	
Austria	Conwert Immobilien Invest	EUR	(10,000)		11	0.03	–	
Belgium	Warehouses De Pauw	EUR	(3,600)		4	0.01	–	
France	EPRA Eurozone Market Index	EUR	350	25		0.08		
	Gecina	EUR	13,037	73		0.23		
	Icade	EUR	3,549	11		0.03		
	Klepierre	EUR	46,104	40		0.13		
	Societe de la Tour Eiffel	EUR	4,337	–		–		
	Societe Immobiliere de Location pour l'Industrie et le Commerce	EUR	2,104	5		0.02		
	Unibail-Rodamco	EUR	3,150	29		0.09		
					183	0.58	–	
Germany	Deutsche wohnen	EUR	(4,554)		3	0.01	–	
Guernsey							0.06	
Italy	Beni Stabili	EUR	(449,504)		6	0.02	–	
Netherlands	Corio	EUR	25,000	3		0.01		
	Vastned Retail	EUR	791	–		–		
					3	0.01	–	
Sweden	Wallenstam	SEK	13,881	7		0.02		
	Wihlborgs Fastigheter	SEK	41,388	14		0.05		
					21	0.07	–	
United Kingdom	Capital & Counties Properties	GBP	55,912	17		0.05		
	Derwent London	GBP	68,295	22		0.07		
	Grainger	GBP	193,427	6		0.02		
	Great Portland Estates	GBP	137,851	26		0.08		
	Hammerson	GBP	307,113	47		0.15		
	Land Securities Group	GBP	206,229	48		0.15		
	Quintain Estates & Development	GBP	194,091	10		0.03		
	Shaftesbury	GBP	15,810	3		0.01		
	Unite Group	GBP	417,663	104		0.32		
	Workspace Group	GBP	33,105	8		0.03		
					291	0.91	0.62	
Total Contracts for Difference					522	1.64	0.68	
Open Forward Foreign Currency Transactions								
	Currency Sold	Currency Bought		Unrealised Loss £000		Mar 2013 % of NAV	Mar 2012 % of NAV	
	Investment Level							
	CHF 124,000	GBP		–		–		
	GBP 1,069,333	SEK		1		0.01	0.01	
	SEK 823,000	GBP		–		–		
	EUR 251,000	GBP		1		–		
	GBP 211,771	EUR		1		–		
					3	0.01	0.01	
Open Forward Foreign Currency Transactions – Class A Norwegian Krone Accumulation					5	0.02	0.01	
Total Open Forward Foreign Currency Transactions					8	0.03	0.02	
Total financial assets at fair value through profit or loss					14,550	45.72	54.20	

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

TRADITIONAL FUNDS plc

PORTFOLIO STATEMENT as at 31 March 2013

F&C Real Estate Securities Fund (continued)

Financial liabilities at fair value through profit or loss							
Country	Contracts for Difference	Currency	Nominal Holding	Unrealised Loss £000		Mar 2013 % of NAV	Mar 2012 % of NAV
Belgium	Aedifica	EUR	(4,000)	(2)		(0.01)	–
Finland	Citycon	EUR	(10,752)	(4)		(0.01)	(0.05)
France	Fonciere Des Regions	EUR	8,816	(5)		(0.02)	
	Mercialys	EUR	48,124	(6)		(0.02)	
					(11)		
Netherlands	Nieuwe Steen Investments	EUR	19,027	(1)		(0.04)	–
Sweden	Castellum	SEK	63,367	(31)		(0.10)	–
	Fabege	SEK	38,000	(7)		(0.02)	
	Hufvudstaden	SEK	73,709	(34)		(0.10)	
	Kloven	SEK	4,427	–		–	
					(72)		(0.22)
United Kingdom	Big Yellow Group	GBP	21,000	(2)		(0.01)	
	British Land	GBP	433,949	(85)		(0.26)	
	Capital Shopping Centres	GBP	50,000	–		–	
	Hammerson	GBP	17,000	–		–	
	Hansteen	GBP	(246,650)	(6)		(0.02)	
	Londonmetric Property	GBP	270,000	(8)		(0.03)	
	Safestore Holdings	GBP	10,000	–		–	
	Segro	GBP	169,200	(22)		(0.07)	
	Sponda	EUR	164,065	(27)		(0.08)	
					(150)		(0.47)
United States	Safestore Holdings	GBP	160,183	(6)		(0.03)	–
	Total Contracts for Difference			(246)		(0.78)	(1.45)

Open Forward Foreign Currency Transactions

Investment Level

Currency Sold	Currency Bought	Unrealised Loss £000	Mar 2013 % of NAV	Mar 2012 % of NAV
GBP 846,864	SEK	(10)	(0.03)	–

Share Class Level

Open Forward Foreign Currency Transactions – Class A Euro Accumulation	(3)	(0.01)	(0.01)
Open Forward Foreign Currency Transactions – Class B Euro Accumulation	(10)	(0.03)	–
Total Open Forward Foreign Currency Transactions	(23)	(0.07)	(0.01)

Total financial liabilities at fair value through profit or loss	(269)	(0.85)	(1.46)
---	--------------	---------------	---------------

Total investments at fair value through profit or loss	14,281	44.87	52.74
Cash at bank	13,164	41.36	33.81
Margin cash	5,095	16.01	11.99
Other net liabilities	(714)	(2.24)	1.46
Total Net Assets	31,826	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	42.42
OTC financial derivative instruments	1.60
Other assets	55.98
	100.00

The following is a list of counterparties to the derivative contracts held on this sub-fund at 31 March 2013:

Goldman Sachs, HSBC and State Street Bank and Trust

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

TRADITIONAL FUNDS plc

PORTFOLIO STATEMENT as at 31 March 2013

F&C Global Emerging Markets Equity Long/Short Fund

Financial assets at fair value through profit or loss						
Country	Bonds	Currency	Nominal Holding	Fair Value US\$000	Mar 2013 % of NAV	Mar 2012 % of NAV
Philippines				–	–	3.59
Russia				–	–	2.59
	Total bonds			–	–	6.18
	Equities					
Brazil	Cia de Bebidas das Americas ADR Pref	USD	16,600	703	4.27	
	Raia Drogasil	BRL	23,600	252	1.53	
	Ultrapar Participacoes ADR	USD	23,000	583	3.55	
				1,538	9.35	11.76
China	Huaneng Power International ADR	USD	7,700	325	1.98	
	Huaneng Power International	HKD	1,000	1	0.01	
	Mindray Medical International ADR	USD	9,200	372	2.26	
	NetEase ADR	USD	7,900	432	2.62	
	Zhejiang Expressway	HKD	348,000	273	1.66	
				1,403	8.53	9.01
Colombia				–	–	3.16
Hong Kong	Wharf Holdings	HKD	72,000	641	3.90	
India				–	–	6.51
Indonesia	Media Nusantara Citra	IDR	1,240,300	360	2.19	
	Semen Indonesia Persero	IDR	346,500	631	3.84	
	Telekomunikasi Indonesia ADR	USD	18,400	830	5.04	
				1,821	11.07	4.87
Israel				–	–	3.46
Peru				–	–	2.06
Kazakhstan	KazMunaiGas Exploration Production GDR	USD	18,700	354	2.15	–
Mexico	Coca-Cola Femsa ADR	USD	4,600	753	4.58	
	Fomento Economico Mexicano ADR	USD	6,600	749	4.55	
	Grupo Aeroportuario del Sureste ADR	USD	5,900	805	4.89	
	Industrias	MXN	59,400	518	3.15	
				2,825	17.17	–
Russia	Mail.ru Group GDR	USD	9,300	259	1.57	2.66
South Africa	Shoprite	ZAR	16,300	321	1.95	2.32
South Korea	KT ADR	USD	20,300	319	1.94	
	NHN	KRW	1,500	361	2.19	6.08
				680	4.13	
Switzerland	Swatch Group	CHF	400	233	1.42	–
Taiwan	Chunghwa Telecom ADR	USD	9,300	289	1.76	1.57
Turkey				–	–	3.27
Thailand	Minor International	THB	612,500	502	3.05	–
United Kingdom	British American Tobacco ADR	USD	3,000	323	1.96	
	Diageo ADR	USD	3,000	378	2.30	
				701	4.26	2.63
United States	Eurasia Drilling GDR	USD	14,000	496	3.01	
	Google	USD	400	317	1.93	
	Johnson & Johnson	USD	7,900	644	3.91	
	PepsiCo	USD	7,900	625	3.80	
	Visa	USD	1,500	255	1.55	
				2,337	14.20	14.81
	Total Equities			13,904	84.51	74.17
	Collective Investment Schemes					
				–	–	7.96
	Total Collective Investment Schemes			–	–	7.96

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

TRADITIONAL FUNDS plc

PORTFOLIO STATEMENT as at 31 March 2013

F&C Global Emerging Markets 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 2013 % of NAV	Mar 2012 % of NAV	
Taiwan	Giant Manufacturing	USD	56,000	9	0.05	–	
United Kingdom	SABMiller	GBP	12,200	17	0.11	–	
Total Contracts for Difference				26	0.16	–	
	Futures		No of contracts				
United States	Mini MSCI Emerging Market June 2013	USD	(45)	70	0.42	–	
Total Futures				70	0.42	0.65	
Open Forward Foreign Currency Transactions							
Share Class Level							
Open Forward Foreign Currency Transactions – Class A Euro Accumulating				1	0.01	0.11	
Open Forward Foreign Currency Transactions – Class A Sterling Accumulating				4	0.02	0.30	
Open Forward Foreign Currency Transactions – Class A Sterling Distributing				1	0.01	0.18	
Open Forward Foreign Currency Transactions – Class C Sterling Distributing				–	–	0.10	
Open Forward Foreign Currency Transactions – Class B Sterling Accumulating				–	–	0.02	
Open Forward Foreign Currency Transactions – Class B Euro Accumulating				–	–	0.01	
Open Forward Foreign Currency Transactions – Class B Swiss Franc Accumulating				–	–	0.02	
Open Forward Foreign Currency Transactions – Class A Norwegian Krone Accumulating				–	–	0.04	
Total Open Forward Foreign Currency Transactions				6	0.04	0.78	
Total financial assets at fair value through profit or loss				14,006	85.13	89.74	
Financial liabilities at fair value through profit or loss							
Country	Contracts for Difference	Currency	Nominal Holding	Unrealised Loss US\$000	Mar 2013 % of NAV	Mar 2012 % of NAV	
India				–	–	(0.04)	
Russian				–	–	(0.11)	
Taiwan	Ruentex Development	USD	240,000	(58)	(0.35)		
Turkey				–	–	(0.40)	
Total Contracts for Difference				(58)	(0.35)	(0.55)	
Open Forward Foreign Currency Transactions							
Share Class Level							
Open Forward Foreign Currency Transactions – Class A Euro Accumulating				(12)	(0.07)	(0.20)	
Open Forward Foreign Currency Transactions – Class A Sterling Distributing				(1)	(0.01)	(0.01)	
Open Forward Foreign Currency Transactions – Class A Norwegian Krone Accumulating				–	–	(0.05)	
Open Forward Foreign Currency Transactions – Class A Sterling Accumulating				–	–	(0.10)	
Open Forward Foreign Currency Transactions – Class B Sterling Distributing				–	–	(0.01)	
Open Forward Foreign Currency Transactions – Class B Euro Accumulating				–	–	(0.01)	
Open Forward Foreign Currency Transactions – Class B Swiss Franc Accumulating				–	–	(0.02)	
Total Open Forward Foreign Currency Transactions				(13)	(0.08)	(0.40)	

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

TRADITIONAL FUNDS plc

PORTFOLIO STATEMENT as at 31 March 2013

F&C Global Emerging Markets Equity Long/Short Fund (continued)

Financial liabilities at fair value through profit or loss (continued)				Unrealised Loss US\$000	Mar 2013 % of NAV	Mar 2012 % of NAV
Country	Futures	Currency	No. of contracts			
United States	Emini S&P 500 June 2013	USD	(80)	(71)	(0.43)	–
	Total Futures			(71)	(0.43)	–
	Total financial liabilities at fair value through profit or loss			(142)	(0.86)	(0.95)
	Total investments at fair value through profit or loss			13,864	84.28	88.79
	Cash at bank			661	4.02	10.15
	Margin cash			2,042	12.41	12.37
	Other net liabilities			(118)	(0.71)	(8.58)
	Total Net Assets			16,449	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				82.56	
	Financial derivative instruments dealt on a regulated market				0.42	
	OTC financial derivative instruments				0.19	
	Other Assets				16.83	
					100.00	

The following is a list of counterparties to the derivative contracts held on this sub-fund at 31 March 2013:

Bank of America Merrill Lynch, Deutsche Bank, Morgan Stanley and State Street Bank and Trust

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

TRADITIONAL FUNDS plc

PORTFOLIO STATEMENT as at 31 March 2013

F&C Global High Yield Fund

Financial assets at fair value through profit or loss								
Country	Bonds	Currency	Nominal Holding	Fair Value €000		Mar 2013 % of NAV	Mar 2012 % of NAV	
Australia					–	–	5.19	
Austria					–	–	3.91	
Brazil	Marfrig Holding Europe 8.375% 09.05.2018	USD	300,000	213		2.24		
	OGX Austria 8.500% 01.06.2018	USD	350,000	212		2.23		
					425	4.47	2.56	
China	Kaisa Group Holdings 10.250% 08.01.2020	USD	500,000		403	4.25	1.49	
Dominican Republic	Aeropuertos Dominicanos Siglo XXI 9.250% 13.11.2019	USD	500,000		421	4.44	–	
Europe	European Financial Stability Facility Treasury Bill 0.000% 17.06.2013#	EUR	800,000		800	8.43	–	
France	CMA CGM Holdings 8.500% 15.04.2017	USD	250,000	180		1.90		
	Labco SAS 8.500% 15.01.2018	EUR	400,000	422		4.44		
					602	6.34	11.33	
Germany	Heckler & Koch 9.500% 15.05.2018	EUR	250,000		221	2.33	9.25	
Ireland	Bank of Ireland 10.000% 30.07.2016	EUR	300,000		308	3.24	–	
Italy	Wind Acquisition Finance 11.750% 15.07.2017	EUR	400,000	420		4.42		
	Zobe Holding 7.875% 01.02.2018	EUR	400,000	411		4.33		
					831	8.75	–	
Mexico	Servicios Corporativos Javier 9.875% 06.04.2021	USD	300,000		220	2.32	–	
Luxembourg					–	–	4.16	
Netherlands					–	–	8.22	
Poland					–	–	3.05	
South Africa					–	–	1.61	
Spain	Befesa Zinc 8.875% 15.05.2018	EUR	400,000		432	4.55	–	
Switzerland					–	–	8.73	
United Kingdom	Arrow Global Finance 7.875% 01.03.2020	GBP	250,000	296		3.12		
	Gala Electric Casinos 11.500% 01.06.2019	GBP	250,000	307		3.23		
					603	6.35	7.26	
United States	Albea Beauty Holdings 8.375% 01.11.2019	USD	200,000	164		1.73		
	FAGE USA Dairy Industry 9.875% 01.02.2020	USD	500,000	423		4.46		
					587	6.19	–	
	Total Bonds				5,853	61.66	66.76	
	Swaptions							
Europe					–	–	0.05	
	Total Swaptions				–	–	0.05	
	Options							
United States	iShares Iboxx Bond 0.000% 20.04.2013	USD	32,500		3	0.03	–	
	Total Options				3	0.03	–	
Country of risk	Credit Default Swaps Fixed (Buy protection)	Maturity Date	Currency	Nominal Holding	Fair Value €000	Mar 2013 % of NAV	Mar 2012 % of NAV	
Canada					–	–	0.08	
Europe	ITRAXX Europe CDS 100	20.12.2017	EUR	12,000,000	87	0.92		
	ITRAXX X-Over CDS 450	17.04.2013	EUR	4,000,000	16	0.17		
	ITRAXX X-Over CDS 450	15.05.2013	EUR	8,000,000	31	0.33		
					134	1.42	2.22	
France					–	–	1.17	
Italy	Unicredit 300	20.06.2018	EUR	500,000	22	0.23	–	
Turkey					–	–	0.43	
	Credit Default Swaps Fixed (Sell protection)							
Europe	ITRAXX X-Over CDS 500	20.12.2017	EUR	(11,050,000)	357	3.76		
	ITRAXX X-Over CDS 525	17.04.2013	EUR	(4,000,000)	3	0.03		
					360	3.79	–	
	Total Credit Default Swaps				516	5.44	3.90	

Pledged as collateral to JP Morgan for over the counter financial derivative instruments held by the Fund.

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

TRADITIONAL FUNDS plc

PORTFOLIO STATEMENT as at 31 March 2013

F&C Global High Yield Fund (continued)

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

Open Forward Foreign Currency Transactions

Currency Sold	Currency Bought	Unrealised Gain €000	Mar 2013 % of NAV	Mar 2013 % of NAV
Investment Level				
EUR 37,558	NOK	–	–	
EUR 5,575	NOK	–	–	
EUR 15,330	NOK	–	–	
EUR 27,662	GBP	–	–	
				2.41

Share Class Level

Open Forward Foreign Currency Transactions – Class A US Dollar Accumulation	3	0.03	0.07
Open Forward Foreign Currency Transactions – Class A US Dollar Distributing	2	0.03	0.05
Open Forward Foreign Currency Transactions – Class A GBP Accumulating	4	0.04	0.07
Open Forward Foreign Currency Transactions – Class A GBP Distributing	3	0.03	0.04
Open Forward Foreign Currency Transactions – Class A Norwegian Krone Distributing	4	0.04	0.37

Total Open Forward Foreign Currency Transactions **16** **0.17** **3.01**

Total financial assets at fair value through profit or loss **6,388** **67.30** **73.72**

Financial liabilities at fair value through profit or loss

Country of risk	Credit Default Swaps Fixed (Buy protection)	Maturity Date	Currency	Nominal Holding	Fair Value €000	Mar 2013 % of NAV	Mar 2012 % of NAV
Europe	ITRAXX Europe CDS 100	20.12.2017	EUR	1,000,000	(7)	(0.07)	
	ITRAXX Europe CDS 100	20.12.2017	EUR	6,500,000	(47)	(0.50)	
	ITRAXX Europe CDS 100	20.12.2017	EUR	4,500,000	(33)	(0.34)	
	ITRAXX X-Over CDS 500	20.12.2017	EUR	11,050,000	(357)	(3.77)	
					(444)	(4.68)	–
Netherlands					–	–	(0.35)
United States					–	–	–

Credit Default Swaps Fixed (Sell protection)

Europe					–	–	(8.23)
Ireland					–	–	(0.78)
Italy	Intesa Sanpaolo	20.06.2018	EUR	(500,000)	(18)	(0.19)	–
Poland					–	–	(0.28)

Total Credit Default Swaps **(462)** **(4.87)** **(9.64)**

Swaptions

Europe					–	–	(0.03)
--------	--	--	--	--	---	---	--------

Total Swaptions **–** **–** **(0.03)**

Open Forward Foreign Currency Transactions

Currency Sold	Currency Bought	Unrealised Loss €000	Mar 2013 % of NAV	Mar 2012 % of NAV
Investment Level				
GBP 554,526	EUR	(3)	(0.03)	
USD 3,471,603	EUR	(11)	(0.12)	
EUR 201,698	USD	(1)	(0.01)	
		(15)	(0.16)	(1.54)

Share Class Level

Open Forward Foreign Currency Transactions – Class A US Dollar Accumulating	–	–	(0.62)
Open Forward Foreign Currency Transactions – Class A US Dollar Distributing	–	–	(0.32)
Open Forward Foreign Currency Transactions – Class A Sterling Accumulating	–	–	(0.04)
Open Forward Foreign Currency Transactions – Class A Sterling Distributing	–	–	(0.04)
Open Forward Foreign Currency Transactions – Class A Norwegian Krone Distributing	(1)	(0.01)	(0.07)
Open Forward Foreign Currency Transactions – Class B Sterling Distributing	–	–	(0.15)

Total Open Forward Foreign Currency Transactions **(16)** **(0.17)** **(2.78)**

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

TRADITIONAL FUNDS plc

PORTFOLIO STATEMENT as at 31 March 2013

F&C Global High Yield Fund (continued)

Financial liabilities at fair value through profit or loss (continued)						
Country	Options	Currency	Nominal Holding	Fair Value €000	Mar 2013 % of NAV	Mar 2012 % of NAV
United States	iShares Iboxx Bond 0.000% 20.04.2013	USD	(32,500)	(1)	(0.01)	–
	Total Options			(1)	(0.01)	–
	Total financial liabilities at fair value through profit or loss			(479)	(5.05)	(12.45)
	Total investments at fair value through profit or loss			5,909	62.25	61.27
	Cash at bank			3,709	39.08	4.82
	Margin cash			6	0.06	32.67
	Other net liabilities			(132)	(1.39)	1.24
	Total Net Assets			9,492	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	56.79
Financial derivative instruments traded on a regulated market	0.03
OTC financial derivative instruments	5.16
Other assets	38.02
	100.00

The following is a list of counterparties to the derivative contracts held on this sub-fund at 31 March 2013:

Goldman Sachs, JP Morgan and State Street Bank and Trust

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

TRADITIONAL FUNDS plc

PORTFOLIO STATEMENT as at 31 March 2013

F&C Real Estate Equity Long/Short Fund

Financial assets at fair value through profit or loss					
Country	Equities	Currency	Nominal Holding	Fair Value €000	Mar 2013 % of NAV
Germany	Alstria Office	EUR	510,000	4,472	7.04
	LEG Immobilien	EUR	136,000	5,668	8.93
				10,140	15.97
Netherlands	Vastned Retail	EUR	92,000	2,976	4.69
Sweden	Klovern Pref	SEK	156,000	2,546	4.01
Switzerland	PSP Swiss Property	CHF	42,000	2,988	4.71
	Total Equities			18,650	29.38
Unrealised Gain €000					
Contracts for Difference					
France	Fonciere Des Regions	EUR	(47,430)	68	0.11
	Icade	EUR	21,500	77	0.12
	Societe Immobiliere de Location pour l'Industrie et le Commerce	EUR	15,000	46	0.07
				191	0.30
Germany	Deutsche Euroshop	EUR	(80,500)	18	0.03
	Deutsche Wohnen	EUR	(373,000)	20	0.03
				38	0.06
Italy	Beni Stabili	EUR	(4,900,000)	147	0.23
Sweden	Castellum	SEK	(245,000)	9	0.02
	Fabege	SEK	(335,000)	129	0.20
				138	0.22
United Kingdom	Big Yellow	GBP	(405,000)	65	0.10
	Great Portland Estates	GBP	210,000	43	0.07
	Hammerson	GBP	235,000	39	0.06
				147	0.23
	Total Contracts for Difference			661	1.04
Open Forward Foreign Currency Transactions					
Currency Sold	Currency Bought		Unrealised Gain €000	Mar 2013 % of NAV	
Investment Level					
SEK 34,533,000	EUR		5	0.01	
EUR 1,238,969	GBP		4	0.01	
				9	0.02
Share Class Level					
Open Forward Foreign Currency Transactions – A GBP Accumulation Class				2	–
Open Forward Foreign Currency Transactions – C GBP Accumulation Class				82	0.13
				93	0.15
Total Open Forward Foreign Currency Transactions				93	0.15
Total financial assets at fair value through profit or loss				19,404	30.57

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

TRADITIONAL FUNDS plc

PORTFOLIO STATEMENT as at 31 March 2013

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

Financial liabilities at fair value through profit or loss					
Country	Contracts for Difference	Currency	Nominal Holding	Unrealised Loss €000	Mar 2013 % of NAV
France	ANF Immobilier	EUR	79,000	(57)	(0.09)
	Mercialys	EUR	178,533	(43)	(0.07)
	Unibail-Rodamco	EUR	(20,700)	(137)	(0.21)
				(237)	(0.37)
Germany	GSW Immobilien	EUR	(91,000)	(46)	(0.08)
Netherlands	Corio	EUR	(105,000)	(49)	(0.08)
United Kingdom	Hansteen	GBP	(2,250,000)	(48)	(0.07)
	Shaftesbury	GBP	(410,000)	(55)	(0.09)
				(198)	(0.32)
Total Contracts for Difference				(435)	(0.69)
Open Forward Foreign Currency Transactions					
	Currency Sold	Currency Bought		Unrealised Loss €000	Mar 2013 % of NAV
Investment Level					
	CHF 3,604,000	EUR		(14)	(0.02)
	SEK 2,771,000	EUR		–	–
	GBP 981,914	EUR		(5)	(0.01)
				(19)	(0.03)
Share Class Level					
Open Forward Foreign Currency Transactions – A GBP Accumulation Class				–	–
Open Forward Foreign Currency Transactions – C GBP Accumulation Class				(4)	(0.01)
Total Open Forward Foreign Currency Transactions				(23)	(0.04)
Total financial liabilities at fair value through profit or loss				(458)	(0.73)
Total investments at fair value through profit or loss				18,946	29.84
Cash at bank				33,264	52.39
Margin cash				12,800	20.16
Other net liabilities				(1,523)	(2.39)
Total Net Assets				63,487	100.00
Analysis of Portfolio (unaudited)					
					% of Total Assets
Transferable securities admitted to an official stock exchange listing or traded on a regulated market					28.05
OTC financial derivative instruments					1.13
Other assets					70.82
					100.00

The following is a list of counterparties to the derivative contracts held on this sub-fund at 31 March 2013:

Goldman Sachs and State Street Bank and Trust

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

BALANCE SHEET

As at 31 March 2013

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

The individual sheets were approved

Lee H. Wig.
Director

၈၆

TRADITIONAL FUNDS plc

BALANCE SHEET

As at 31 March 2012

	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 Asia Fund		Thames River World Agriculture Short Fund		F&C Water and Land Credit Fund		F&C Global Credit Select Fund		F&C Real Estate Fund		F&C Global Emerging Markets Equity Fund**		Thames River - BSI Bond Fund		F&C Global High Yield Fund*		Total
	Notes	€000	US\$000	US\$000	US\$000	US\$000	US\$000	US\$000	US\$000	US\$000	US\$000	US\$000	US\$000	US\$000	US\$000	US\$000	US\$000	US\$000	US\$000	US\$000	US\$000	US\$000	US\$000	US\$000	US\$000	US\$000	US\$000	US\$000	US\$000	US\$000	US\$000
Current Assets																															
Cash at bank	5	5,446	19,954	100,068	3,331	68,043	20,875	4,185	755	-	6,496	3,825	644	13,532	3,909	7,182	1,174	241,169													
Margin cash	5(e)	-	46,074	58,068	1,206	19,549	5,936	1,377	196	-	3,263	17,289	3,621	4,800	3,713	12,877	7,950	162,414													
Collateral receivable	6	1,254	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,254													
Debtors	4	46	44,755	4,560	2,315	3,115	701	309	514	17,899	11,534	10,538	4,135	589	11,164	19,468	4,118	121,357													
Financial assets at fair value through profit or loss	2, 3	14,659	330,488	442,292	219,945	771,495	249,408	57,141	13,439	67	70,902	42,828	24,233	21,698	34,547	115,806	17,942	2,294,254													
Total current assets		21,405	441,271	604,988	226,797	862,202	276,920	63,012	14,904	17,966	92,195	74,480	32,633	40,619	53,333	155,333	31,184	2,820,448													
Current Liabilities																															
Financial liabilities at fair value through profit or loss	2, 3	(442)	(66,738)	(8,081)	(8)	(1,427)	(389)	(100)	(3)	(1)	(868)	(5,287)	(1,731)	(593)	(367)	(8,524)	(3,032)	(79,024)													
Bank overdraft	5(c)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(294)													
Collateral payable	6	(1,254)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,254)													
Creditors – Amounts falling due within one year	7	(799)	(23,291)	(6,303)	(1,551)	(3,169)	(7,671)	(213)	(69)	(17,711)	(4,405)	(11,141)	(2,970)	(101)	(14,530)	(22,966)	(3,853)	(112,390)													
Total current liabilities		(2,495)	(90,029)	(14,384)	(1,559)	(4,596)	(8,060)	(313)	(72)	(17,957)	(5,273)	(16,428)	(4,701)	(694)	(14,897)	(31,490)	(6,885)	(192,962)													
Net Assets attributable to holders of redeemable participating shares (at bid market prices)		18,910	351,242	590,604	225,238	857,606	268,860	62,699	14,832	9	86,922	58,052	27,932	39,925	38,436	123,843	24,299	2,627,486													
Adjustment from bid market prices to last traded market prices	2	10	386	382	472	71	70	4	21	-	56	50	15	95	62	76	37	1,497													
Net Assets attributable to holders of redeemable participating shares (at last traded market prices)		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													

*Launched 3 May 2011
**Launched 22 June 2011

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/period		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/period attributable to holders of 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 17 April 2012

** For the period from 1 April 2012 to 17 December 2012

***For the period 3 December 2012 to 31 March 2013

****For the period from 1 April 2012 to 26 March 2013

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

TRADITIONAL FUNDS plc

PROFIT AND LOSS ACCOUNT

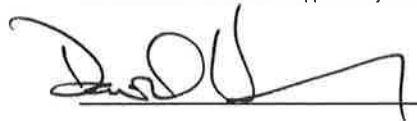
For the year ended 31 March 2013 (continued)

	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/period		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/period attributable to holders of redeemable participating shares from operations		1,605	621	943	5,263	264	3,137	2,758	(1,758)	(36,576)

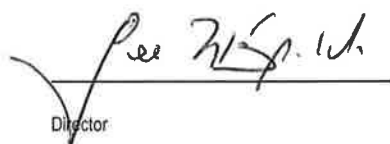
Gains and losses arose solely from continuing operations except for the Thames River World Government Bond Fund, Thames River – BSI Bond Opportunity Fund, F&C European Equity Long/Short Fund, F&C Global Credit Fund and F&C Credit Select Fund which terminated on 17 April 2012, 17 December 2012 and 26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

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

The financial statements were approved by the Board of Directors of Traditional Funds plc on 27 June 2013.



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 2012

	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		310	8	15,966	8,202	—	—	—	519	—
Bank deposit interest		54	364	233	12	71	29	255	297	8
Bond interest income		33	36,644	—	—	12,917	3,413	318	—	962
Net gain/(loss) on financial assets and financial liabilities at fair value through profit or loss	3	(502)	(71,410)	(135,789)	(54,626)	(38,195)	(1,482)	(2,016)	(6,232)	(2,788)
Total investment income/(expense)		(105)	(34,394)	(119,590)	(46,412)	(25,207)	1,960	(1,443)	(5,416)	(1,818)
Expenses	2									
Investment Management fee	15	(215)	(8,019)	(10,709)	(5,262)	(9,853)	(2,717)	(515)	(395)	(621)
Performance fee	15	—	(2,236)	—	—	—	—	—	—	—
Administration fee	15	(20)	(692)	(728)	(411)	(1,117)	(301)	(58)	(29)	(72)
Custody fee	15	(15)	(427)	(675)	(353)	(766)	(228)	(40)	(44)	(52)
General expenses		(85)	(854)	(305)	(389)	(481)	(201)	(106)	(93)	(72)
Audit fee		(9)	(40)	(19)	(18)	(8)	(9)	(13)	(16)	(8)
Directors' fees		(2)	(40)	(50)	(23)	(83)	(23)	(4)	(2)	(5)
Total operating expenses		(346)	(12,308)	(12,486)	(6,456)	(12,308)	(3,479)	(736)	(579)	(830)
Net income/(expense) before finance costs		(451)	(46,702)	(132,076)	(52,868)	(37,515)	(1,519)	(2,179)	(5,995)	(2,648)
Finance costs										
Bank interest expense		(73)	(351)	(487)	(35)	—	(1)	—	(303)	(1)
Distributions	8	—	(27,459)	—	(138)	(4,909)	(107)	(105)	(1)	(332)
Net equalisation	2	—	(7,909)	(92)	(514)	(202)	141	1	(8)	(62)
Total finance costs		(73)	(35,719)	(579)	(687)	(5,111)	33	(104)	(312)	(395)
Gain/(loss) for the financial year/period		(524)	(82,421)	(132,655)	(53,555)	(42,626)	(1,486)	(2,283)	(6,307)	(3,043)
Withholding tax		(99)	21	(2,435)	(952)	—	—	—	(80)	—
Operating gain/(loss)		(623)	(82,400)	(135,090)	(54,507)	(42,626)	(1,486)	(2,283)	(6,387)	(3,043)
Adjustment from bid market prices to last traded prices	2	8	109	(102)	(478)	(4)	(11)	2	(46)	(6)
Increase/(decrease) in net assets for the year/period attributable to holders of redeemable participating shares from operations		(615)	(82,291)	(135,192)	(54,985)	(42,630)	(1,497)	(2,281)	(6,433)	(3,049)

TRADITIONAL FUNDS plc

PROFIT AND LOSS ACCOUNT

For the year ended 31 March 2012 (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	Total €000
Income	2								
Investment income		1,673	3	–	803	477	1	–	20,762
Bank deposit interest		81	225	67	84	20	183	39	1,704
Bond interest income		756	8,977	1,312	–	144	5,492	2,490	65,343
Net gain/(loss) on financial assets and financial liabilities at fair value through profit or loss	3	(10,361)	(11,939)	947	(5,880)	(9,653)	(1,155)	(4,683)	(284,158)
Total investment income/(expense)		(7,851)	(2,734)	2,326	(4,993)	(9,012)	4,521	(2,154)	(196,349)
Expenses	2								
Investment Management fee	15	(1,665)	(2,072)	(549)	(509)	(644)	(2,774)	(628)	(41,477)
Performance fee	15	–	(402)	(61)	(76)	(10)	(501)	(4)	(2,689)
Administration fee	15	(110)	(179)	(47)	(46)	(50)	(172)	(51)	(3,713)
Custody fee	15	(80)	(130)	(32)	(34)	(35)	(119)	(37)	(2,752)
General expenses		(158)	(221)	(129)	(64)	(102)	(109)	(140)	(3,057)
Audit fee		(13)	(18)	(15)	(8)	(16)	(17)	(15)	(210)
Directors' fees		(8)	(12)	(3)	(4)	(3)	(13)	(4)	(260)
Total operating expenses		(2,034)	(3,034)	(836)	(741)	(860)	(3,705)	(879)	(54,158)
Net income/(expense) before finance costs		(9,885)	(5,768)	1,490	(5,734)	(9,872)	816	(3,033)	(250,507)
Finance costs									
Bank interest expense		(78)	(118)	(22)	(255)	(38)	(55)	(28)	(1,533)
Distributions	8	–	(1,441)	(466)	(169)	–	–	(758)	(29,188)
Net equalisation	2	32	(2,964)	(105)	19	–	(348)	(230)	(9,963)
Total finance costs		(46)	(4,523)	(593)	(405)	(38)	(403)	(1,016)	(40,684)
Gain/(loss) for the financial year/period		(9,931)	(10,291)	897	(6,139)	(9,910)	413	(4,049)	(291,191)
Withholding tax		(392)	16	–	(186)	(79)	7	–	(3,140)
Operating gain/(loss)		(10,323)	(10,275)	897	(6,325)	(9,989)	420	(4,049)	(294,331)
Adjustment from bid market prices to last traded prices	2	(48)	(95)	1	31	62	13	37	(303)
Increase/(decrease) in net assets for the year/period attributable to holders of redeemable participating shares from operations		(10,371)	(10,370)	898	(6,294)	(9,927)	433	(4,012)	(294,634)

Gains and losses arose solely from continuing operations except for the Thames River World Government Bond Fund.

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

* For the period from 3 May 2011 to 31 March 2012

** For the period from 22 June to 31 March 2012

TRADITIONAL FUNDS plc

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF 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 Bond Fund* US\$000	Thames River World Agriculture Equity Long/ Short Fund €000	F&C Water and 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 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)	(1)	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 17 April 2012

** For the period from 1 April 2012 to 17 December 2012

*** For the period from 3 December 2012 to 31 March 2013

****For the period from 1 April 2012 to 26 March 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 2012

	F&C European Equity Long/Short Fund	F&C High Income Bond Fund	Eastern European Fund	F&C Global Emerging Markets Fund	F&C Macro Global Bond Fund (€)	F&C Macro Global Bond Fund (€)	F&C Macro Global Bond Fund (\$)	F&C Emerging Government Bond Fund	Thames River World Agriculture Equity Long/Short Fund	F&C Water and Land Management Equity Long/Short Fund	F&C Global Credit Fund	F&C Credit Select Fund	F&C Real Estate Securities Equity Long/Short Fund**	Thames River – BSI Bond Opportunity Fund	F&C Global High Yield Fund†	Total	
Net assets attributable to redeemable participating shareholders at the beginning of the year/period	20,532	771,966	663,303	607,344	1,013,047	264,823	53,247	31,964	80,823	90,801	219,941	49,473	46,983	–	153,708	–	3,565,367
Notional exchange adjustment																	147,971
Increase/(decrease) in assets attributable to redeemable participating shareholders from operations	(615)	(82,291)	(135,192)	(54,985)	(42,630)	(1,497)	(2,281)	(6,433)	(3,049)	(10,371)	(10,370)	898	(6,294)	(9,927)	433	(4,012)	(294,634)
Share Transactions																	
Proceeds from redeemable participating shares issued	3,088	93,467	335,186	55,852	360,866	134,796	28,125	9,985	6,811	39,468	67,961	5,795	25,372	79,141	38,565	81,439	1,253,759
Cost of redeemable participating shares redeemed	(4,085)	(431,514)	(272,311)	(382,501)	(473,606)	(129,192)	(16,388)	(20,663)	(84,576)	(32,920)	(219,430)	(28,219)	(26,041)	(30,716)	(68,787)	(53,091)	(2,043,480)
Net increase/(decrease) in net assets from share transactions	(997)	(338,047)	62,875	(326,649)	(112,740)	5,604	11,737	(10,678)	(77,765)	6,548	(151,469)	(22,424)	(669)	48,425	(30,222)	28,348	(789,721)
Net assets attributable to redeemable participating shareholders at the end of 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

* For the period from 3 May 2011 to 31 March 2012
** For the period from 22 June 2011 to 31 March 2012

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

NOTES TO THE FINANCIAL STATEMENTS

31 March 2013

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 twelve 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.

F&C European Equity Long/Short Fund: This Fund was initially launched on 8 March 1999. The Fund terminated on 26 March 2013.

F&C High Income Bond Fund: This Fund was launched on 27 June 2000. The investment objective of the Fund is to maximise the total return subject to providing a high level of income relative to bonds issued by countries participating in the Euro. The Fund invests the majority of its assets in debt securities and loans of issuers in emerging markets, but may also invest in developed markets. The presentation and functional currency of the Fund is the US Dollar. At the year end there were twelve classes of shares in issue: the original four distributing classes denominated in Euro, Sterling, US Dollars and Norwegian Krone, all of which were closed to new subscriptions in 2005; four “New” distributing classes which are also denominated in Euro, Sterling, US Dollars and Norwegian Krone; and three “New” accumulating classes denominated in Euro, Sterling and US Dollars. The “New” share classes make provision for a performance related fee to be paid to the Investment Manager in certain circumstances. The Investment Manager is Thames River Capital LLP. The Fund was renamed F&C High Income Bond Fund with effect from 6 April 2013.

Eastern European Fund: The Eastern European Fund was launched on 13 October 2000. The investment objective of the Fund is to achieve capital growth through investment in Eastern European equity markets. The presentation and functional currency of the Fund is the US Dollar and shares are denominated in US Dollars and one Class C distributing class denominated in Sterling. With effect from 30 March 2011, the Fund was closed to subscriptions from new investors. The Investment Manager is Nevsky Capital LLP.

F&C Global Emerging Markets Fund: This Fund was launched on 4 April 2003. The investment objective of the Fund is to achieve capital appreciation through investment primarily in global emerging markets. The presentation and functional currency of the Fund is the US Dollar. There are three classes of distributing shares in issue at the year end denominated in US Dollars, Sterling and Euro and three accumulating share classes denominated in Euro, Sterling and US Dollars. The Investment Manager is F&C Management Limited. The Fund was renamed F&C Global Emerging Markets Fund with effect from 6 April 2013.

F&C Macro Global Bond Fund (£): The Fund was launched on 28 October 2003. The investment objective of the Fund is to seek to achieve a total return primarily through investment in debt securities and instruments which may be either fixed or floating rate, index or inflation linked and issued or guaranteed by EU/OECD Issuers. The presentation and functional currency of the Fund is Sterling. There are six classes of shares in issue at the year end – US Dollar, Euro and two Sterling distributing and two Sterling accumulating classes. The Euro and US Dollar denominated share classes were closed to subscription by investors with effect from 3 December 2004. The Investment Manager is Thames River Capital LLP. The Fund was renamed F&C Macro Global Bond Fund (£) with effect from 6 April 2013.

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2013

1. General (continued)

F&C Macro Global Bond Fund (€): The Fund was launched on 9 December 2004. The investment objective of the Fund seeks to achieve a total return primarily through investment in debt securities and instruments which may be either fixed or floating rate, index or inflation linked and issued or guaranteed by EU/OECD Issuers. The presentation and functional currency of the Fund is the Euro. There are two classes of shares in issue at the year end – accumulating and distributing – both of which are denominated in Euro. The Investment Manager is Thames River Capital LLP. The Fund was renamed F&C Macro Global Bond Fund (€) with effect from 6 April 2013.

F&C Macro Global Bond Fund (\$): The Fund was launched on 9 December 2004. The investment objective of the Fund is to seek to achieve a total return primarily through investment in debt securities and instruments which may be either fixed or floating rate, index or inflation linked and issued or guaranteed by EU/OECD Issuers. The presentation and functional currency of the Fund is the US Dollar. There are two classes of shares in issue at the year end – accumulating and distributing – both of which are denominated in US Dollars. The Investment Manager is Thames River Capital LLP. The Fund was renamed F&C Macro Global Bond Fund (\$) with effect from 6 April 2013.

F&C Emerging Asia Fund: The Fund was launched on 1 November 2007. The investment objective of the Fund is to achieve capital appreciation through investment primarily in Emerging Asian Markets. The presentation and functional currency of the Fund is the US Dollar. There are six classes of shares in issue at the year end: five institutional classes being US Dollar accumulating and distributing, Euro accumulating and distributing and Sterling distributing shares and one non-institutional class being Sterling distributing shares. The Investment Manager is F&C Management Limited. The Fund was renamed F&C Emerging Asia Fund with effect from 6 April 2013.

Thames River World Government Bond Fund: The Fund was launched on 3 November 2008. The Fund terminated on 17 April 2012.

F&C Water and Agriculture Equity Long/Short Fund: The Fund was launched on 2 March 2009. The investment objective of the Fund is to generate long term capital appreciation through investment in the securities of issuers predominantly involved in water and agriculture related activities. The presentation and functional currency of the Fund is the US Dollar. There are four classes of distributing shares active at the year end, denominated in US Dollars, Sterling and Euro and six accumulating share classes denominated in the US Dollars, Sterling, Euro, Norwegian Krone and Singapore Dollar. The Investment Manager is Thames River Capital LLP. The Fund was renamed F&C Water and Agriculture Equity Long/Short Fund with effect from 6 April 2013.

F&C Global Credit Fund: The Fund was launched on 23 October 2009. The Fund terminated on 26 March 2013.

F&C Credit Select Fund: The Fund was launched on 23 October 2009. The Fund terminated on 26 March 2013.

F&C Real Estate Securities Fund: The Fund was launched on 9 April 2010. The investment objective of the Fund is to generate a total return greater than that produced by the FTSE EPRA/NAREIT Developed Europe Capped Total Return Index in Sterling by investing in the securities of listed property companies and companies related to the property sector. The presentation and functional currency of the Fund is Sterling. There are seven classes of shares active at the year end: three institutional classes which consist of Sterling accumulating and distributing shares and Euro accumulating shares and four non-institutional classes which consist of Sterling accumulating and distributing shares, Euro accumulating shares and Norwegian Krone accumulating shares. The Investment Manager is Thames River Capital LLP. The Fund was renamed F&C Real Estate Securities Fund with effect from 6 April 2013.

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2013

1. General (continued)

F&C Global Emerging Markets Equity Long/Short Fund: The Fund was launched on 22 June 2011. The investment objective of the Fund is to maximise absolute returns by investing in equity securities on a global basis with a core emphasis on securities of issuers in global emerging markets or issuers with a significant economic exposure to those markets but which are established elsewhere. The presentation and functional currency of the Fund is US Dollar. There are six classes of shares active at the year end: one institutional being Sterling distributing and five non-institutional classes being US Dollar, Euro, Sterling and Norwegian Krone accumulating shares and Sterling distributing shares. The Investment Manager is Thames River Capital LLP. The Fund was renamed F&C Global Emerging Markets Equity Long/Short Fund with effect from 6 April 2013.

Thames River – BSI Bond Opportunity Fund: The Fund was launched on 20 August 2010. The Fund terminated on 17 December 2012.

F&C Global High Yield Fund: The Fund was launched on 3 May 2011. The investment objective of the Fund is to invest the majority of the total assets of the Fund in debt securities including bonds (fixed and floating rate) of corporate issuers, financial institutions, and sovereigns in predominantly developed countries (though substantial emerging markets may also be included) and those of, or guaranteed by, national and local governments and government related entities in such countries. Investment will also be made in emerging market country issuers, with the proportion of investment in emerging market and developed countries varying in accordance with the Investment Manager's opinion on the relative attractiveness and accessibility of each market sector. In accordance with the focus on high yield debt securities, debt securities invested in by the Fund will predominantly be below investment grade (that is, average credit rating of B or an equivalent rating with an internationally recognised rating agency) but the Fund's portfolio will also include debt securities which are investment grade. The presentation and functional currency of the Fund is the Euro. There are seven classes of retail shares active at the year end: US Dollar, Euro and Sterling accumulating and distributing classes and Norwegian Krone distributing shares. The Investment Manager is Thames River Capital LLP. The Fund was renamed F&C Global High Yield Fund with effect from 6 April 2013.

F&C Real Estate Equity Long/Short Fund: The Fund was launched on 3 December 2012. The investment objective of the Fund is to generate long term capital appreciation by investing, both long and short, in the securities of issuers participating in real estate, the construction/development of real estate, the trading of management of real estate and related activities. The presentation and functional currency of the Fund is the Euro. There are four classes of shares active at the year end; two institutional being Sterling and Euro accumulating classes, and two non-institutional classes being Euro and Sterling accumulating classes. The investment manager is Thames River Capital LLP.

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2013

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 2012 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 Thames River World Government Bond Fund, which terminated on 17 April 2012, the Thames River – BSI Bond Opportunity Fund, which terminated on 17 December 2012 and the F&C European Equity Long/Short Fund, F&C Global Credit Fund and F&C Credit Select Fund which all terminated on 26 March 2013. As a result of the termination of the five named 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.

(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 Holders of 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 Holders of Redeemable Participating Shareholders. The method of translation has no effect on the value of the net assets of each Fund.

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2013

2. Principal Accounting Policies (continued)

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.

(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 28 March 2013 as follows: close of business Dublin time for the F&C High Income Bond Fund, the F&C Global Emerging Markets Fund, the F&C Emerging Asia Fund and the F&C Global High Yield Fund; 3.30 pm Dublin time for the Eastern European Fund, the F&C Water and Agriculture Equity Long/Short Fund and the F&C Global Emerging Markets 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 28 March 2013 as this was the last business day in the month.

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2013

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)

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.

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.

Swaptions

A swaption is the option to enter into an interest rate swap. When the Company writes a swaption, an amount equal to the premium received by the Company is recorded as a liability and is subsequently adjusted to the current fair value of the swaption written. Premiums received from the written swaptions which expire unexercised are treated by the Company on the expiry dates as realised gains. If a written call swaption is exercised, the premium is added to the proceeds from the sale of the underlying swap in determining the realised gain or loss. If a written put swaption is exercised, the premium reduces the cost basis of the swap purchased. Swaptions are fair-valued using a pricing vendor or a counterparty statement.

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2013

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)

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.

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.

31 March 2013

2. Principal Accounting Policies (continued)

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.

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 2013, 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 €2,563,000 (2012: €1,496,668) which represents 0.15% (2012: 0.06%) of the aggregate net asset value of the Funds.

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2013

2. Principal Accounting Policies (continued)

Redeemable Participating Shares (continued)

Net assets attributable to holders of 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.

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 holders of 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 23 of the financial statements.

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

TRADITIONAL FUNDS plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2013

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

	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 gain/(loss) 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 2013

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 gain/(loss) 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)

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2013

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

	F&C European Equity Long/Short Fund 2012 €000	F&C High Income Bond Fund 2012 US\$000	Eastern European Fund 2012 US\$000	F&C Global Emerging Markets Fund 2012 US\$000	F&C Macro Global Bond Fund (£) 2012 £000	F&C Macro Global Bond Fund (€) 2012 €000	F&C Macro Global Bond Fund (\$) 2012 US\$000	F&C Emerging Asia Fund 2012 US\$000
Financial assets at fair value through profit or loss								
At initial recognition	12,486	310,306	434,675	202,090	782,566	251,362	57,118	12,323
Unrealised gain/(loss) on investments	493	(8,041)	7,068	17,855	(12,705)	(2,222)	(75)	1,115
	12,979	302,265	441,743	219,945	769,861	249,140	57,043	13,438
Unrealised gain on FFCTs	1	28,223	549	–	1,111	98	61	–
Unrealised gain on CFDs and futures	1,679	–	–	–	523	170	37	1
	14,659	330,488	442,292	219,945	771,495	249,408	57,141	13,439
Financial liabilities at fair value through profit or loss								
At initial recognition	–	(21,173)	–	–	–	–	–	–
Unrealised loss on investments	–	(3,951)	–	–	–	–	–	–
	–	(25,124)	–	–	–	–	–	–
Unrealised loss on FFCTs	–	(41,096)	(686)	–	–	–	–	–
Unrealised loss on CFDs and futures	(442)	(518)	(7,395)	(8)	(1,427)	(389)	(100)	(3)
	(442)	(66,738)	(8,081)	(8)	(1,427)	(389)	(100)	(3)
Net gain/(loss) on financial assets and financial liabilities at fair value through profit or loss								
Realised gain/(loss) on investments	(2,615)	(81,943)	(45,677)	40,342	(8,665)	628	(935)	(2,453)
Change in unrealised gain/(loss) on investments	2,100	(2,277)	(90,308)	(93,809)	(38,119)	(1,609)	(1,337)	(3,684)
Net gain/(loss) on currencies and FFCTs	13	12,810	196	(1,159)	8,589	(501)	256	(95)
	(502)	(71,410)	(135,789)	(54,626)	(38,195)	(1,482)	(2,016)	(6,232)

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2013

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

	Thames River World Government Bond Fund 2012 £000	F&C Water and Agriculture Equity Long/ Short Fund 2012 US\$000	F&C Global Credit Fund 2012 €000	F&C Credit Select Fund 2012 €000	F&C Real Estate Securities Fund 2012 £000	F&C Global Emerging Markets Equity Long/ Short Fund 2012 US\$000	Thames River – BSI Bond Opportunity Fund 2012 €000	F&C Global High Yield Fund 2012 €000	Total 2012 €000
Financial assets at fair value through profit or loss									
At initial recognition	–	67,821	40,404	23,251	20,847	35,374	112,303	17,509	2,262,043
Unrealised gain/(loss) on investments	–	1,668	208	159	568	(1,375)	700	(302)	(1,848)
	–	69,489	40,612	23,410	21,415	33,999	113,003	17,207	2,260,195
Unrealised gain on FFCTs	67	910	2,216	823	8	297	2,803	735	30,657
Unrealised gain on CFDs and futures	–	503	–	–	275	251	–	–	3,402
	67	70,902	42,828	24,233	21,698	34,547	115,806	17,942	2,294,254
Financial liabilities at fair value through profit or loss									
At initial recognition	–	–	(3,380)	(926)	–	–	(4,209)	(2,014)	(26,428)
Unrealised gain/(loss) on investments	–	–	67	18	–	–	(448)	(339)	(3,669)
	–	–	(3,313)	(908)	–	–	(4,657)	(2,353)	(30,097)
Unrealised loss on FFCTs	(1)	(200)	(1,946)	(809)	(6)	(156)	(3,803)	(679)	(38,888)
Unrealised loss on CFDs and futures	–	(668)	(28)	(14)	(587)	(211)	(64)	–	(10,039)
	(1)	(868)	(5,287)	(1,731)	(593)	(367)	(8,524)	(3,032)	(79,024)
Net gain/(loss) on financial assets and financial liabilities at fair value through profit or loss									
Realised gain/(loss) on investments	15	(4,487)	(26,414)	(2,551)	(1,789)	(6,853)	(8,350)	(4,732)	(130,304)
Change in unrealised gain/(loss) on investments	(2,306)	(3,381)	4,895	965	(3,309)	(1,335)	3,259	(641)	(184,354)
Net gain/(loss) on currencies and FFCTs	(497)	(2,493)	9,580	2,533	(782)	(1,465)	3,936	690	30,500
	(2,788)	(10,361)	(11,939)	947	(5,880)	(9,653)	(1,155)	(4,683)	(284,158)

TRADITIONAL FUNDS plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2013

4. Debtors

	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 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	–

	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 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

	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
	2012	2012	2012	2012	2012	2012	2012	2012
	€000	US\$000	US\$000	US\$000	£000	€000	US\$000	US\$000
<i>Amounts falling due within one year:</i>								
Securities sold receivable	–	31,576	–	430	–	–	–	473
Bond interest receivable	4	13,055	–	–	1,397	576	59	–
Subscriptions receivable	–	115	4,332	1,170	1,718	125	250	7
Dividends receivable	42	–	228	715	–	–	–	27
Bank interest receivable	–	5	–	–	–	–	–	–
Sundry debtors	–	4	–	–	–	–	–	7
	46	44,755	4,560	2,315	3,115	701	309	514

TRADITIONAL FUNDS plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2013

4. Debtors (continued)

	Thames River World Government Bond Fund	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	Total
	2012	2012	2012	2012	2012	2012	2012	2012	2012
	£000	US\$000	€000	€000	£000	US\$000	€000	€000	€000
<i>Amounts falling due within one year:</i>									
Securities sold receivable	17,833	11,294	10,323	3,959	401	10,965	19,195	3,758	100,216
Bond interest receivable	64	238	200	71	–	160	196	347	13,293
Subscriptions receivable	–	1	13	105	27	8	31	–	6,785
Dividends receivable	–	1	–	–	129	31	43	–	992
Bank interest receivable	–	–	1	–	–	–	–	–	5
Sundry debtors	2	–	1	–	32	–	3	13	66
	17,899	11,534	10,538	4,135	589	11,164	19,468	4,118	121,357

5. Cash at bank

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 2013

5. Cash at bank (continued)

At 31 March 2012, cash at bank was deposited with the following institutions on behalf of the relevant Funds:

	F&C European Equity Long/ Short Fund 2012 €000	F&C High Income Bond Fund 2012 US\$000	Eastern European Fund 2012 US\$000	F&C Global Emerging Markets Fund 2012 US\$000	F&C Macro Global Bond Fund (£) 2012 £000	F&C Macro Global Bond Fund (€) 2012 €000	F&C Macro Global Bond Fund (\$) 2012 US\$000	F&C Emerging Asia Fund 2012 US\$000
Bank of America Merrill Lynch	–	–	–	–	–	–	–	–
Barclays Bank	–	12	–	–	–	–	–	–
BNP Paribas	–	1	4	–	6	7	–	–
Goldman Sachs	–	–	–	–	–	–	–	–
Northern Trust (Guernsey)	5,446	19,941	100,064	3,331	68,037	20,868	4,185	755
	5,446	19,954	100,068	3,331	68,043	20,875	4,185	755

	Thames River World Government Bond Fund 2012 £000	F&C Water and Agriculture Equity Long/ Short Fund 2012 US\$000	F&C Global Credit Fund 2012 €000	F&C Credit Select Fund 2012 €000	F&C Real Estate Securities Fund 2012 £000	F&C Global Emerging Markets Equity Long/ Short Fund 2012 US\$000	Thames River – BSI Bond Opportunity Fund 2012 €000	F&C Global High Yield Fund 2012 €000	Total 2012 €000
Bank of America Merrill Lynch	–	328	–	–	–	–	–	–	246
Barclays Bank	–	–	–	–	–	–	–	–	9
BNP Paribas	–	–	–	–	1	–	4,524	2	4,545
Goldman Sachs	–	–	–	–	1,538	–	–	–	1,845
Northern Trust (Guernsey)	–	6,168	3,825	644	11,993	3,909	2,658	1,172	234,524
	–	6,496	3,825	644	13,532	3,909	7,182	1,174	241,169

TRADITIONAL FUNDS plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2013

5. (a) Margin cash

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

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

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

* Terminated 17 April 2012

** Terminated 17 December 2012

*** Launched 3 December 2012

**** Terminated 26 March 2013

TRADITIONAL FUNDS plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2013

5. (a) Margin cash (continued)

As at 31 March 2012, margin cash was deposited with the following institutions on behalf of the relevant Funds:

	F&C European Equity Long/ Short Fund 2012 €000	F&C High Income Bond Fund 2012 US\$000	Eastern European Fund 2012 US\$000	F&C Global Emerging Markets Fund 2012 US\$000	F&C Macro Global Bond Fund (£) 2012 £000	F&C Macro Global Bond Fund (€) 2012 €000	F&C Macro Global Bond Fund (\$) 2012 US\$000	F&C Emerging Asia Fund 2012 US\$000
Bank of America Merrill Lynch	–	3,310	–	–	–	–	–	–
Barclays Bank	–	2,601	–	–	–	–	–	–
BNP Paribas	–	6,020	–	–	–	–	–	–
Citigroup	–	1,462	–	–	–	–	–	–
Credit Suisse	–	–	53,240	–	19,549	5,936	1,377	–
Deutsche Bank	–	2,250	2,958	1,205	–	–	–	122
Goldman Sachs	–	5,717	–	1	–	–	–	73
HSBC	–	5,864	–	–	–	–	–	–
ING Bank	–	1,270	–	–	–	–	–	–
JP Morgan	–	7,831	–	–	–	–	–	–
Morgan Stanley	–	4,030	1,870	–	–	–	–	–
Nomura	–	2,074	–	–	–	–	–	–
Northern Trust (Guernsey)	–	–	–	–	–	–	–	–
RBS	–	1,060	–	–	–	–	–	–
Santander	–	1,185	–	–	–	–	–	–
Société Générale	–	–	–	–	–	–	–	–
UBS	–	1,400	–	–	–	–	–	1
	–	46,074	58,068	1,206	19,549	5,936	1,377	196

	Thames River World Government Bond Fund 2012 £000	F&C Water and Agriculture Equity Long/ Short Fund 2012 US\$000	F&C Global Credit Fund 2012 €000	F&C Credit Select Fund 2012 €000	F&C Real Estate Securities Fund 2012 £000	F&C Global Emerging Markets Equity Long/ Short Fund 2012 US\$000	Thames River – BSI Bond Opportunity Fund 2012 €000	F&C Global High Yield Fund 2012 €000	Total 2012 €000
Bank of America Merrill Lynch	–	–	56	76	–	2,243	–	–	4,302
Barclays Bank	–	–	1,652	500	–	–	1,850	–	5,955
BNP Paribas	–	–	6,082	810	–	–	3,210	640	15,263
Citigroup	–	–	–	–	–	–	–	–	1,098
Credit Suisse	–	–	–	–	–	–	–	–	70,404
Deutsche Bank	–	3,263	2,041	441	–	1,470	1,726	2,900	15,569
Goldman Sachs	–	–	1,170	360	–	–	1,376	229	7,484
HSBC	–	–	1,564	2	–	–	646	2,980	9,595
ING Bank	–	–	–	–	–	–	–	–	954
JP Morgan	–	–	1,161	–	–	–	1,220	–	8,261
Morgan Stanley	–	–	1,322	510	–	–	1,421	570	8,253
Nomura	–	–	380	132	–	–	360	380	2,809
Northern Trust (Guernsey)	–	–	–	–	4,800	–	–	–	5,759
RBS	–	–	–	–	–	–	281	–	1,077
Santander	–	–	1,110	260	–	–	–	–	2,260
Société Générale	–	–	–	280	–	–	–	–	280
UBS	–	–	751	250	–	–	787	251	3,091
	–	3,263	17,289	3,621	4,800	3,713	12,877	7,950	162,414

TRADITIONAL FUNDS plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2013

5. (b) Margin cash payable

As at 31 March 2013, margin cash was payable to the following institutions on behalf of the relevant Funds (2012: No margin cash payable):

	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

5. (c) Bank overdraft

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.

At 31 March 2012 the Thames River World Government Bond Fund held a bank overdraft with Northern Trust (Guernsey) Limited of £244,702.

6. Collateral

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.

As at 31 March 2012 the F&C European Equity Long/Short Fund had collateral receivable of €1,254,446 and collateral payable of €1,254,446.

TRADITIONAL FUNDS plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2013

7. Creditors

	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	77,153
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

TRADITIONAL FUNDS plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2013

7. Creditors (continued)

	F&C European Equity Long/ Short Fund 2012 €000	F&C High Income Bond Fund 2012 US\$000	Eastern European Fund 2012 US\$000	F&C Global Emerging Markets Fund 2012 US\$000	F&C Macro Global Bond Fund (£) 2012 £000	F&C Macro Global Bond Fund (€) 2012 €000	F&C Macro Global Bond Fund (\$) 2012 US\$000	F&C Emerging Asia Fund 2012 US\$000
<i>Amounts falling due within one year:</i>								
Securities purchased payable	714	20,227	4,950	434	–	–	–	–
Redemptions payable	–	1,999	223	618	2,205	7,313	106	–
Investment Management fee payable	20	465	916	356	754	244	–	23
Sundry creditors	63	555	152	123	121	86	101	44
Administration fee payable	2	45	62	20	89	28	6	2
	799	23,291	6,303	1,551	3,169	7,671	213	69

	Thames River World Government Bond Fund 2012 £000	F&C Water and Agriculture Equity Long/ Short Fund 2012 US\$000	F&C Global Credit Fund 2012 €000	F&C Credit Select Fund 2012 €000	F&C Real Estate Securities Fund 2012 £000	F&C Global Emerging Markets Equity Long/ Short Fund 2012 US\$000	Thames River – BSI Bond Opportunity Fund 2012 €000	F&C Global High Yield Fund 2012 €000	Total 2012 €000
<i>Amounts falling due within one year:</i>									
Securities purchased payable	–	2,452	10,325	2,797	–	13,583	16,461	3,784	65,354
Redemptions payable	17,614	1,354	690	98	15	698	6,256	–	41,907
Investment Management fee payable	21	138	76	36	41	54	211	31	3,063
Sundry creditors	73	452	44	36	41	191	24	36	1,785
Administration fee payable	3	9	6	3	4	4	14	2	281
	17,711	4,405	11,141	2,970	101	14,530	22,966	3,853	112,390

8. Distributions

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

F&C High Income Bond Fund

Class A Euro Distributing (formerly Euro Distributing Class)*

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 (formerly US Dollar Distributing Class)*

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	

* Change of name effective 2 July 2012

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2013

8. Distributions (continued)

F&C High Income Bond Fund (continued)

Class A Sterling Distributing (formerly Sterling Distributing Class)*

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 (formerly Norwegian Krone Distributing Class)*

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	

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	

* Change of name effective 2 July 2012

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2013

8. Distributions (continued)

F&C Global Emerging Markets Fund

Class A US Dollar Distributing (formerly US Dollar Distributing Class)*

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 (formerly Euro Distributing Class)*

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 (formerly Sterling Distributing Class)*

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	

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	

* Change of name effective 2 July 2012

TRADITIONAL FUNDS plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2013

8. Distributions (continued)

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
				<u>11,227</u>	

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
				<u>52</u>	

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
				<u>27,985</u>	

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>	

TRADITIONAL FUNDS plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2013

8. Distributions (continued)

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 (formerly Class B 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>	

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>	

* Change of name effective 2 July 2012

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2013

8. Distributions (continued)

During the year ended 31 March 2012 the following distributions were declared and paid:

F&C High Income Bond Fund

Class A Euro Distributing (formerly Euro Distributing Class)*

Date Declared	Date Paid	Rate per Share €	No. of Shares	Amount €	Relevant Period
01.04.11	27.04.11	0.193	3,796,491	732,723	01.01.11 to 31.03.11
01.07.11	27.07.11	0.193	3,706,562	715,367	01.04.11 to 30.06.11
03.10.11	26.10.11	0.193	3,349,887	646,528	01.07.11 to 30.09.11
03.01.12	25.01.12	0.201	3,113,308	625,775	01.10.11 to 30.12.11
				2,720,393	

Class A US Dollar Distributing (formerly US Dollar Distributing Class)*

Date Declared	Date Paid	Rate per Share US\$	No. of Shares	Amount US\$	Relevant Period
01.04.11	27.04.11	0.187	2,933,528	548,570	01.01.11 to 31.03.11
01.07.11	27.07.11	0.187	2,329,241	435,568	01.04.11 to 30.06.11
03.10.11	26.10.11	0.187	2,301,629	430,405	01.07.11 to 30.09.11
03.01.12	25.01.12	0.196	2,239,219	438,887	01.10.11 to 30.12.11
				1,853,430	

Class A Sterling Distributing (formerly Sterling Distributing Class)*

Date Declared	Date Paid	Rate per Share £	No. of Shares	Amount £	Relevant Period
01.04.11	27.04.11	0.200	1,802,223	360,445	01.01.11 to 31.03.11
01.07.11	27.07.11	0.200	1,693,878	338,776	01.04.11 to 30.06.11
03.10.11	26.10.11	0.200	1,473,636	294,727	01.07.11 to 30.09.11
03.01.12	25.01.12	0.212	1,125,098	238,521	01.10.11 to 30.12.11
				1,232,469	

Class A Norwegian Krone Distributing (formerly Norwegian Krone Distributing Class)*

Date Declared	Date Paid	Rate per Share NOK	No. of Shares	Amount NOK	Relevant Period
01.04.11	27.04.11	1.463	70,948	103,797	01.01.11 to 31.03.11
01.07.11	27.07.11	1.463	71,655	104,831	01.04.11 to 30.06.11
03.10.11	26.10.11	1.463	67,149	98,239	01.07.11 to 30.09.11
03.01.12	25.01.12	1.591	63,741	101,412	01.10.11 to 30.12.11
				408,279	

Class A New Euro Distributing

Date Declared	Date Paid	Rate per Share €	No. of Shares	Amount €	Relevant Period
01.04.11	27.04.11	0.143	5,951,040	850,999	01.01.11 to 31.03.11
01.07.11	27.07.11	0.143	5,543,904	792,778	01.04.11 to 30.06.11
03.10.11	26.10.11	0.143	5,099,587	729,241	01.07.11 to 30.09.11
03.01.12	25.01.12	0.145	4,750,598	688,837	01.10.11 to 30.12.11
				3,061,855	

Class A New US Dollar Distributing

Date Declared	Date Paid	Rate per Share US\$	No. of Shares	Amount US\$	Relevant Period
01.04.11	27.04.11	0.146	7,061,091	1,030,919	01.01.11 to 31.03.11
01.07.11	27.07.11	0.146	6,722,982	981,555	01.04.11 to 30.06.11
03.10.11	26.10.11	0.146	5,073,564	740,740	01.07.11 to 30.09.11
03.01.12	25.01.12	0.149	4,702,762	700,712	01.10.11 to 30.12.11
				3,453,926	

* Change of name effective 2 July 2012

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2013

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
01.04.11	27.04.11	0.146	16,231,753	2,369,836	01.01.11 to 31.03.11
01.07.11	27.07.11	0.146	14,206,050	2,074,083	01.04.11 to 30.06.11
03.10.11	26.10.11	0.146	11,217,127	1,637,701	01.07.11 to 30.09.11
03.01.12	25.01.12	0.150	9,501,161	1,425,174	01.10.11 to 30.12.11
				7,506,794	

Class A New Norwegian Krone Distributing

Date Declared	Date Paid	Rate per Share NOK	No. of Shares	Amount NOK	Relevant Period
01.04.11	27.04.11	1.430	894,336	1,278,900	01.01.11 to 31.03.11
01.07.11	27.07.11	1.430	675,796	966,388	01.04.11 to 30.06.11
03.10.11	26.10.11	1.430	670,513	958,833	01.07.11 to 30.09.11
03.01.12	25.01.12	1.526	631,923	964,315	01.10.11 to 30.12.11
				4,168,436	

F&C Global Emerging Markets Fund

Class A US Dollar Distributing (formerly US Dollar Distributing Class)*

Date Declared	Date Paid	Rate per Share US\$	No. of Shares	Amount US\$	Relevant Period
01.04.11	26.04.11	0.02726	2,398,801	65,391	01.04.10 to 31.03.11
				65,391	

Class A Euro Distributing (formerly Euro Distributing Class)*

Date Declared	Date Paid	Rate per Share €	No. of Shares	Amount €	Relevant Period
01.04.11	26.04.11	0.020	972,992	19,148	01.04.10 to 31.03.11
				19,148	

Class A Sterling Distributing (formerly Sterling Distributing Class)*

Date Declared	Date Paid	Rate per Share £	No. of Shares	Amount £	Relevant Period
01.04.11	26.04.11	0.026	1,119,640	29,144	01.04.10 to 31.03.11
				29,144	

F&C Macro Global Bond Fund (£)

US Dollar Distributing Class

Date Declared	Date Paid	Rate per Share US\$	No. of Shares	Amount US\$	Relevant Period
01.06.11	29.06.11	0.05687	102,329	5,819	01.03.11 to 31.05.11
01.09.11	29.09.11	0.03119	102,553	3,199	01.06.11 to 31.08.11
				9,018	

Euro Distributing Class

Date Declared	Date Paid	Rate per Share €	No. of Shares	Amount €	Relevant Period
01.06.11	29.06.11	0.04094	53,938	2,208	01.03.11 to 31.05.11
01.09.11	29.09.11	0.03007	53,071	1,596	01.06.11 to 31.08.11
				3,804	

Class A Sterling Distributing (formerly Sterling Distributing Class)*

Date Declared	Date Paid	Rate per Share £	No. of Shares	Amount £	Relevant Period
01.06.11	29.06.11	0.04599	63,074,627	2,900,802	01.03.11 to 31.05.11
01.09.11	29.09.11	0.03431	58,259,858	1,998,896	01.06.11 to 31.08.11
				4,899,698	

* Change of name effective 2 July 2012

TRADITIONAL FUNDS plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2013

8. Distributions (continued)

F&C Macro Global Bond Fund (€)

Class A Euro Distributing (formerly Euro Distributing Class)*

Date Declared	Date Paid	Rate per Share €	No. of Shares	Amount €	Relevant Period
01.06.11	29.06.11	0.05170	1,288,425	66,612	01.03.11 to 31.05.11
01.09.11	29.09.11	0.03101	1,315,694	40,800	01.06.11 to 31.08.11
				107,412	

F&C Macro Global Bond Fund (\$)

Class A US Dollar Distributing (formerly US Dollar Distributing Class)*

Date Declared	Date Paid	Rate per Share US\$	No. of Shares	Amount US\$	Relevant Period
01.06.11	29.06.11	0.03353	2,356,594	79,017	01.03.11 to 31.05.11
01.09.11	29.09.11	0.01330	1,969,959	26,200	01.06.11 to 31.08.11
				105,217	

F&C Emerging Asia Fund

Class B Sterling Distributing (formerly Class A Sterling Distributing)*

Date Declared	Date Paid	Rate per Share £	No. of Shares	Amount £	Relevant Period
01.04.11	27.04.11	0.02856	13,795	394	01.04.10 to 31.03.11
				394	

Thames River World Government Bond Fund

Sterling Distributing Class

Date Declared	Date Paid	Rate per Share £	No. of Shares	Amount £	Relevant Period
01.06.11	29.06.11	0.04585	4,538,245	208,079	01.03.11 to 31.05.11
01.09.11	29.09.11	0.02691	4,589,534	123,504	01.06.11 to 31.08.11
				331,583	

F&C Global Credit Fund

Class A Sterling Distributing

Date Declared	Date Paid	Rate per Share £	No. of Shares	Amount £	Relevant Period
03.05.11	26.05.11	0.1033	1,121,078	115,807	01.02.11 to 30.04.11
02.08.11	31.08.11	0.0975	962,119	93,807	01.05.11 to 29.07.11
01.11.11	30.11.11	0.0416	957,334	39,825	30.07.11 to 28.10.11
01.02.12	29.02.12	0.0363	894,254	32,461	29.10.11 to 31.01.12
				281,900	

Class B Sterling Distributing

Date Declared	Date Paid	Rate per Share £	No. of Shares	Amount £	Relevant Period
03.05.11	26.05.11	0.1039	2,490,582	258,771	01.02.11 to 30.04.11
02.08.11	31.08.11	0.0982	2,425,893	238,223	01.05.11 to 29.07.11
01.11.11	30.11.11	0.0420	2,442,377	102,580	30.07.11 to 28.10.11
01.02.12	29.02.12	0.0366	1,639,528	60,007	29.10.11 to 31.01.12
				659,581	

Class A Norwegian Krone Distributing

Date Declared	Date Paid	Rate per Share NOK	No. of Shares	Amount NOK	Relevant Period
03.05.11	26.05.11	1.0492	571,634	599,759	01.02.11 to 30.04.11
02.08.11	31.08.11	0.9936	525,309	521,947	01.05.11 to 29.07.11
01.11.11	30.11.11	0.4264	468,687	199,848	30.07.11 to 28.10.11
01.02.12	29.02.12	0.3735	166,031	62,013	29.10.11 to 31.01.12
				1,383,567	

* Change of name effective 2 July 2012

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2013

8. Distributions (continued)

F&C Global Credit Fund (continued)

Class A Euro Distributing

Date Declared	Date Paid	Rate per Share €	No. of Shares	Amount €	Relevant Period
03.05.11	26.05.11	0.1033	486,480	50,253	01.02.11 to 30.04.11
02.08.11	31.08.11	0.0975	473,220	46,139	01.05.11 to 29.07.11
01.11.11	30.11.11	0.0417	345,282	14,398	30.07.11 to 28.10.11
01.02.12	29.02.12	0.0365	229,560	8,379	29.10.11 to 31.01.12
				119,169	

Class A US Dollar Distributing

Date Declared	Date Paid	Rate per Share US\$	No. of Shares	Amount US\$	Relevant Period
03.05.11	26.05.11	0.1032	231,090	23,848	01.02.11 to 30.04.11
02.08.11	31.08.11	0.0973	302,389	29,423	01.05.11 to 29.07.11
01.11.11	30.11.11	0.0415	238,471	9,897	30.07.11 to 28.10.11
01.02.12	29.02.12	0.0362	247,213	8,949	29.10.11 to 31.01.12
				72,117	

F&C Credit Select Fund

Class A Sterling Distributing

Date Declared	Date Paid	Rate per Share £	No. of Shares	Amount £	Relevant Period
01.06.11	29.06.11	0.0843	136,343	11,494	01.03.11 to 31.05.11
01.09.11	29.09.11	0.0653	123,437	8,060	01.06.11 to 31.08.11
01.12.11	21.12.11	0.0398	123,080	4,903	01.09.11 to 30.11.11
01.03.12	28.03.12	0.0299	116,137	3,472	01.12.11 to 29.02.12
				27,929	

Class B Sterling Distributing

Date Declared	Date Paid	Rate per Share £	No. of Shares	Amount £	Relevant Period
01.06.11	29.06.11	0.0848	1,283,243	108,819	01.03.11 to 31.05.11
01.09.11	29.09.11	0.0659	1,024,833	67,536	01.06.11 to 31.08.11
01.12.11	21.12.11	0.0402	1,199,946	48,218	01.09.11 to 30.11.11
01.03.12	28.03.12	0.0302	641,851	19,384	01.12.11 to 29.02.12
				243,957	

Class A US Dollar Distributing

Date Declared	Date Paid	Rate per Share US\$	No. of Shares	Amount US\$	Relevant Period
01.06.11	29.06.11	0.0841	262,786	22,100	01.03.11 to 31.05.11
01.09.11	29.09.11	0.0652	263,149	17,157	01.06.11 to 31.08.11
01.12.11	21.12.11	0.0397	263,444	10,464	01.09.11 to 30.11.11
01.03.12	28.03.12	0.0298	263,633	7,856	01.12.11 to 29.02.12
				57,577	

Class A Euro Distributing

Date Declared	Date Paid	Rate per Share €	No. of Shares	Amount €	Relevant Period
01.06.11	29.06.11	0.0843	388,410	32,743	01.03.11 to 31.05.11
01.09.11	29.09.11	0.0654	388,755	25,425	01.06.11 to 31.08.11
01.12.11	21.12.11	0.0399	387,560	15,469	01.09.11 to 30.11.11
01.03.12	28.03.12	0.0300	381,183	11,435	01.12.11 to 29.02.12
				85,072	

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2013

8. Distributions (continued)

F&C Credit Select Fund (continued)

Class B US Dollar Distributing

Date Declared	Date Paid	Rate per Share US\$	No. of Shares	Amount US\$	Relevant Period
01.06.11	29.06.11	0.0847	40,481	3,429	01.03.11 to 31.05.11
01.09.11	29.09.11	0.0658	40,485	2,664	01.06.11 to 31.08.11
01.12.11	21.12.11	0.0400	40,485	1,621	01.09.11 to 30.11.11
01.03.12	28.03.12	0.0301	40,485	1,219	01.12.11 to 29.02.12
				8,933	

Class B Euro Distributing

Date Declared	Date Paid	Rate per Share €	No. of Shares	Amount €	Relevant Period
01.06.11	29.06.11	0.0849	12,308	1,045	01.03.11 to 31.05.11
01.09.11	29.09.11	0.0659	3,000	198	01.06.11 to 31.08.11
01.12.11	21.12.11	0.0403	3,000	121	01.09.11 to 30.11.11
01.03.12	28.03.12	0.0303	3,000	91	01.12.11 to 29.02.12
				1,455	

Class A Norwegian Krone Distributing

Date Declared	Date Paid	Rate per Share NOK	No. of Shares	Amount NOK	Relevant Period
01.06.11	29.06.11	0.8353	55,769	46,584	01.03.11 to 31.05.11
01.09.11	29.09.11	0.6506	56,057	36,471	01.06.11 to 31.08.11
01.12.11	21.12.11	0.3987	56,292	22,446	01.09.11 to 30.11.11
01.03.12	28.03.12	0.3006	56,437	16,965	01.12.11 to 29.02.12
				122,466	

F&C Real Estate Securities Fund

Class A Sterling Distributing

Date Declared	Date Paid	Rate per Share £	No. of Shares	Amount £	Relevant Period
20.04.2011	28.04.11	0.100	339,765	33,976	01.10.10 to 31.03.11
21.10.2011	28.10.11	0.040	376,013	15,041	01.04.11 to 30.09.11
				49,017	

Class C Sterling Distributing (formerly Class B Sterling Distributing)*

Date Declared	Date Paid	Rate per Share £	No. of Shares	Amount £	Relevant Period
20.04.2011	28.04.11	0.115	675,900	77,729	01.10.10 to 31.03.11
21.10.2011	28.10.11	0.055	767,722	42,225	01.04.11 to 30.09.11
				119,954	

F&C Global High Yield Fund

Class A Euro Distributing

Date Declared	Date Paid	Rate per Share €	No. of Shares	Amount €	Relevant Period
01.11.11	30.11.11	0.1543	477,996	73,764	03.05.11 to 28.10.11
				73,764	

Class A US Dollar Distributing

Date Declared	Date Paid	Rate per Share US\$	No. of Shares	Amount US\$	Relevant Period
01.11.11	30.11.11	0.1569	321,971	50,506	03.05.11 to 28.10.11
				50,506	

* Change of name effective 2 July 2012

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2013

8. Distributions (continued)

F&C Global High Yield Fund (continued)

Class A Sterling Distributing

Date Declared	Date Paid	Rate per Share £	No. of Shares	Amount £	Relevant Period
01.11.11	30.11.11	0.1570	874,968	137,330	03.05.11 to 28.10.11
				<u>137,330</u>	

Class A Norwegian Krone Distributing

Date Declared	Date Paid	Rate per Share NOK	No. of Shares	Amount NOK	Relevant Period
01.11.11	30.11.11	1.5423	332,472	512,771	03.05.11 to 28.10.11
				<u>512,771</u>	

Class B Sterling Distributing

Date Declared	Date Paid	Rate per Share £	No. of Shares	Amount £	Relevant Period
01.11.11	30.11.11	0.1814	2,000,000	362,851	03.05.11 to 28.10.11
				<u>362,851</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 year ended 31 March 2013, the movement in the number of participating shares was as follows:

	Mar 2013 Shares	Mar 2013 Value	Mar 2012 Shares	Mar 2012 Value
F&C European Equity Long/Short Fund (terminated 26 March 2013)				
Class A Old Euro Accumulating (€)				
Opening Shares	29,264		43,959	
Subscriptions	–	–	–	–
Redemptions	(29,264)	(653,472)	(14,695)	(306,118)
Closing Shares	<u>–</u>		<u>29,264</u>	
Class A New Euro Accumulating (€)				
Opening Shares	281,684		310,556	
Subscriptions	164,000	1,964,105	275,000	3,003,000
Redemptions	(445,684)	(5,536,362)	(303,872)	(3,558,346)
Closing Shares	<u>–</u>		<u>281,684</u>	

TRADITIONAL FUNDS plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2013

9. Share Capital (continued)

	Mar 2013 Shares	Mar 2013 Value	Mar 2012 Shares	Mar 2012 Value
F&C European Equity Long/Short Fund (terminated 26 March 2013) (continued)				
Class A Sterling Accumulating (£)				
Opening Shares	4,503		5,433	
Subscriptions	621	7,918	4,942	48,752
Redemptions	(5,124)	(66,577)	(5,872)	(62,208)
Closing Shares	<u>–</u>		<u>4,503</u>	
Class B Euro Accumulating (€)				
Opening Shares	1,401,676		1,398,956	
Subscriptions	–	–	2,904	28,521
Redemptions	(1,401,676)	(16,418,468)	(184)	(2,000)
Closing Shares	<u>–</u>		<u>1,401,676</u>	
Class A Old Sterling Distributing (£)				
Opening Shares	31,760		38,171	
Subscriptions	–	–	–	–
Redemptions	(31,760)	(731,764)	(6,411)	(114,046)
Closing Shares	<u>–</u>		<u>31,760</u>	
Class A New Sterling Distributing (£)				
Opening Shares	4,472		5,229	
Subscriptions	–	–	–	–
Redemptions	(4,472)	(63,623)	(757)	(7,923)
Closing Shares	<u>–</u>		<u>4,472</u>	
Class C Sterling Distributing (£) (formerly Class B Sterling Distributing)*				
Opening Shares	–		500	
Subscriptions	–	–	–	–
Redemptions	–	–	(500)	(5,715)
Closing Shares	<u>–</u>		<u>–</u>	
F&C High Income Bond Fund				
Class A Euro Distributing (€) (formerly Euro Distributing Class)*				
Opening Shares	3,049,003		3,796,491	
Subscriptions	113,767	1,398,867	79,137	811,529
Redemptions	(827,744)	(10,111,877)	(826,625)	(8,501,467)
Closing Shares	<u>2,335,026</u>		<u>3,049,003</u>	
Class A Sterling Distributing (£) (formerly Sterling Distributing Class)*				
Opening Shares	1,058,617		1,812,508	
Subscriptions	19,990	317,471	34,032	362,933
Redemptions	(323,203)	(5,024,248)	(787,923)	(8,282,622)
Closing Shares	<u>755,404</u>		<u>1,058,617</u>	

* Change of name effective 2 July 2012

TRADITIONAL FUNDS plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2013

9. Share Capital (continued)

	Mar 2013 Shares	Mar 2013 Value	Mar 2012 Shares	Mar 2012 Value
F&C High Income Bond Fund (continued)				
Class A US Dollar Distributing (US\$) (formerly US Dollar Distributing Class)*				
Opening Shares	2,218,911		2,933,528	
Subscriptions	52,956	483,377	24,513	243,225
Redemptions	(208,625)	(1,894,921)	(739,130)	(7,735,206)
Closing Shares	<u>2,063,242</u>		<u>2,218,911</u>	
Class A Norwegian Krone Distributing (NOK) (formerly Norwegian Krone Distributing Class)*				
Opening Shares	42,402		70,947	
Subscriptions	2,226	29,399	3,218	261,677
Redemptions	(26,461)	(344,622)	(31,763)	(2,437,826)
Closing Shares	<u>18,167</u>		<u>42,402</u>	
Class A New Euro Accumulating (€)				
Opening Shares	4,730,853		16,472,142	
Subscriptions	303,866	4,569,450	1,612,151	19,539,032
Redemptions	(2,410,054)	(35,847,954)	(13,353,440)	(152,511,213)
Closing Shares	<u>2,624,665</u>		<u>4,730,853</u>	
Class A New Sterling Accumulating (£)				
Opening Shares	160,235		220,890	
Subscriptions	37,530	611,506	73,493	748,221
Redemptions	(113,128)	(1,836,771)	(134,148)	(1,367,133)
Closing Shares	<u>84,637</u>		<u>160,235</u>	
Class A New US Dollar Accumulating (US\$)				
Opening Shares	200,658		338,369	
Subscriptions	215,929	2,231,170	145,318	1,475,908
Redemptions	(174,137)	(1,796,002)	(283,029)	(2,838,157)
Closing Shares	<u>242,450</u>		<u>200,658</u>	
Class A New Euro Distributing (€)				
Opening Shares	4,703,121		5,951,122	
Subscriptions	627,839	5,476,969	793,628	5,780,561
Redemptions	(822,129)	(7,214,861)	(2,041,629)	(15,114,996)
Closing Shares	<u>4,508,831</u>		<u>4,703,121</u>	
Class A New Sterling Distributing (£)				
Opening Shares	8,972,436		16,233,532	
Subscriptions	585,275	6,532,935	2,170,033	17,072,008
Redemptions	(5,948,407)	(65,890,279)	(9,431,129)	(72,399,511)
Closing Shares	<u>3,609,304</u>		<u>8,972,436</u>	

* Change of name effective 2 July 2012

TRADITIONAL FUNDS plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2013

9. Share Capital (continued)

	Mar 2013 Shares	Mar 2013 Value	Mar 2012 Shares	Mar 2012 Value
F&C High Income Bond Fund (continued)				
Class A New US Dollar Distributing (US\$)				
Opening Shares	4,052,964		7,063,025	
Subscriptions	262,967	1,840,763	2,684,553	19,974,665
Redemptions	(1,146,709)	(7,915,916)	(5,694,614)	(42,161,554)
Closing Shares	<u>3,169,222</u>		<u>4,052,964</u>	
Class A New Norwegian Krone Distributing (NOK)				
Opening Shares	1,033,272		894,336	
Subscriptions	99,313	1,232,684	442,839	32,673,306
Redemptions	(542,192)	(6,816,021)	(303,903)	(24,668,702)
Closing Shares	<u>590,393</u>		<u>1,033,272</u>	
Class C Sterling Distributing (£)				
Opening Shares	—		—	
Subscriptions	37,242	586,984	—	—
Redemptions	(1,789)	(26,802)	—	—
Closing Shares	<u>35,453</u>		<u>—</u>	
Eastern European Fund				
US Dollar Class (US\$)				
Opening Shares	7,237,609		6,798,833	
Subscriptions	2,408,928	192,224,983	3,906,898	335,185,537
Redemptions	(3,081,485)	(241,416,123)	(3,468,122)	(272,310,664)
Closing Shares	<u>6,565,052</u>		<u>7,237,609</u>	
F&C Global Emerging Markets Fund				
Class A Euro Accumulating (€) (formerly Euro Accumulating Class)*				
Opening Shares	983,436		1,960,205	
Subscriptions	34,118	973,610	149,157	3,181,090
Redemptions	(543,482)	(15,860,525)	(1,125,926)	(23,696,887)
Closing Shares	<u>474,072</u>		<u>983,436</u>	
Class A US Dollar Accumulating (US\$) (formerly US Dollar Accumulating Class)*				
Opening Shares	5,234,802		16,474,138	
Subscriptions	1,064,356	14,580,493	2,862,330	41,717,450
Redemptions	(2,263,852)	(31,097,916)	(14,101,666)	(219,869,638)
Closing Shares	<u>4,035,306</u>		<u>5,234,802</u>	
Class A Euro Distributing (€) (formerly Euro Distributing Class)*				
Opening Shares	697,699		973,799	
Subscriptions	39,904	1,969,900	93,658	3,166,643
Redemptions	(260,147)	(12,589,881)	(369,758)	(12,924,714)
Closing Shares	<u>477,456</u>		<u>697,699</u>	

* Change of name effective 2 July 2012

TRADITIONAL FUNDS plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2013

9. Share Capital (continued)

	Mar 2013 Shares	Mar 2013 Value	Mar 2012 Shares	Mar 2012 Value
F&C Global Emerging Markets Fund (continued)				
Class A Sterling Distributing (£) (formerly Sterling Distributing Class)*				
Opening Shares	513,848		1,121,762	
Subscriptions	5,309	362,436	21,507	979,375
Redemptions	(212,696)	(14,435,730)	(629,421)	(29,550,450)
Closing Shares	<u>306,461</u>		<u>513,848</u>	
Class A US Dollar Distributing (US\$) (formerly US Dollar Distributing Class)*				
Opening Shares	1,153,755		2,413,704	
Subscriptions	79,358	3,531,118	83,177	3,878,341
Redemptions	(351,535)	(15,414,136)	(1,343,126)	(63,959,019)
Closing Shares	<u>881,578</u>		<u>1,153,755</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 (£) (formerly Sterling Accumulating Class)*				
Opening Shares	7,417,510		6,302,595	
Subscriptions	781,128	12,384,007	2,630,030	43,251,012
Redemptions	(3,551,704)	(56,278,203)	(1,515,115)	(24,951,799)
Closing Shares	<u>4,646,934</u>		<u>7,417,510</u>	
Euro Distributing Class (€)				
Opening Shares	53,178		53,937	
Subscriptions	643	6,122	252	3,161
Redemptions	(11,158)	(106,505)	(1,011)	(12,603)
Closing Shares	<u>42,663</u>		<u>53,178</u>	
Class A Sterling Distributing (£) (formerly Sterling Distributing Class)*				
Opening Shares	52,767,448		62,135,953	
Subscriptions	4,305,553	58,907,637	22,302,768	317,609,184
Redemptions	(33,104,708)	(449,375,316)	(31,671,273)	(448,604,985)
Closing Shares	<u>23,968,293</u>		<u>52,767,448</u>	
US Dollar Distributing Class (US\$)				
Opening Shares	102,693		105,058	
Subscriptions	–	–	364	4,722
Redemptions	(44,108)	(345,592)	(2,729)	(35,650)
Closing Shares	<u>58,585</u>		<u>102,693</u>	

* Change of name effective 2 July 2012

TRADITIONAL FUNDS plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2013

9. Share Capital (continued)

	Mar 2013 Shares	Mar 2013 Value	Mar 2012 Shares	Mar 2012 Value
F&C Macro Global Bond Fund (£) (continued)				
Class C Sterling Distributing (£)				
Opening Shares	–		–	
Subscriptions	5,607,966	55,385,512	–	–
Redemptions	(178,098)	(1,753,137)	–	–
Closing Shares	<u>5,429,868</u>		<u>–</u>	
Class C Sterling Accumulating (£)				
Opening Shares	–		–	
Subscriptions	618,596	6,194,273	–	–
Redemptions	(20,981)	(210,632)	–	–
Closing Shares	<u>597,615</u>		<u>–</u>	
F&C Macro Global Bond Fund (€)				
Class A Euro Accumulating (€) (formerly Euro Accumulating Class)*				
Opening Shares	17,508,639		17,243,392	
Subscriptions	5,407,031	78,178,061	9,086,697	128,530,507
Redemptions	(9,752,729)	(140,901,129)	(8,821,450)	(124,838,893)
Closing Shares	<u>13,162,941</u>		<u>17,508,639</u>	
Class A Euro Distributing (€) (formerly Euro Distributing Class)*				
Opening Shares	1,452,396		1,301,893	
Subscriptions	707,974	9,063,156	495,052	6,266,241
Redemptions	(659,155)	(8,285,410)	(344,549)	(4,353,369)
Closing Shares	<u>1,501,215</u>		<u>1,452,396</u>	
F&C Macro Global Bond Fund (\$)				
Class A US Dollar Accumulating (US\$) (formerly US Dollar Accumulating Class)*				
Opening Shares	2,909,367		2,127,890	
Subscriptions	855,132	10,283,277	1,392,522	17,390,450
Redemptions	(1,724,797)	(20,653,118)	(611,045)	(7,672,916)
Closing Shares	<u>2,039,702</u>		<u>2,909,367</u>	
Class A US Dollar Distributing (US\$) (formerly US Dollar Distributing Class)*				
Opening Shares	2,486,418		2,297,066	
Subscriptions	159,525	1,681,156	979,432	10,734,972
Redemptions	(1,943,951)	(20,305,384)	(790,080)	(8,714,603)
Closing Shares	<u>701,992</u>		<u>2,486,418</u>	

* Change of name effective 2 July 2012

TRADITIONAL FUNDS plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2013

9. Share Capital (continued)

	Mar 2013 Shares	Mar 2013 Value	Mar 2012 Shares	Mar 2012 Value
F&C Emerging Asia Fund				
Class B Euro Accumulating (€) (formerly Class A Euro Accumulating)*				
Opening Shares	1		370,663	
Subscriptions	23,438	346,172	192,063	2,230,964
Redemptions	(23,439)	(363,220)	(562,725)	(5,238,236)
Closing Shares	<u>1</u>		<u>1</u>	
Class B US Dollar Accumulating (US\$) (formerly Class A US Dollar Accumulating)*				
Opening Shares	6,043		7,326	
Subscriptions	6,276	65,775	1,592	16,000
Redemptions	(12,319)	(130,563)	(2,875)	(33,403)
Closing Shares	<u>6,043</u>		<u>6,043</u>	
Class B Sterling Distributing (£) (formerly Class A Sterling Distributing)*				
Opening Shares	4,751		13,795	
Subscriptions	12,080	238,657	19	258
Redemptions	(5,804)	(118,096)	(9,063)	(104,575)
Closing Shares	<u>11,027</u>		<u>4,751</u>	
Class A Euro Accumulating (€) (formerly Class B Euro Accumulating)*				
Opening Shares	590,064		994,441	
Subscriptions	636,964	7,953,203	334,745	3,012,212
Redemptions	(602,561)	(7,288,286)	(739,122)	(6,049,200)
Closing Shares	<u>624,467</u>		<u>590,064</u>	
Class A US Dollar Accumulating (US\$) (formerly Class B US Dollar Accumulating)*				
Opening Shares	595,900		708,212	
Subscriptions	41,562	361,354	278,403	2,527,379
Redemptions	(146,486)	(1,187,463)	(390,715)	(2,998,107)
Closing Shares	<u>490,976</u>		<u>595,900</u>	
Class A Euro Distributing (€) (formerly Class B Euro Distributing)*				
Opening Shares	13,566		13,566	
Subscriptions	–	–	–	–
Redemptions	(5,848)	(70,905)	–	–
Closing Shares	<u>7,718</u>		<u>13,566</u>	

* Change of name effective 2 July 2012

TRADITIONAL FUNDS plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2013

9. Share Capital (continued)

	Mar 2013 Shares	Mar 2013 Value	Mar 2012 Shares	Mar 2012 Value
F&C Emerging Asia Fund (continued)				
Class A Sterling Distributing (£) (formerly Class B Sterling Distributing)*				
Opening Shares	88,717		201,064	
Subscriptions	260,134	4,802,350	8,157	96,629
Redemptions	(36,224)	(631,224)	(120,504)	(1,325,696)
Closing Shares	<u>312,627</u>		<u>88,717</u>	
Class A US Dollar Distributing (US\$) (formerly Class B US Dollar Distributing)*				
Opening Shares	100,735		103,288	
Subscriptions	2,362	19,978	3,996	33,140
Redemptions	(74,833)	(642,111)	(6,549)	(55,068)
Closing Shares	<u>28,264</u>		<u>100,735</u>	
Thames River World Government Bond Fund (terminated 17 April 2012)				
Sterling Accumulating Class (£)				
Opening Shares	–		2,170,890	
Subscriptions	–	–	156,708	5,072,612
Redemptions	–	–	(2,327,598)	(46,646,295)
Closing Shares	<u>–</u>		<u>–</u>	
Sterling Distributing Class (£)				
Opening Shares	725		5,149,621	
Subscriptions	–	–	474,582	1,737,800
Redemptions	(725)	(6,790)	(5,623,478)	(20,315,885)
Closing Shares	<u>–</u>		<u>725</u>	
F&C Water and Agriculture Equity Long/Short Fund				
Class A Euro Accumulating (€) (formerly Euro Accumulating Class)*				
Opening Shares	1,325,724		1,527,386	
Subscriptions	258,141	3,951,417	549,127	6,672,576
Redemptions	(771,747)	(12,357,354)	(750,789)	(8,943,298)
Closing Shares	<u>812,118</u>		<u>1,325,724</u>	
Class A Sterling Accumulating (£) (formerly Sterling Accumulating Class)*				
Opening Shares	821,795		597,043	
Subscriptions	182,531	3,032,954	626,400	6,783,468
Redemptions	(714,312)	(12,091,245)	(401,648)	(4,315,915)
Closing Shares	<u>290,014</u>		<u>821,795</u>	
Class A US Dollar Accumulating (US\$) (formerly US Dollar Accumulating Class)*				
Opening Shares	1,591,491		995,882	
Subscriptions	91,788	1,094,945	1,150,118	13,728,677
Redemptions	(734,142)	(8,682,113)	(554,509)	(6,504,402)
Closing Shares	<u>949,137</u>		<u>1,591,491</u>	

* Change of name effective 2 July 2012

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2013

9. Share Capital (continued)

	Mar 2013 Shares	Mar 2013 Value	Mar 2012 Shares	Mar 2012 Value
F&C Water and Agriculture Equity Long/Short Fund (continued)				
Class A Norwegian Krone Accumulating (NOK) (formerly Norwegian Krone Accumulating Class)*				
Opening Shares	175,347		95,071	
Subscriptions	10,350	199,107	86,005	9,091,677
Redemptions	(90,012)	(1,704,520)	(5,729)	(598,027)
Closing Shares	<u>95,685</u>		<u>175,347</u>	
Class A Singapore Dollar Accumulating (SGD) (formerly Singapore Dollar Accumulating Class)*				
Opening Shares	1,200		–	
Subscriptions	9,856	82,772	1,200	12,000
Redemptions	(77)	(657)	–	–
Closing Shares	<u>10,979</u>		<u>1,200</u>	
Class A Euro Distributing (€) (formerly Euro Distributing Class)*				
Opening Shares	145,967		142,211	
Subscriptions	914	14,025	40,481	488,687
Redemptions	(124,311)	(1,915,506)	(36,725)	(426,094)
Closing Shares	<u>22,570</u>		<u>145,967</u>	
Class A Sterling Distributing (£) (formerly Sterling Distributing Class)*				
Opening Shares	1,472,308		1,686,361	
Subscriptions	252,079	4,786,967	250,844	3,042,560
Redemptions	(566,517)	(10,807,646)	(464,897)	(5,491,108)
Closing Shares	<u>1,157,870</u>		<u>1,472,308</u>	
Class A US Dollar Distributing (US\$) (formerly US Dollar Distributing Class)*				
Opening Shares	28,419		21,539	
Subscriptions	7,551	78,433	7,380	77,986
Redemptions	(13,429)	(141,958)	(500)	(5,215)
Closing Shares	<u>22,541</u>		<u>28,419</u>	
Class C Sterling Accumulating (£)				
Opening Shares	–		–	
Subscriptions	46,927	748,647	–	–
Redemptions	–	–	–	–
Closing Shares	<u>46,927</u>		<u>–</u>	
Class C Sterling Distributing (£)				
Opening Shares	–		–	
Subscriptions	56,182	895,620	–	–
Redemptions	–	–	–	–
Closing Shares	<u>56,182</u>		<u>–</u>	

* Change of name effective 2 July 2012

TRADITIONAL FUNDS plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2013

9. Share Capital (continued)

	Mar 2013 Shares	Mar 2013 Value	Mar 2012 Shares	Mar 2012 Value
F&C Global Credit Fund (terminated 26 March 2013)				
Class A Euro Accumulating (€)				
Opening Shares	2,280,079		7,257,934	
Subscriptions	168,230	1,775,998	2,194,508	23,830,841
Redemptions	(2,448,309)	(25,781,268)	(7,172,363)	(75,186,018)
Closing Shares	<u>–</u>		<u>2,280,079</u>	
Class A Sterling Accumulating (£)				
Opening Shares	315,345		790,634	
Subscriptions	2,460	32,509	137,669	1,474,632
Redemptions	(317,805)	(4,122,638)	(612,958)	(6,321,055)
Closing Shares	<u>–</u>		<u>315,345</u>	
Class A US Dollar Accumulating (US\$)				
Opening Shares	333,661		1,290,795	
Subscriptions	8,495	70,104	33,976	364,934
Redemptions	(342,156)	(2,789,726)	(991,110)	(10,576,921)
Closing Shares	<u>–</u>		<u>333,661</u>	
Class A Euro Distributing (€)				
Opening Shares	154,580		495,033	
Subscriptions	14,423	139,096	12,872	128,551
Redemptions	(169,003)	(1,640,366)	(353,325)	(3,398,861)
Closing Shares	<u>–</u>		<u>154,580</u>	
Class A Sterling Distributing (£)				
Opening Shares	772,127		1,132,753	
Subscriptions	2,840	34,099	9,018	88,738
Redemptions	(774,967)	(8,923,412)	(369,644)	(3,678,701)
Closing Shares	<u>–</u>		<u>772,127</u>	
Class A US Dollar Distributing (US\$)				
Opening Shares	152,195		231,090	
Subscriptions	15,633	121,774	96,103	971,923
Redemptions	(167,828)	(1,243,501)	(174,998)	(1,699,134)
Closing Shares	<u>–</u>		<u>152,195</u>	
Class B Euro Accumulating (€)				
Opening Shares	560,742		3,572,021	
Subscriptions	–	–	2,003,199	21,846,054
Redemptions	(560,742)	(5,965,042)	(5,014,478)	(51,227,674)
Closing Shares	<u>–</u>		<u>560,742</u>	
Class B Sterling Accumulating (£)				
Opening Shares	18,131		214,348	
Subscriptions	–	–	31,799	352,772
Redemptions	(18,131)	(233,650)	(228,016)	(2,327,537)
Closing Shares	<u>–</u>		<u>18,131</u>	

TRADITIONAL FUNDS plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2013

9. Share Capital (continued)

	Mar 2013 Shares	Mar 2013 Value	Mar 2012 Shares	Mar 2012 Value
F&C Global Credit Fund (terminated 26 March 2013) (continued)				
Class B US Dollar Accumulating (US\$)				
Opening Shares	680,245		2,825,600	
Subscriptions	9,989	80,931	1,250,664	13,651,935
Redemptions	(690,234)	(5,743,650)	(3,396,019)	(35,091,934)
Closing Shares	<u>–</u>		<u>680,245</u>	
Class B Swiss Franc Accumulating (CHF)				
Opening Shares	–		–	
Subscriptions	–	–	563,521	5,618,612
Redemptions	–	–	(563,521)	(5,112,616)
Closing Shares	<u>–</u>		<u>–</u>	
Class B Sterling Distributing (£)				
Opening Shares	279,119		2,461,323	
Subscriptions	2,305	28,025	358,390	3,697,871
Redemptions	(281,424)	(3,363,888)	(2,540,594)	(24,636,138)
Closing Shares	<u>–</u>		<u>279,119</u>	
Class A Norwegian Krone Distributing (NOK)				
Opening Shares	90,104		618,757	
Subscriptions	243	3,310	35,408	3,690,998
Redemptions	(90,347)	(1,215,678)	(564,061)	(56,179,336)
Closing Shares	<u>–</u>		<u>90,104</u>	
F&C Credit Select Fund (terminated 26 March 2013)				
Class A Euro Accumulating (€)				
Opening Shares	841,963		1,033,449	
Subscriptions	6,490	69,505	22,040	234,238
Redemptions	(848,453)	(9,244,489)	(213,526)	(2,285,875)
Closing Shares	<u>–</u>		<u>841,963</u>	
Class A Sterling Accumulating (£)				
Opening Shares	243,126		499,838	
Subscriptions	4,130	56,402	120,729	1,299,095
Redemptions	(247,256)	(3,308,845)	(377,441)	(3,996,691)
Closing Shares	<u>–</u>		<u>243,126</u>	
Class A US Dollar Accumulating (US\$)				
Opening Shares	206,258		323,271	
Subscriptions	–	–	2,686	29,083
Redemptions	(206,258)	(1,736,992)	(119,699)	(1,291,018)
Closing Shares	<u>–</u>		<u>206,258</u>	
Class A Sterling Distributing (£)				
Opening Shares	93,045		361,251	
Subscriptions	35	440	4,905	49,489
Redemptions	(93,080)	(1,138,163)	(273,111)	(2,847,154)
Closing Shares	<u>–</u>		<u>93,045</u>	

TRADITIONAL FUNDS plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2013

9. Share Capital (continued)

	Mar 2013 Shares	Mar 2013 Value	Mar 2012 Shares	Mar 2012 Value
F&C Credit Select Fund (terminated 26 March 2013) (continued)				
Class A Euro Distributing (€)				
Opening Shares	381,214		392,495	
Subscriptions	8,555	87,638	40,047	422,343
Redemptions	(389,769)	(3,999,429)	(51,328)	(525,452)
Closing Shares	<u>–</u>		<u>381,214</u>	
Class A US Dollar Distributing (US\$)				
Opening Shares	201,731		372,786	
Subscriptions	148	1,175	36,362	363,001
Redemptions	(201,879)	(1,555,346)	(207,417)	(2,118,762)
Closing Shares	<u>–</u>		<u>201,731</u>	
Class A Norwegian Krone Distributing (NOK)				
Opening Shares	36,544		55,769	
Subscriptions	272	3,847	775	78,601
Redemptions	(36,816)	(520,774)	(20,000)	(2,023,400)
Closing Shares	<u>–</u>		<u>36,544</u>	
Class B Sterling Accumulating (£)				
Opening Shares	35,546		94,840	
Subscriptions	–	–	–	–
Redemptions	(35,546)	(459,113)	(59,294)	(619,952)
Closing Shares	<u>–</u>		<u>35,546</u>	
Class B US Dollar Accumulating (US\$)				
Opening Shares	64,691		84,653	
Subscriptions	–	–	9,681	102,875
Redemptions	(64,691)	(584,003)	(29,643)	(322,248)
Closing Shares	<u>–</u>		<u>64,691</u>	
Class B Euro Distributing (€)				
Opening Shares	1,009		12,308	
Subscriptions	–	–	9	91
Redemptions	(1,009)	(10,430)	(11,308)	(118,008)
Closing Shares	<u>–</u>		<u>1,009</u>	
Class B Sterling Distributing (£)				
Opening Shares	465,114		1,331,514	
Subscriptions	13,299	169,783	269,860	2,722,490
Redemptions	(478,413)	(6,264,498)	(1,136,260)	(11,613,227)
Closing Shares	<u>–</u>		<u>465,114</u>	
Class B US Dollar Distributing (US\$)				
Opening Shares	54,246		40,481	
Subscriptions	–	–	13,765	140,332
Redemptions	(54,246)	(457,083)	–	–
Closing Shares	<u>–</u>		<u>54,246</u>	

TRADITIONAL FUNDS plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2013

9. Share Capital (continued)

	Mar 2013 Shares	Mar 2013 Value	Mar 2012 Shares	Mar 2012 Value
F&C Real Estate Securities Fund				
Class A Euro Accumulating (€)				
Opening Shares	412,562		1,249,918	
Subscriptions	93,820	908,644	636,264	7,702,837
Redemptions	(348,374)	(2,865,705)	(1,473,620)	(15,396,345)
Closing Shares	<u>158,008</u>		<u>412,562</u>	
Class A Sterling Accumulating (£)				
Opening Shares	173,533		237,867	
Subscriptions	60,492	708,272	71,064	831,750
Redemptions	(93,543)	(1,025,036)	(135,398)	(1,502,246)
Closing Shares	<u>140,482</u>		<u>173,533</u>	
Class A Norwegian Krone Accumulating (NOK)				
Opening Shares	124,444		–	
Subscriptions	58,894	531,224	144,713	12,213,542
Redemptions	(6,744)	(65,687)	(20,269)	(1,582,963)
Closing Shares	<u>176,594</u>		<u>124,444</u>	
Class A Sterling Distributing (£)				
Opening Shares	198,085		333,331	
Subscriptions	11,796	138,606	152,086	1,777,417
Redemptions	(75,661)	(802,483)	(287,332)	(3,053,993)
Closing Shares	<u>134,220</u>		<u>198,085</u>	
Class B Euro Accumulating (€)				
Opening Shares	33,892		226,382	
Subscriptions	479,500	4,179,837	74,086	925,306
Redemptions	(5,353)	(49,536)	(266,576)	(3,238,092)
Closing Shares	<u>508,039</u>		<u>33,892</u>	
Class B Sterling Accumulating (£)				
Opening Shares	2,035,235		1,372,083	
Subscriptions	23,115	271,966	885,150	9,522,986
Redemptions	(998,214)	(11,663,839)	(221,998)	(2,619,305)
Closing Shares	<u>1,060,136</u>		<u>2,035,235</u>	
Class C Sterling Distributing (£) (formerly Class B Sterling Distributing)*				
Opening Shares	787,928		663,656	
Subscriptions	8,446	91,619	362,986	4,252,932
Redemptions	(366,598)	(3,812,306)	(238,714)	(2,535,128)
Closing Shares	<u>429,776</u>		<u>787,928</u>	

* Change of name effective 2 July 2012

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2013

9. Share Capital (continued)

	Mar 2013 Shares	Mar 2013 Value	Mar 2012 Shares	Mar 2012 Value
F&C Global Emerging Markets Equity Long/Short Fund				
Class A Euro Accumulating (€)				
Opening Shares	782,931		–	
Subscriptions	368,099	4,151,249	2,118,722	21,130,361
Redemptions	(501,758)	(5,673,758)	(1,335,791)	(12,264,098)
Closing Shares	<u>649,272</u>		<u>782,931</u>	
Class A Sterling Accumulating (£)				
Opening Shares	491,482		–	
Subscriptions	860	11,544	1,020,335	10,189,044
Redemptions	(80,736)	(1,119,769)	(528,853)	(4,745,971)
Closing Shares	<u>411,606</u>		<u>491,482</u>	
Class A US Dollar Accumulating (US\$)				
Opening Shares	542,433		–	
Subscriptions	11,674	100,962	734,003	7,273,915
Redemptions	(448,092)	(3,883,244)	(191,570)	(1,745,119)
Closing Shares	<u>106,015</u>		<u>542,433</u>	
Class A Norwegian Krone Accumulating (NOK)				
Opening Shares	83,875		–	
Subscriptions	7,072	115,290	84,865	8,480,964
Redemptions	(81,450)	(1,282,892)	(990)	(97,625)
Closing Shares	<u>9,497</u>		<u>83,875</u>	
Class A Sterling Distributing (£)				
Opening Shares	351,756		–	
Subscriptions	17,030	240,726	368,616	3,461,471
Redemptions	(243,706)	(3,404,235)	(16,860)	(151,523)
Closing Shares	<u>125,080</u>		<u>351,756</u>	
Class B Euro Accumulating (€)				
Opening Shares	29,655		–	
Subscriptions	–	–	57,320	573,200
Redemptions	(29,655)	(327,788)	(27,665)	(244,420)
Closing Shares	<u>–</u>		<u>29,655</u>	
Class B Sterling Accumulating (£)				
Opening Shares	–		–	
Subscriptions	–	–	125,000	1,250,000
Redemptions	–	–	(125,000)	(1,132,268)
Closing Shares	<u>–</u>		<u>–</u>	

TRADITIONAL FUNDS plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2013

9. Share Capital (continued)

	Mar 2013 Shares	Mar 2013 Value	Mar 2012 Shares	Mar 2012 Value
F&C Global Emerging Markets Equity Long/Short Fund (continued)				
Class B US Dollar Accumulating (US\$)				
Opening Shares	923,842		–	
Subscriptions	–	–	1,026,942	10,231,000
Redemptions	(923,842)	(8,331,590)	(103,100)	(925,838)
Closing Shares	<u>–</u>		<u>923,842</u>	
Class B Swiss Franc Accumulating (CHF)				
Opening Shares	89,720		–	
Subscriptions	–	–	126,400	1,264,011
Redemptions	(89,720)	(828,402)	(36,680)	(322,417)
Closing Shares	<u>–</u>		<u>89,720</u>	
Class C Sterling Distributing (£) (formerly Class B Sterling Distributing)*				
Opening Shares	162,860		–	
Subscriptions	24,667	358,269	240,730	2,406,587
Redemptions	(168,745)	(2,433,734)	(77,870)	(696,144)
Closing Shares	<u>18,782</u>		<u>162,860</u>	
Thames River – BSI Bond Opportunity Fund (terminated 17 December 2012)				
Euro Accumulating Class (€)				
Opening Shares	6,804,057		9,400,231	
Subscriptions	117,247	1,189,003	2,184,877	22,265,913
Redemptions	(6,921,304)	(70,104,371)	(4,781,051)	(47,364,374)
Closing Shares	<u>–</u>		<u>6,804,057</u>	
US Dollar Accumulating Class (US\$)				
Opening Shares	6,361,176		7,518,300	
Subscriptions	56,445	447,797	1,445,511	14,564,911
Redemptions	(6,417,621)	(50,209,541)	(2,602,635)	(25,859,109)
Closing Shares	<u>–</u>		<u>6,361,176</u>	
Swiss Franc Accumulating Class (CHF)				
Opening Shares	1,021,586		644,000	
Subscriptions	40,127	326,175	724,106	7,212,976
Redemptions	(1,061,713)	(8,705,261)	(346,520)	(3,330,898)
Closing Shares	<u>–</u>		<u>1,021,586</u>	
F&C Global High Yield Fund				
Class A Euro Accumulating (€)				
Opening Shares	574,421		–	
Subscriptions	569,356	5,937,574	2,222,774	22,051,709
Redemptions	(826,529)	(8,677,842)	(1,648,353)	(15,329,380)
Closing Shares	<u>317,248</u>		<u>574,421</u>	

* Change of name effective 2 July 2012

TRADITIONAL FUNDS plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2013

9. Share Capital (continued)

	Mar 2013 Shares	Mar 2013 Value	Mar 2012 Shares	Mar 2012 Value
F&C Global High Yield Fund (continued)				
Class A Sterling Accumulating (£)				
Opening Shares	553,554		–	
Subscriptions	92,293	1,147,886	655,204	6,287,494
Redemptions	(571,987)	(7,518,738)	(101,650)	(908,925)
Closing Shares	<u>73,860</u>		<u>553,554</u>	
Class A US Dollar Accumulating (US\$)				
Opening Shares	348,277		–	
Subscriptions	381,680	3,197,581	850,832	8,213,512
Redemptions	(628,911)	(5,138,457)	(502,555)	(4,517,834)
Closing Shares	<u>101,046</u>		<u>348,277</u>	
Class A Euro Distributing (€)				
Opening Shares	340,200		–	
Subscriptions	83,075	852,956	485,599	4,729,966
Redemptions	(221,442)	(2,236,569)	(145,399)	(1,273,958)
Closing Shares	<u>201,833</u>		<u>340,200</u>	
Class A Sterling Distributing (£)				
Opening Shares	385,795		–	
Subscriptions	238,880	2,975,953	900,488	8,986,700
Redemptions	(572,566)	(7,118,568)	(514,693)	(4,510,042)
Closing Shares	<u>52,109</u>		<u>385,795</u>	
Class A US Dollar Distributing (US\$)				
Opening Shares	233,949		–	
Subscriptions	31,053	235,101	352,992	3,492,548
Redemptions	(172,569)	(1,364,229)	(119,043)	(1,079,664)
Closing Shares	<u>92,433</u>		<u>233,949</u>	
Class A Norwegian Krone Distributing (NOK)				
Opening Shares	8,854		–	
Subscriptions	67,520	948,141	351,059	34,055,930
Redemptions	(14,698)	(208,080)	(342,205)	(31,209,709)
Closing Shares	<u>61,676</u>		<u>8,854</u>	
Class B Euro Accumulating (€)				
Opening Shares	65,681		–	
Subscriptions	–	–	170,000	1,700,000
Redemptions	(65,681)	(645,043)	(104,319)	(930,694)
Closing Shares	<u>–</u>		<u>65,681</u>	

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2013

9. Share Capital (continued)

	Mar 2013 Shares	Mar 2013 Value	Mar 2012 Shares	Mar 2012 Value
F&C Global High Yield Fund (continued)				
Class B Sterling Distributing (£)				
Opening Shares	–		–	
Subscriptions	–	–	2,000,000	20,000,000
Redemptions	–	–	(2,000,000)	(17,525,712)
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 (launched 3 December 2012)				
Class A Euro Accumulating (€)				
Opening Shares	–		–	
Subscriptions	365,045	3,650,445	–	–
Redemptions	(8,757)	(87,666)	–	–
Closing Shares	<u>356,288</u>		<u>–</u>	
Class A Sterling Accumulating (£)				
Opening Shares	–		–	
Subscriptions	130,579	1,578,152	–	–
Redemptions	(51,836)	(604,047)	–	–
Closing Shares	<u>78,743</u>		<u>–</u>	
Class A US Dollar Accumulating (US\$)				
Opening Shares	–		–	
Subscriptions	1,762	12,983	–	–
Redemptions	(1,762)	(13,501)	–	–
Closing Shares	<u>–</u>		<u>–</u>	
Class C Sterling Accumulating (£)				
Opening Shares	–		–	
Subscriptions	4,307,727	53,007,947	–	–
Redemptions	(327,956)	(3,817,713)	–	–
Closing Shares	<u>3,979,771</u>		<u>–</u>	
Class B Euro Accumulating (€)				
Opening Shares	–		–	
Subscriptions	1,151,771	11,518,060	–	–
Redemptions	–	–	–	–
Closing Shares	<u>1,151,771</u>		<u>–</u>	

31 March 2013

10. Derivatives and Other Financial Instruments

(i) Strategy in using financial instruments

The activities of the various Funds expose them to a variety of financial risks, defined for financial reporting purposes in FRS 29 as market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Funds' overall risk management programme focuses on the Funds' exposure to financial markets and seeks to ensure that, within the UCITS guidelines, the appropriate level of risk is taken at all times to maximise returns while minimising the potential adverse effects on the Funds' financial performance. The Funds may also use financial derivative instruments (FDI) to gain exposure to or to moderate certain risk exposures.

Each Fund may utilise financial derivative instruments for investment purposes and / or for efficient portfolio management (EPM) purposes in line with the guidance included in UCITS Notice 8.4 issued by the Central Bank of Ireland.

In the F&C European Equity Long/Short Fund, the F&C Macro Global Bond Funds ((£), (€) and (\$)), the F&C High Income Bond Fund, F&C Global Credit Fund, F&C Credit Select Fund, Thames River – BSI Bond Opportunity Fund, F&C Water and Agriculture Equity Long/Short Fund, the F&C Real Estate Securities Fund and the F&C Global Emerging Markets Equity Long/Short Fund the Investment Manager has used derivatives both to create as well as to hedge the portfolios' exposure as part of its investment strategy.

Forward foreign currency contracts are utilised by all Funds for both investment management and efficient portfolio management purposes. 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 EPM techniques. The realised and unrealised gains and losses on all forward foreign currency contracts are disclosed in Note 3 (Financial Assets and Financial Liabilities at fair value through Profit or Loss). Transaction costs on forwards are embedded in their contract price and are therefore not separately identifiable for disclosure within the financial statements. The counterparties to the forward foreign currency contracts are disclosed in section (v) Credit Risk of this note.

The investment objectives of the Funds are outlined in note 1.

(ii) Global 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 F&C European Equity Long/Short 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, 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 F&C High Income Bond Fund, F&C Global Credit Fund, F&C Credit Select Fund, Thames River – BSI Bond Opportunity Fund, F&C Global High Yield Fund and F&C Real Estate Equity Long/Short Fund.

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2013

10. Derivatives & Other Financial Instruments (continued)

(ii) Global exposure (continued)

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 global 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.

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 are not currently captured within the VaR model due to the absence of certain required market data inputs from vendors. The Investment Manager believes the effect of having these derivatives included in the VaR calculations would be to reduce actual VaR below the limit. The Investment Manager therefore considers that this should be treated as a systems limitation in the current VaR model rather than actual breaches of the VaR limits and is confident that the true VaR number was less than the VaR limit on these three occasions. As such the VaR analytic reported in these financial statements has over-estimated the risk at a fund level as these instruments are excluded from the VaR calculation. As at the date of approval of these financial statements, VaR model enhancements, which include all derivative instruments, are under review. No other Funds exceeded this limit during the year.

VaR utilisation measures the Funds' VaR relative to the Funds' VaR limit. The below table details the approach for each Fund, the minimum, maximum and average daily VaR utilisation that occurred during the one year period ending 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 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

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2013

10. Derivatives & Other Financial Instruments (continued)

(ii) Global exposure (continued)

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 notional 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 daily average level of leverage for each Fund during the one year period ending 31 March 2013.

Fund	Average leverage employed during the year as % of NAV*
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

** 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 Global Emerging Markets Equity Long/Short Fund, F&C Real Estate Equity Long/Short Fund and the terminated F&C European Equity Long/Short Fund.

Bond Funds – F&C High Income Bond Fund, F&C Macro Global Bond Funds (£, €, and \$), F&C Global High Yield Fund and the terminated F&C Global Credit Fund, F&C Credit Select Fund, Thames River – BSI Bond Opportunity 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, contracts for difference, 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 position. 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 2013

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, industry sectors and, where relevant, 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 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%

Equity Funds as at 31 March 2012	Impact of +/- 5% market move	
	Currency 000	%
F&C European Equity Long/Short Fund*	€596	3.15%
Eastern European Fund	US\$26,464	4.48%
F&C Global Emerging Markets Fund	US\$11,001	4.87%
F&C Emerging Asia Fund	US\$674	4.54%
F&C Water and Agriculture Equity Long/Short Fund	US\$3,091	3.55%
F&C Real Estate Securities Fund	£1,994	4.98%
F&C Global Emerging Markets Equity Long/Short Fund	US\$2,086	5.50%

*Terminated 26 March 2013

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2013

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 normally held in the relevant Fund's base currency and invested at short-term market interest rates which have been 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, F&C Global High Yield Bond Fund, F&C Global Credit Fund, F&C Credit Select Fund and the Thames River – BSI Bond Opportunity 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 2013	1 month	- 1 year	years	5 years	bearing	2013
Assets	US\$000	US\$000	US\$000	US\$000	US\$000	US\$000
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)

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2013

10. Derivatives & Other Financial Instruments (continued)

(iv) Interest rate risk (continued)

F&C Macro Global Bond Fund (£) As at 31 March 2013	Less than 1 month £000	1 month - 1 year £000	1 - 5 years £000	Over 5 years £000	Non-interest bearing £000	Total 2013 £000
Assets						
Financial assets at fair value						
through profit or loss	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 holders of redeemable participating shares)	–	(7,245)	–	–	(30,755)	(38,000)
F&C Macro Global Bond Fund (€) As at 31 March 2013	Less than 1 month €000	1 month - 1 year €000	1 - 5 years €000	Over 5 years €000	Non-interest bearing €000	Total 2013 €000
Assets						
Financial assets at fair value						
through profit or loss	32,662	143,546	10,980	–	74	187,262
Debtors	–	–	–	–	296	296
Margin cash	6,937	–	–	–	–	6,937
Cash at bank	26,202	–	–	–	–	26,202
Total assets	65,801	143,546	10,980	–	370	220,697
Liabilities						
Financial liabilities at fair value						
through profit or loss	–	(2,053)	–	–	(355)	(2,408)
Creditors	–	–	–	–	(15,934)	(15,934)
Total liabilities (excluding net assets attributable to holders of redeemable participating shares)	–	(2,053)	–	–	(16,289)	(18,342)
F&C Macro Global Bond Fund (\$) As at 31 March 2013	Less than 1 month US\$000	1 month - 1 year US\$000	1 - 5 years US\$000	Over 5 years US\$000	Non-interest bearing US\$000	Total 2013 US\$000
Assets						
Financial assets at fair value						
through profit or loss	10,225	15,396	1,143	–	60	26,824
Debtors	–	–	–	–	70	70
Margin cash	1,328	–	–	–	–	1,328
Cash at bank	15,607	–	–	–	–	15,607
Total assets	27,160	15,396	1,143	–	130	43,829
Liabilities						
Financial liabilities at fair value						
through profit or loss	–	(308)	–	–	(32)	(340)
Creditors	–	–	–	–	(12,482)	(12,482)
Margin cash payable	(95)	–	–	–	–	(95)
Total liabilities (excluding net assets attributable to holders of redeemable participating shares)	(95)	(308)	–	–	(12,514)	(12,917)

TRADITIONAL FUNDS plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2013

10. Derivatives & Other Financial Instruments (continued)

(iv) Interest rate risk (continued)

F&C Global High Yield 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	19	834	2,185	3,334	16	6,388
Debtors	–	–	–	–	157	157
Margin cash	52	–	–	–	–	52
Cash at bank	3,709	–	–	–	–	3,709
Total assets	3,780	834	2,185	3,334	173	10,306
Financial liabilities at fair value through profit or loss	–	(1)	(443)	(18)	(17)	(479)
Creditors	–	–	–	–	(318)	(318)
Margin cash payable	(46)	–	–	–	–	(46)
Total liabilities (excluding net assets attributable to holders of redeemable participating shares)	(46)	(1)	(443)	(18)	(335)	(843)

The comparative tables for 2012 are as follows:

F&C High Income Bond Fund As at 31 March 2012	Less than 1 month	1 month - 1 year	1 - 5 years	Over 5 years	Non-interest bearing	Total 2012
Assets	US\$000	US\$000	US\$000	US\$000	US\$000	US\$000
Financial assets at fair value through profit or loss	47,940	141,697	33,648	78,980	28,223	330,488
Debtors	–	–	–	–	44,755	44,755
Margin cash	46,074	–	–	–	–	46,074
Cash at bank	19,954	–	–	–	–	19,954
Total assets	113,968	141,697	33,648	78,980	72,978	441,271
Liabilities						
Financial liabilities at fair value through profit or loss	(1,181)	(1,446)	(494)	(22,521)	(41,096)	(66,738)
Creditors	–	–	–	–	(23,291)	(23,291)
Total liabilities (excluding net assets attributable to holders of redeemable participating shares)	(1,181)	(1,446)	(494)	(22,521)	(64,387)	(90,029)
F&C Macro Global Bond Fund (£) As at 31 March 2012	Less than 1 month	1 month - 1 year	1 - 5 years	Over 5 years	Non-interest bearing	Total 2012
Assets	£000	£000	£000	£000	£000	£000
Financial assets at fair value through profit or loss	79,178	671,777	19,429	–	1,111	771,495
Debtors	–	–	–	–	3,115	3,115
Margin cash	19,549	–	–	–	–	19,549
Cash at bank	68,043	–	–	–	–	68,043
Total assets	166,770	671,777	19,429	–	4,226	862,202
Liabilities						
Financial assets at fair value through profit or loss	–	(1,427)	–	–	–	(1,427)
Creditors	–	–	–	–	(3,169)	(3,169)
Total liabilities (excluding net assets attributable to holders of redeemable participating shares)	–	(1,427)	–	–	(3,169)	(4,596)

TRADITIONAL FUNDS plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2013

10. Derivatives & Other Financial Instruments (continued)

(iv) Interest rate risk (continued)

F&C Macro Global Bond Fund (€) As at 31 March 2012	Less than 1 month	1 month - 1 year	1 - 5 years	Over 5 years	Non-interest bearing	Total 2012
Assets	€000	€000	€000	€000	€000	€000
Financial assets at fair value						
through profit or loss	21,865	217,452	9,993	–	98	249,408
Debtors	–	–	–	–	701	701
Margin cash	5,936	–	–	–	–	5,936
Cash at bank	20,875	–	–	–	–	20,875
Total assets	48,676	217,452	9,993	–	799	276,920
Liabilities						
Financial liabilities at fair value						
through profit or loss	–	(389)	–	–	–	(389)
Creditors	–	–	–	–	(7,671)	(7,671)
Total liabilities (excluding net assets attributable to holders of redeemable participating shares)	–	(389)	–	–	(7,671)	(8,060)
F&C Macro Global Bond Fund (\$) As at 31 March 2012	Less than 1 month	1 month - 1 year	1 - 5 years	Over 5 years	Non-interest bearing	Total 2012
Assets	US\$000	US\$000	US\$000	US\$000	US\$000	US\$000
Financial assets at fair value						
through profit or loss	5,272	50,903	905	–	61	57,141
Debtors	–	–	–	–	309	309
Margin cash	1,377	–	–	–	–	1,377
Cash at bank	4,185	–	–	–	–	4,185
Total assets	10,834	50,903	905	–	370	63,012
Liabilities						
Financial liabilities at fair value						
through profit or loss	–	(100)	–	–	–	(100)
Creditors	–	–	–	–	(213)	(213)
Total liabilities (excluding net assets attributable to holders of redeemable participating shares)	–	(100)	–	–	(213)	(313)
Thames River World Government Bond Fund As at 31 March 2012	Less than 1 month	1 month - 1 year	1 - 5 years	Over 5 years	Non-interest bearing	Total 2012
Assets	£000	£000	£000	£000	£000	£000
Financial assets at fair value						
through profit or loss	–	–	–	–	67	67
Debtors	–	–	–	–	17,899	17,899
Total assets	–	–	–	–	17,966	17,966
Liabilities						
Financial liabilities at fair value						
through profit or loss	–	–	–	–	(1)	(1)
Bank overdraft	(245)	–	–	–	–	(245)
Creditors	–	–	–	–	(17,711)	(17,711)
Total liabilities (excluding net assets attributable to holders of redeemable participating shares)	(245)	–	–	–	(17,712)	(17,957)

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2013

10. Derivatives & Other Financial Instruments (continued)

(iv) Interest rate risk (continued)

F&C Global Credit Fund As at 31 March 2012	Less than 1 month	1 month - 1 year	1 - 5 years	Over 5 years	Non-interest bearing	Total 2012
Assets	€000	€000	€000	€000	€000	€000
Financial assets at fair value						
through profit or loss	12,641	9,544	1,293	17,134	2,216	42,828
Debtors	–	–	–	–	10,538	10,538
Margin cash	17,289	–	–	–	–	17,289
Cash at bank	3,825	–	–	–	–	3,825
Total assets	33,755	9,544	1,293	17,134	12,754	74,480
Liabilities						
Financial liabilities at fair value						
through profit or loss	–	(28)	(195)	(3,101)	(1,963)	(5,287)
Creditors	–	–	–	–	(11,141)	(11,141)
Total liabilities (excluding net assets attributable to holders of redeemable participating shares)	–	(28)	(195)	(3,101)	(13,104)	(16,428)
F&C Credit Select Fund As at 31 March 2012	Less than 1 month	1 month - 1 year	1 - 5 years	Over 5 years	Non-interest bearing	Total 2012
Assets	€000	€000	€000	€000	€000	€000
Financial assets at fair value						
through profit or loss	6,039	10,505	92	6,774	823	24,233
Debtors	–	–	–	–	4,135	4,135
Margin cash	3,621	–	–	–	–	3,621
Cash at bank	644	–	–	–	–	644
Total assets	10,304	10,505	92	6,774	4,958	32,633
Liabilities						
Financial liabilities at fair value						
through profit or loss	(9)	(14)	(109)	(790)	(809)	(1,731)
Creditors	–	–	–	–	(2,970)	(2,970)
Total liabilities (excluding net assets attributable to holders of redeemable participating shares)	(9)	(14)	(109)	(790)	(3,779)	(4,701)
Thames River – BSI Bond Opportunity Fund As at 31 March 2012	Less than 1 month	1 month - 1 year	1 - 5 years	Over 5 years	Non-interest bearing	Total 2012
Assets	€000	€000	€000	€000	€000	€000
Financial assets at fair value						
through profit or loss	32,176	49,523	377	30,927	2,803	115,806
Debtors	–	–	–	–	19,468	19,468
Margin cash	12,877	–	–	–	–	12,877
Cash at bank	7,182	–	–	–	–	7,182
Total assets	52,235	49,523	377	30,927	22,271	155,333
Liabilities						
Financial liabilities at fair value						
through profit or loss	(39)	(64)	(139)	(4,479)	(3,803)	(8,524)
Creditors	–	–	–	–	(22,966)	(22,966)
Total liabilities (excluding net assets attributable to holders of redeemable participating shares)	(39)	(64)	(139)	(4,479)	(26,769)	(31,490)

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2013

10. Derivatives & Other Financial Instruments (continued)

(iv) Interest rate risk (continued)

F&C Global High Yield Fund As at 31 March 2012	Less than 1 month €000	1 month - 1 year €000	1 - 5 years €000	Over 5 years €000	Non-interest bearing €000	Total 2012 €000
Assets						
Financial assets at fair value through profit or loss	2,011	1,500	3,515	10,181	735	17,942
Debtors	–	–	–	–	4,118	4,118
Margin cash	7,950	–	–	–	–	7,950
Cash at bank	1,174	–	–	–	–	1,174
Total assets	11,135	1,500	3,515	10,181	4,853	31,184
Liabilities						
Financial liabilities at fair value through profit or loss	(195)	–	(1)	(2,157)	(679)	(3,032)
Creditors	–	–	–	–	(3,853)	(3,853)
Total liabilities (excluding net assets attributable to holders of redeemable participating shares)	(195)	–	(1)	(2,157)	(4,532)	(6,885)

The following chart shows, for the purposes of FRS 29, the impact on each of the Bond Funds of a 1% move in interest rates calculated by reference to the duration of the respective portfolios as at 31 March 2013 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 2013 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 31.3.2013	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%
F&C Global High Yield Fund	2.30 years	2.30%

Bond Fund

	Duration at 31.3.2012	Impact of +/- 1% Interest rate move
F&C High Income Bond Fund	1.80 years	1.80%
F&C Macro Global Bond Fund (£)	5.44 years	5.44%
F&C Macro Global Bond Fund (€)	5.18 years	5.18%
F&C Macro Global Bond Fund (\$)	5.22 years	5.22%
F&C Global Credit Fund**	1.40 years	1.40%
F&C Credit Select Fund**	2.04 years	2.00%
Thames River – BSI Bond Opportunity Fund*	0.24 years	0.24%
F&C Global High Yield Fund	0.20 years	0.20%

* Terminated 17 December 2012

** Terminated 26 March 2013

NOTES TO THE FINANCIAL STATEMENTS (continued)31 March 2013

10. Derivatives & Other Financial Instruments (continued)**(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.

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 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 is 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 2012, the Fund was not exposed to significant levels of credit risk in relation to these assets as the carrying value already reflected the announced or impending default by the issuer. On 31 March 2012, the carrying value of these assets was US\$1.82 million.

F&C High Income Bond Fund and F&C Global High Yield Fund 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 2013

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 2013.

	Currency	Protection Bought Notional Value		Protection sold Notional Value	
		2013	2012	2013	2012
F&C High Income Bond Fund	US\$m	129.8	437.0	(109.8)	(350.5)
F&C Global Credit Fund*	€m	–	106.9	–	(72.0)
F&C Credit Select Fund*	€m	–	35.1	–	(18.3)
Thames River – BSI Bond Opportunity Fund**	€m	–	155.7	–	(124.3)
F&C Global High Yield Fund	€m	23.6	49.5	(23.6)	(45.0)

*Terminated 26 March 2013

**Terminated 17 December 2012

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 2013 and 31 March 2012, the Bond Funds' exposure to credit risk on issuers of debt securities was as follows:

F&C High Income Bond Fund	At 31 March 2013 % of debt securities	At 31 March 2012 % of debt securities
By rating category		
AAA/Aaa	13.10	0.30
A/A	4.17	15.35
BBB/Baa	6.52	3.22
BB/Bb	19.73	23.66
B/B	49.19	38.97
Below B	7.29	13.56
Unrated	–	4.95
Total	100.00	100.00

F&C Macro Global Bond Fund (£)	At 31 March 2013 % of debt securities	At 31 March 2012 % of debt securities
By rating category		
AAA/Aaa	95.84	32.32
AA/Aa	–	65.16
A/A	4.16	2.52
Total	100.00	100.00

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2013

10. Derivatives & Other Financial Instruments (continued)

(v) Credit risk (continued)

F&C Macro Global Bond Fund (€)	At 31 March 2013 % of debt securities	At 31 March 2012 % of debt securities
By rating category		
AAA/Aaa	97.76	32.33
AA/Aa	–	65.15
A/A	2.24	2.52
Total	100.00	100.00

F&C Macro Global Bond Fund (\$)	At 31 March 2013 % of debt securities	At 31 March 2012 % of debt securities
By rating category		
AAA/Aaa	97.20	12.06
AA/Aa	–	86.35
A/A	2.80	1.59
Total	100.00	100.00

F&C Global Credit Fund*	At 31 March 2013 % of debt securities	At 31 March 2012 % of debt securities
By rating category		
AAA/Aaa	–	40.19
AA/Aa	–	20.78
A/A	–	8.88
BBB/Baa	–	20.26
BB/Bb	–	5.26
Below B	–	2.63
Unrated	–	2.00
Total	–	100.00

F&C Credit Select Fund*	At 31 March 2013 % of debt securities	At 31 March 2012 % of debt securities
By rating category		
AAA/Aaa	–	43.88
AA/Aa	–	31.84
A/A	–	5.41
BBB/Baa	–	15.06
BB/Bb	–	3.81
B/B	–	–
Unrated	–	–
Total	–	100.00

*Terminated 26 March 2013

TRADITIONAL FUNDS plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2013

10. Derivatives & Other Financial Instruments (continued)

(v) Credit risk (continued)

Thames River – BSI Bond Opportunity Fund*	At 31 March 2013 % of debt securities	At 31 March 2012 % of debt securities
By rating category		
AAA/Aaa	–	36.99
AA/Aa	–	37.72
A/A	–	5.13
BBB/Baa	–	16.85
BB/Bb	–	2.19
Unrated	–	1.12
Total	–	100.00

F&C Global High Yield Fund	At 31 March 2013 % of debt securities	At 31 March 2012 % of debt securities
By rating category		
AAA/Aaa	13.60	21.54
BBB/Baa	–	18.50
BB/Bb	17.50	2.23
B/B	56.79	26.07
Below B	12.11	27.83
Unrated	–	3.83
Total	100.00	100.00

*Terminated 17 December 2012

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

F&C European Equity Long/Short Fund*	2013 €000	2013 Ratings	2012 €000	2012 Ratings
Contracts for Difference				
Bank of America Merrill Lynch	–	–	1,237	A-
Forward Foreign Currency Transactions				
Northern Trust (Guernsey) Ltd	–	–	1	AA-

F&C High Income Bond Fund	2013 US\$000	2013 Ratings	2012 US\$000	2012 Ratings
Options				
Bank of America Merrill Lynch	–	–	13	A-
Credit Suisse	–	–	548	A+
Goldman Sachs	–	–	16	A
HSBC	–	–	293	AA-
JP Morgan	975	A	380	A
Merrill Lynch	–	–	260	A-
Morgan Stanley	–	–	133	A
UBS	–	–	–	–
Swaptions				
Bank of America Merrill Lynch	–	–	43	A-
Deutsche Bank	–	–	165	A+

*Terminated 26 March 2013

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2013

10. Derivatives & Other Financial Instruments (continued)

(v) Credit risk (continued)

	2013 US\$000	2013 Ratings	2012 US\$000	2012 Ratings
F&C High Income Bond Fund (continued)				
Interest Rate Swaps				
Deutsche Bank	–	–	102	A+
Goldman Sachs	–	–	(878)	A
JP Morgan	247	A	15,496	A
Credit Default Swaps				
Bank of America-Merrill Lynch	–	–	–	–
Barclays Bank	–	–	197	A+
BNP Paribas	–	–	–	–
Citigroup	–	–	(3,962)	A-
Deutsche Bank	–	–	1,021	A+
Goldman Sachs	–	–	(1,013)	A
HSBC	–	–	(187)	AA-
JP Morgan	403	A	(7,159)	A
Morgan Stanley	–	–	(4,931)	A
Nomura Bank	–	–	2,276	A-
UBS	–	–	–	–
Forward Foreign Currency Transactions				
Citigroup	–	–	(144)	A-
Goldman Sachs	–	–	190	A
HSBC	–	–	290	AA-
JP Morgan	(340)	A	(15,978)	A
Northern Trust (Guernsey) Ltd	–	–	2,848	AA-
Nomura Bank	–	–	117	A-
State Street	338	AA-	(196)	A+
Eastern European Fund				
Forward Foreign Currency Transactions				
Northern Trust (Guernsey) Ltd	–	–	(137)	AA-
F&C Macro Global Bond Fund (£)				
Forward Foreign Currency Transactions				
Barclays Bank	3,870	A+	–	–
Goldman Sachs	117	A	–	–
Northern Trust (Guernsey) Ltd	–	–	1,111	AA-
State Street	(1)	AA-	–	–
F&C Macro Global Bond Fund (€)				
Forward Foreign Currency Transactions				
Barclays Bank	(200)	A+	–	–
Goldman Sachs	(82)	A	–	–
Northern Trust (Guernsey) Ltd	–	–	98	AA-

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2013

10. Derivatives & Other Financial Instruments (continued)

(v) Credit risk (continued)

	2013 US\$000	2013 Ratings	2012 US\$000	2012 Ratings
F&C Macro Global Bond Fund (\$)				
Forward Foreign Currency Transactions				
Barclays Bank	34	A+	–	–
Goldman Sachs	(6)	A	–	–
Northern Trust (Guernsey) Ltd	–	–	61	AA-
Thames River World Government Bond Fund*				
Forward Foreign Currency Transactions				
Northern Trust (Guernsey) Ltd	–	–	66	AA-
F&C Water and Agriculture Fund Equity Long/Short Fund				
Forward Foreign Currency Transactions				
Northern Trust (Guernsey) Ltd	–	–	710	AA-
State Street	(2)	AA-	–	–
Contracts for difference				
Bank of America-Merrill Lynch	(1,096)	A-	(116)	A-
Deutsche Bank	(11)	A+	(152)	A+
F&C Global Credit Fund**				
Forward Foreign Currency Transactions				
Bank of America Merrill Lynch	–	–	11	A-
Citigroup	–	–	(33)	A-
Goldman Sachs	–	–	94	A
HSBC	–	–	(3)	AA-
Nomura Bank	–	–	22	A-
Northern Trust (Guernsey) Ltd	–	–	174	AA-
State Street	–	–	(3)	A+
UBS	–	–	8	A
Options				
Credit Suisse	–	–	51	A+
HSBC	–	–	5	AA-
JP Morgan	–	–	46	A
Merrill Lynch	–	–	60	A-
Swaptions				
Bank of America Merrill Lynch	–	–	8	A-

*Terminated 17 April 2012

**Terminated 26 March 2013

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2013

10. Derivatives & Other Financial Instruments (continued)

(v) Credit risk (continued)

F&C Global Credit Fund (continued)*	2013	2013	2012	2012
Credit Default Swaps	€000	Ratings	€000	Ratings
Barclays Bank	–	–	50	A+
Citigroup	–	–	(267)	A-
Deutsche Bank	–	–	123	A+
HSBC	–	–	(41)	AA-
JP Morgan	–	–	(951)	A
Morgan Stanley	–	–	(862)	A
Nomura Bank	–	–	410	A-
UBS	–	–	104	A
F&C Credit Select Fund*	2013	2013	2012	2012
Forward Foreign Currency Transactions	€000	Ratings	€000	Ratings
Bank of America Merrill Lynch	–	–	2	A-
Citigroup	–	–	(7)	A-
Goldman Sachs	–	–	17	A
HSBC	–	–	(1)	AA-
Northern Trust (Guernsey) Ltd	–	–	11	AA-
State Street	–	–	(3)	A+
UBS	–	–	(4)	A
Options				
Credit Suisse	–	–	15	A+
HSBC	–	–	2	AA-
JP Morgan	–	–	6	A
Merrill Lynch	–	–	9	A-
Swaptions				
Bank of America Merrill Lynch	–	–	4	A-
Credit Default Swaps				
Barclays Bank	–	–	31	A+
Citigroup	–	–	(65)	A-
Deutsche Bank	–	–	129	A+
HSBC	–	–	2	AA-
JP Morgan	–	–	(201)	A
Morgan Stanley	–	–	(321)	A
Nomura Bank	–	–	73	A-
UBS	–	–	31	A

*Terminated 26 March 2013

TRADITIONAL FUNDS plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2013

10. Derivatives & Other Financial Instruments (continued)

(v) Credit risk (continued)

F&C Real Estate Securities Fund	2013	2013	2012	2012
Contracts for Difference	£000	Ratings	£000	Ratings
Goldman Sachs	272	A	(312)	A
HSBC	4	AA-	–	–
Forward Foreign Currency Transactions				
Northern Trust (Guernsey) Ltd	–	–	2	AA-
State Street	(15)	AA-	–	–
F&C Global Emerging Markets Equity Long/Short Fund	2013	2013	2012	2012
Forward Foreign Currency Transactions	US\$000	Ratings	US\$000	Ratings
Northern Trust (Guernsey) Ltd	–	–	141	AA-
State Street	(7)	AA-	–	–
Contracts for Difference				
Bank of America Merrill Lynch	17	A-	–	–
Deutsche Bank	(49)	A+	(211)	A+
Thames River – BSI Bond Opportunity Fund*	2013	2013	2012	2012
Options	€000	Ratings	€000	Ratings
Credit Suisse	–	–	75	A+
HSBC	–	–	8	AA-
JP Morgan	–	–	28	A
Merrill Lynch	–	–	36	A-
Swaptions				
Bank of America Merrill Lynch	–	–	18	A-
Credit Default Swaps				
Barclays Bank	–	–	140	A+
Citigroup	–	–	(406)	A-
Deutsche Bank	–	–	562	A+
Goldman Sachs	–	–	8	A
HSBC	–	–	8	AA-
JP Morgan	–	–	(1,039)	A
Morgan Stanley	–	–	(1,482)	A
Nomura Bank	–	–	267	A-
UBS	–	–	(294)	A
Forward Foreign Currency Transactions				
Bank of America Merrill Lynch	–	–	7	A-
Citigroup	–	–	(15)	A-
HSBC	–	–	(2)	AA-
Goldman Sachs	–	–	66	A
Northern Trust (Guernsey) Ltd	–	–	958	AA-
State Street	–	–	(15)	A+
UBS	–	–	1	A

*Terminated 17 December 2012

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2013

10. Derivatives & Other Financial Instruments (continued)

(v) Credit risk (continued)

F&C Global High Yield Fund	2013	2013	2012	2012
Forward Foreign Currency Transactions	€000	Ratings	€000	Ratings
Northern Trust (Guernsey) Ltd	–	–	51	AA-
State Street	–	AA-	3	A+
Credit Default Swaps				
Barclays Bank	–	–	8	A+
BNP Paribas	–	–	–	–
Citigroup	–	–	(447)	A-
Deutsche Bank	–	–	73	A+
Goldman Sachs	–	–	(188)	A
HSBC	–	–	7	AA-
JP Morgan	54	A	(603)	A
Morgan Stanley	–	–	(364)	A
Nomura Bank	–	–	117	A-
Swaptions				
Bank of America Merrill Lynch	–	–	4	A-
F&C Real Estate Equity Long/Short Fund*	2013	2013		
Forward Foreign Currency Transactions	€000	Ratings		
State Street	70	AA-	–	–
Contracts for Difference				
Goldman Sachs	226	A	–	–

*Launched 3 December 2012

(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 2013 and 31 March 2012, all non-derivative financial liabilities fall due for payment in less than 1 month.

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2013

10. Derivatives & Other Financial Instruments (continued)

(vi) Liquidity risk (continued)

The table below analyses the Funds' derivative financial instruments in a loss position as at 31 March 2013. 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	2013 Total US\$000
Liabilities						
<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	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						
Net settled derivatives						
– Futures	–	21	–	–	–	21
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						
Net settled derivatives						
– 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

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2013

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
<i>Liabilities</i>						
<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
<i>Liabilities</i>						
<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
<i>Liabilities</i>						
<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
<i>Liabilities</i>						
<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
F&C Real Estate Securities 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
<i>Liabilities</i>						
<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

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2013

10. Derivatives & Other Financial Instruments (continued)

(vi) Liquidity risk (continued)

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

The comparative tables for the Funds' derivative financial instruments in a loss position as at 31 March 2012 are as follows:

F&C European 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	2012 Total €000
<i>Net settled derivatives</i>						
– Contracts for difference	442	–	–	–	–	442
<i>Gross settled derivatives</i>						
Forward foreign currency contracts – pay legs	788	–	–	–	–	788
Forward foreign currency contracts – receive legs	788	–	–	–	–	788
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	2012 Total US\$000
<i>Net settled derivatives</i>						
– Swaptions	97	51	–	–	–	148
– Interest rate swaps	–	877	–	–	–	877
– Credit default swaps	1,084	–	494	22,521	–	24,099
– Futures	–	518	–	–	–	518
<i>Gross settled derivatives</i>						
Forward foreign currency contracts – pay legs	940,360	532,817	–	–	–	1,473,177
Forward foreign currency contracts – receive legs	927,635	499,263	–	–	–	1,426,898

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2013

10. Derivatives & Other Financial Instruments (continued)

(vi) Liquidity risk (continued)

Eastern European 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	2012 Total US\$000
<i>Liabilities</i>						
<i>Net settled derivatives</i>						
– Futures	–	7,395	–	–	–	7,395
<i>Gross settled derivatives</i>						
Forward foreign currency contracts – pay legs	41,541	–	–	–	–	41,541
Forward foreign currency contracts – receive legs	40,515	–	–	–	–	40,515
F&C Global Emerging Markets 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	2012 Total US\$000
<i>Liabilities</i>						
<i>Net settled derivatives</i>						
– Futures	8	–	–	–	–	8
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	2012 Total £000
<i>Liabilities</i>						
<i>Net settled derivatives</i>						
– Futures	–	1,427	–	–	–	1,427
<i>Gross settled derivatives</i>						
Forward foreign currency contracts – pay legs	1,371	–	–	–	–	1,371
Forward foreign currency contracts – receive legs	1,371	–	–	–	–	1,371
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	2012 Total €000
<i>Liabilities</i>						
<i>Net settled derivatives</i>						
– Futures	–	389	–	–	–	389
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	2012 Total US\$000
<i>Liabilities</i>						
<i>Net settled derivatives</i>						
– Futures	–	100	–	–	–	100
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	2012 Total US\$000
<i>Liabilities</i>						
<i>Net settled derivatives</i>						
– Futures	2	1	–	–	–	3
Thames River World Government Bond Fund	Less than 1 month £000	1 month - 1 year £000	1 - 5 years £000	Over 5 years £000	No stated maturity £000	2012 Total £000
<i>Liabilities</i>						
<i>Gross settled derivatives</i>						
Forward foreign currency contracts – pay legs	1,119	–	–	–	–	1,119
Forward foreign currency contracts – receive legs	1,118	–	–	–	–	1,118

TRADITIONAL FUNDS plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2013

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	2012 Total US\$000
<i>Net settled derivatives</i>						
– Contracts for difference	557	–	–	–	–	557
– Futures	–	111	–	–	–	111
<i>Gross settled derivatives</i>						
Forward foreign currency contracts – pay legs	36,780	–	–	–	–	36,780
Forward foreign currency contracts – receive legs	36,542	–	–	–	–	36,542
F&C Global Credit Fund Liabilities	Less than 1 month €000	1 month - 1 year €000	1 - 5 years €000	Over 5 years €000	No stated maturity €000	2012 Total €000
<i>Net settled derivatives</i>						
– Swaptions	17	–	–	–	–	17
– Credit default swaps	–	–	195	3,101	–	3,296
– Futures	–	28	–	–	–	28
<i>Gross settled derivatives</i>						
Forward foreign currency contracts – pay legs	204,878	16,628	–	–	–	221,506
Forward foreign currency contracts – receive legs	203,395	16,925	–	–	–	220,320
F&C Credit Select Fund Liabilities	Less than 1 month €000	1 month - 1 year €000	1 - 5 years €000	Over 5 years €000	No stated maturity €000	2012 Total €000
<i>Net settled derivatives</i>						
– Swaptions	9	–	–	–	–	9
– Credit Default Swaps	–	–	109	790	–	899
– Futures	–	14	–	–	–	14
<i>Gross settled derivatives</i>						
Forward foreign currency contracts – pay legs	97,301	758	–	–	–	98,059
Forward foreign currency contracts – receive legs	96,620	744	–	–	–	97,364
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	2012 Total £000
<i>Net settled derivatives</i>						
– Contracts for Difference	587	–	–	–	–	587
<i>Gross settled derivatives</i>						
Forward foreign currency contracts – pay legs	5,174	–	–	–	–	5,174
Forward foreign currency contracts – receive legs	5,166	–	–	–	–	5,166
F&C Global Emerging Markets Equity Long/Short Fund Liabilities	Less than 1 month US\$000	1 month - 1 year US\$000	1 - 5 years US\$000	Over 5 years US\$000	No stated maturity US\$000	2012 Total US\$000
<i>Net settled derivatives</i>						
– Contracts for Difference	211	–	–	–	–	211
<i>Gross settled derivatives</i>						
Forward foreign currency contracts – pay legs	18,507	–	–	–	–	18,507
Forward foreign currency contracts – receive legs	18,334	–	–	–	–	18,334

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2013

10. Derivatives & Other Financial Instruments (continued)

(vi) Liquidity risk (continued)

Thames River – BSI Bond Opportunity Fund	Less than 1 month €000	1 month - 1 year €000	1 - 5 years €000	Over 5 years €000	No stated maturity €000	2012 Total €000
Liabilities						
<i>Net settled derivatives</i>						
– Swaptions	39	–	–	–	–	39
– Credit Default Swaps	–	–	139	4,479	–	4,618
– Futures	–	64	–	–	–	64
<i>Gross settled derivatives</i>						
Forward foreign currency contracts – pay legs	279,430	6,174	–	–	–	285,604
Forward foreign currency contracts – receive legs	275,066	6,080	–	–	–	281,146
F&C Global High Yield Fund						
Liabilities						
<i>Net settled derivatives</i>						
– Credit Default Swaps	188	–	1	2,157	–	2,346
– Swaptions	7	–	–	–	–	7
<i>Gross settled derivatives</i>						
Forward foreign currency contracts – pay legs	114,688	–	–	–	–	114,688
Forward foreign currency contracts – receive legs	114,075	–	–	–	–	114,075

(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.

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	2013 US\$000	2012 US\$000
Australian Dollar	–	(3,580)
Brazilian Real	1,327	1,747
Euro	107,062	721
Japanese Yen	–	3,039
Mexican Peso	–	7,200
Norwegian Krone	7,506	1,523
Sterling Pound	52,050	(5,920)
Swedish Kronor	–	31
Swiss Franc	–	701
Turkish Lira	(306)	(41)
	167,639	5,421

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2013

10. Derivatives & Other Financial Instruments (continued)

(vii) Currency risk (continued)

F&C Macro Global Bond Fund (£)	2013	2012
	£000	£000
Australian Dollar	(542)	4,197
Canadian Dollar	8	120,121
Euro	(2,641)	(152,249)
South African Rand	541	4,985
US Dollar	139,789	563,134
	137,155	540,188

F&C Macro Global Bond Fund (€)	2013	2012
	€000	€000
Australian Dollar	84	1,024
Canadian Dollar	5	33,485
Norwegian Krone	543	647
Sterling Pound	408	169
South African Rand	143	1,247
US Dollar	60,597	172,589
	61,780	209,161

F&C Macro Global Bond Fund (\$)	2013	2012
	US\$000	US\$000
Australian Dollar	(31)	170
Canadian Dollar	2	4,862
Euro	(107)	(8,778)
South African Rand	26	184
Sterling Pound	78	35
	(32)	(3,527)

Thames River World Government Bond Fund	2013	2012
	£000	£000
Australian Dollar	–	(1)
South African Rand	–	(1)
	–	(2)

F&C Global Credit Fund	2013	2012
	€000	€000
Australian Dollar	–	(387)
Canadian Dollar	–	29
Japanese Yen	–	523
Mexican Peso	–	750
Norwegian Krone	–	39
Sterling Pound	–	(487)
Swedish Krona	–	13
Swiss Franc	–	(224)
Turkish Lira	–	74
US Dollar	–	(1,856)
	–	(1,526)

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2013

10. Derivatives & Other Financial Instruments (continued)

(vii) Currency risk (continued)

F&C Credit Select Fund

	2013 €000	2012 €000
Australian Dollar	–	(90)
Canadian Dollar	–	3
Japanese Yen	–	90
Mexican Peso	–	225
Norwegian Krone	–	124
Sterling Pound	–	(370)
Swedish Krona	–	2
Swiss Franc	–	(124)
US Dollar	–	(528)
	–	(668)

Thames River – BSI Bond Opportunity Fund

	2013 €000	2012 €000
Australian Dollar	–	(580)
Canadian Dollar	–	17
Japanese Yen	–	357
Mexican Peso	–	1,125
Norwegian Krone	–	51
Sterling Pound	–	1,542
Swedish Krona	–	9
Swiss Franc	–	(243)
Turkish Lira	–	23
US Dollar	–	(1,092)
	–	1,209

F&C Global High Yield Fund

	2013 €000	2012 €000
Norwegian Krone	864	3
Sterling Pound	1,598	(40)
Swiss Franc	–	52
US Dollar	1,482	(452)
	3,944	(437)

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2013

10. Derivatives & Other Financial Instruments (continued)

(vii) Currency risk (continued)

If the exchange rate at 31 March 2013 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 holders of 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 holders of 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.

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)

As at 31 March 2012

	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\$)	271	(271)
F&C Macro Global Bond Fund (£)	27,009	(27,009)
F&C Macro Global Bond Fund (€)	10,458	(10,458)
F&C Macro Global Bond Fund (\$)	(176)	176
F&C Global Credit Fund (€)**	(76)	76
F&C Credit Select Fund (€)**	(33)	33
Thames River – BSI Bond Opportunity Fund (€)*	60	(60)
F&C Global High Yield Fund (€)	(22)	22

* Terminated 17 December 2012

** Terminated 26 March 2013

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2013

10. Derivatives & Other Financial Instruments (continued)

(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.

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 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)
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)

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2013

10. Derivatives & Other Financial Instruments (continued)

(viii) Fair value estimation (continued)

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

TRADITIONAL FUNDS plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2013

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)
F&C Global Emerging Markets 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	13,904	–	–	13,904
Derivatives – contracts for difference	–	26	–	26
Derivatives – futures	70	–	–	70
Derivatives – forward foreign currency contracts	–	6	–	6
Total assets	13,974	32	–	14,006
Liabilities				
Derivatives – contracts for difference	–	(58)	–	(58)
Derivatives – futures	(71)	–	–	(71)
Derivatives – forward foreign currency contracts	–	(13)	–	(13)
Total liabilities	(71)	(71)	–	(142)

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2013

10. Derivatives & Other Financial Instruments (continued)

(viii) Fair value estimation (continued)

F&C Global High Yield Fund	Level 1	Level 2	Level 3	Total
Assets	€000	€000	€000	€000
Investments in securities at fair value	–	5,853	–	5,853
Derivatives – options	3	–	–	3
Derivatives – credit default swaps	–	516	–	516
Derivatives – forward foreign currency contracts	–	16	–	16
Total assets	3	6,385	–	6,388
Liabilities				
Derivatives – options	(1)	–	–	(1)
Derivatives – credit default swaps	–	(462)	–	(462)
Derivatives – forward foreign currency contracts	–	(16)	–	(16)
Total liabilities	(1)	(478)	–	(479)
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)

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 2012.

F&C European Equity Long/Short Fund	Level 1	Level 2	Level 3	Total
Assets	€000	€000	€000	€000
Investments in securities at fair value	12,979	–	–	12,979
Derivatives – contracts for difference	–	1,679	–	1,679
Derivatives – forward foreign currency contracts	–	1	–	1
Total assets	12,979	1,680	–	14,659
Liabilities				
Derivatives – contracts for difference	–	(442)	–	(442)
Total liabilities	–	(442)	–	(442)

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2013

10. Derivatives & Other Financial Instruments (continued)

(viii) Fair value estimation (continued)

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	–	272,511	1,817	274,328
Derivatives – options	–	1,643	–	1,643
Derivatives – swaptions	–	356	–	356
Derivatives – interest rate swaps	–	15,597	–	15,597
Derivatives – credit default swaps	–	10,341	–	10,341
Derivatives – forward foreign currency contracts	–	28,223	–	28,223
Total assets	–	328,671	1,817	330,488
Liabilities				
Derivatives – interest rate swaps	–	(877)	–	(877)
Derivatives – credit default swaps	–	(24,099)	–	(24,099)
Derivatives – swaptions	–	(148)	–	(148)
Derivatives – futures	(518)	–	–	(518)
Derivatives – forward foreign currency contracts	–	(41,096)	–	(41,096)
Total liabilities	(518)	(66,220)	–	(66,738)
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	441,743	–	–	441,743
Derivatives – forward foreign currency contracts	–	549	–	549
Total assets	441,743	549	–	442,292
Liabilities				
Derivatives – futures	(7,395)	–	–	(7,395)
Derivatives – forward foreign currency contracts	–	(686)	–	(686)
Total liabilities	(7,395)	(686)	–	(8,081)
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	201,979	17,966	–	219,945
Total assets	201,979	17,966	–	219,945
Liabilities				
Derivatives – futures	(8)	–	–	(8)
Total liabilities	(8)	–	–	(8)
F&C Macro Global Bond Fund (£)	Level 1	Level 2	Level 3	Total
Assets	£000	£000	£000	£000
Investments in securities at fair value	769,861	–	–	769,861
Derivatives – futures	523	–	–	523
Derivatives – forward foreign currency contracts	–	1,111	–	1,111
Total assets	770,384	1,111	–	771,495
Liabilities				
Derivatives – futures	(1,427)	–	–	(1,427)
Total liabilities	(1,427)	–	–	(1,427)

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2013

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	249,140	–	–	249,140
Derivatives – futures	170	–	–	170
Derivatives – forward foreign currency contracts	–	98	–	98
Total assets	249,310	98	–	249,408
Liabilities				
Derivatives – futures	(389)	–	–	(389)
Total liabilities	(389)	–	–	(389)
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	57,043	–	–	57,043
Derivatives – futures	37	–	–	37
Derivatives – forward foreign currency contracts	–	61	–	61
Total assets	57,080	61	–	57,141
Liabilities				
Derivatives – futures	(100)	–	–	(100)
Total liabilities	(100)	–	–	(100)
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	11,887	1,551	–	13,438
Derivatives – futures	1	–	–	1
Total assets	11,888	1,551	–	13,439
Liabilities				
Derivatives – futures	(2)	(1)	–	(3)
Total liabilities	(2)	(1)	–	(3)
Thames River World Government Bond Fund	Level 1	Level 2	Level 3	Total
Assets	£000	£000	£000	£000
Derivatives – forward foreign currency contracts	–	67	–	67
Total assets	–	67	–	67
Liabilities				
Derivatives – forward foreign currency contracts	–	(1)	–	(1)
Total liabilities	–	(1)	–	(1)

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2013

10. Derivatives & Other Financial Instruments (continued)

(viii) Fair value estimation (continued)

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	63,616	5,873	–	69,489
Derivatives – contracts for difference	–	289	–	289
Derivatives – futures	214	–	–	214
Derivatives – forward foreign currency contracts	–	910	–	910
Total assets	63,830	7,072	–	70,902
Liabilities				
Derivatives – contracts for difference	–	(557)	–	(557)
Derivatives – futures	(111)	–	–	(111)
Derivatives – forward foreign currency contracts	–	(200)	–	(200)
Total liabilities	(111)	(757)	–	(868)
F&C Global Credit Fund	Level 1	Level 2	Level 3	Total
Assets	€000	€000	€000	€000
Investments in securities at fair value	–	38,563	–	38,563
Derivatives – options	–	162	–	162
Derivatives – swaptions	–	25	–	25
Derivatives – credit default swaps	–	1,862	–	1,862
Derivatives – forward foreign currency contracts	–	2,216	–	2,216
Total assets	–	42,828	–	42,828
Liabilities				
Derivatives – credit default swaps	–	(3,296)	–	(3,296)
Derivatives – swaptions	–	(17)	–	(17)
Derivatives – forward foreign currency contracts	–	(1,946)	–	(1,946)
Derivatives – futures	(28)	–	–	(28)
Total liabilities	(28)	(5,259)	–	(5,287)
F&C Credit Select Fund	Level 1	Level 2	Level 3	Total
Assets	€000	€000	€000	€000
Investments in securities at fair value	–	22,787	–	22,787
Derivatives – options	–	32	–	32
Derivatives – swaptions	–	13	–	13
Derivatives – credit default swaps	–	578	–	578
Derivatives – forward foreign currency contracts	–	823	–	823
Total assets	–	24,233	–	24,233
Liabilities				
Derivatives – swaptions	–	(9)	–	(9)
Derivatives – credit default swaps	–	(899)	–	(899)
Derivatives – forward foreign currency contracts	–	(809)	–	(809)
Derivatives – futures	(14)	–	–	(14)
Total liabilities	(14)	(1,717)	–	(1,731)

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2013

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	21,415	–	–	21,415
Derivatives – contracts for difference	–	275	–	275
Derivatives – forward foreign currency contracts	–	8	–	8
Total assets	21,415	283	–	21,698
Liabilities				
Derivatives – contracts for difference	–	(587)	–	(587)
Derivatives – forward foreign currency contracts	–	(6)	–	(6)
Total liabilities	–	(593)	–	(593)
F&C Global Emerging Markets 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	31,619	2,380	–	33,999
Derivatives – futures	251	–	–	251
Derivatives – forward foreign currency contracts	–	297	–	297
Total assets	31,870	2,677	–	34,547
Liabilities				
Derivatives – contracts for difference	–	(211)	–	(211)
Derivatives – forward foreign currency contracts	–	(156)	–	(156)
Total liabilities	–	(367)	–	(367)
Thames River – BSI Bond Opportunity Fund	Level 1	Level 2	Level 3	Total
Assets	€000	€000	€000	€000
Investments in securities at fair value	–	110,417	–	110,417
Derivatives – options	–	147	–	147
Derivatives – swaptions	–	57	–	57
Derivatives – credit default swaps	–	2,382	–	2,382
Derivatives – forward foreign currency contracts	–	2,803	–	2,803
Total assets	–	115,806	–	115,806
Liabilities				
Derivatives – swaptions	–	(39)	–	(39)
Derivatives – credit default swaps	–	(4,618)	–	(4,618)
Derivatives – futures	(64)	–	–	(64)
Derivatives – forward foreign currency contracts	–	(3,803)	–	(3,803)
Total liabilities	(64)	(8,460)	–	(8,524)

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2013

10. Derivatives & Other Financial Instruments (continued)

(viii) Fair value estimation (continued)

F&C Global High Yield Fund	Level 1	Level 2	Level 3	Total
Assets	€000	€000	€000	€000
Investments in securities at fair value	16,247	–	–	16,247
Derivatives – swaptions	–	11	–	11
Derivatives – credit default swaps	–	949	–	949
Derivatives – forward foreign currency contracts	–	735	–	735
Total assets	16,247	1,695	–	17,942
Liabilities				
Derivatives – swaptions	–	(7)	–	(7)
Derivatives – credit default swaps	–	(2,346)	–	(2,346)
Derivatives – forward foreign currency contracts	–	(679)	–	(679)
Total liabilities	–	(3,032)	–	(3,032)

The following table presents the movement in Level 3 securities for the year ended 31 March 2013 and 31 March 2012:

F&C High Income Bond Fund	2013	2012
	US\$000	US\$000
Balance at 31 March 2012	1,817	5,933
Sales	(2,597)	(83)
Realised gains/(losses)	780	(2)
Unrealised (losses)/gains	–	(4,031)
Balance at 31 March 2013	–	1,817
Total unrealised losses for assets held at the end of the year	–	(15,922)

During the 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 (2012: No transfers).

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.

12. Commission Sharing

During the year the Investment Managers entered into commission sharing arrangements with brokers in respect of which certain goods and services used to support the investment decision making process were received. The Investment Managers do not make direct payment for these services but transact business with the brokers on behalf of the Company and commission is paid on these transactions. The goods and services utilised for the Company are for execution and research services only. The Investment Managers consider these arrangements are to the benefit of the Company and have satisfied themselves that they obtain best execution on behalf of the Company and the brokerage rates are not in excess of customary institutional full service brokerage rates.

TRADITIONAL FUNDS plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2013

13. Comparative Statistics

Net Asset Value	Audited 31.03.2013	Audited 31.03.2012	Audited 31.03.2011
F&C European Equity Long/Short Fund (€000)***	–	€18,920	€20,532
F&C High Income Bond Fund (US\$000)	US\$209,574	US\$351,628	US\$771,966
Eastern European Fund (US\$000)	US\$551,721	US\$590,986	US\$663,303
F&C Global Emerging Markets Fund (US\$000)	US\$157,720	US\$225,710	US\$607,344
F&C Macro Global Bond Fund (£) (£000)	£452,841	£857,677	£1,013,047
F&C Macro Global Bond Fund (€) (€000)	€202,363	€268,930	€264,823
F&C Macro Global Bond Fund (\$) (US\$000)	US\$30,913	US\$62,703	US\$53,247
F&C Emerging Asia Fund (US\$000)	US\$17,964	US\$14,853	US\$31,964
Thames River World Government Bond Fund (£000)*	–	£9	£80,823
F&C Water and Agriculture Equity Long/Short Fund (US\$000)	US\$55,767	US\$86,978	US\$90,801
F&C Global Credit Fund (€000)***	–	€58,102	€219,941
F&C Credit Select Fund (€000)***	–	€27,947	€49,473
F&C Real Estate Securities Fund (£000)	£31,826	£40,020	£46,983
F&C Global Emerging Markets Equity Long/Short Fund (US\$000)	US\$16,449	US\$38,498	–
Thames River – BSI Bond Opportunity Fund (€000)**	–	€123,919	€153,708
F&C Global High Yield Fund (€000)	€9,492	€24,336	–
F&C Real Estate Equity Long/Short Fund (€000)****	€63,487	–	–

* Terminated 17 April 2012

** Terminated 17 December 2012

*** Terminated 26 March 2013

**** Launched 3 December 2012

F&C European Equity Long/Short Fund (terminated 26 March 2013)

– Class A New Euro Accumulating	–	€11.28	€11.86
– Class A Old Euro Accumulating	–	€20.70	€21.77
– Class A Sterling Accumulating	–	£10.16	£10.69
– Class A Old Sterling Distributing	–	£17.54	£18.47
– Class A New Sterling Distributing	–	£10.59	£11.13
– Class B Euro Accumulating	–	€10.24	€10.69
– Class C Sterling Distributing (formerly Class B Sterling Distributing)*	–	–	£11.29

F&C High Income Bond Fund

– Class A Euro Distributing (formerly Euro Distributing Class)*	€9.29	€9.84	€11.02
– Class A Sterling Distributing (formerly Sterling Distributing Class)*	£9.90	£10.42	£11.66
– Class A US Dollar Distributing (formerly US Dollar Distributing Class)*	US\$9.13	US\$9.63	US\$10.81
– Class A Norwegian Krone Distributing (formerly Norwegian Krone Distributing Class)*	NOK 75.64	NOK 78.67	NOK 86.55
– Class A New Euro Accumulating	€11.92	€11.62	€12.12
– Class A New Sterling Accumulating	£10.77	£10.43	£10.88
– Class A New US Dollar Accumulating	US\$10.77	US\$10.45	US\$10.93
– Class A New Euro Distributing	€6.72	€7.11	€8.01
– Class A New Sterling Distributing	£7.02	£7.39	£8.30
– Class A New US Dollar Distributing	US\$6.94	US\$7.31	US\$8.25
– Class A New Norwegian Krone Distributing	NOK 72.58	NOK 75.49	NOK 83.46
– Class C Sterling Distributing	£9.88	–	–

Eastern European Fund

– US Dollar Class	US\$84.04	US\$81.65	US\$97.56
-------------------	-----------	-----------	-----------

F&C Global Emerging Markets Fund

– Class A Euro Accumulating (formerly Euro Accumulating Class)*	€22.79	€21.70	€23.44
– Class A US Dollar Accumulating (formerly US Dollar Accumulating Class)*	US\$14.39	US\$14.22	US\$16.37
– Class A Euro Distributing (formerly Euro Distributing Class)*	€38.24	€36.48	€39.39
– Class A Sterling Distributing (formerly Sterling Distributing Class)*	£47.11	£44.29	£50.82
– Class A US Dollar Distributing (formerly US Dollar Distributing Class)*	US\$45.85	US\$45.42	US\$52.31
– Class C Sterling Accumulating	–	–	–

* Change of name effective 2 July 2012

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2013

13. Comparative Statistics (continued)

Net Asset Value per share	Audited 31.03.2013	Audited 31.03.2012	Audited 31.03.2011
F&C Macro Global Bond Fund (£)			
– Class A Sterling Accumulating (formerly Sterling Accumulating Class)*	£15.54	£16.20	£16.83
– Euro Distributing Class	£11.72	£12.30	£12.86
– Class A Sterling Distributing (formerly Sterling Distributing Class)*	£13.38	£13.95	£14.57
– US Dollar Distributing Class	US\$12.10	US\$12.65	US\$13.26
– Class C Sterling Accumulating	£9.89	–	–
– Class C Sterling Distributing	£9.79	–	–
F&C Macro Global Bond Fund (€)			
– Class A Euro Accumulating (formerly Euro Accumulating Class)*	€13.97	€14.31	€14.39
– Class A Euro Distributing (formerly Euro Distributing Class)*	€12.29	€12.60	€12.76
F&C Macro Global Bond Fund (\$)			
– Class A US Dollar Accumulating (formerly US Dollar Accumulating Class)*	US\$11.64	US\$12.32	US\$12.83
– Class A US Dollar Distributing (formerly US Dollar Distributing Class)*	US\$10.21	US\$10.80	US\$11.30
F&C Emerging Asia Fund			
– Class B Euro Accumulating (formerly Class A Euro Accumulating)*	–	€10.92	€11.55
– Class B US Dollar Accumulating (formerly Class A US Dollar Accumulating)*	–	US\$9.98	US\$11.25
– Class B Sterling Distribution (formerly Class A Sterling Distributing)*	£12.88	£11.94	£13.43
– Class A Euro Accumulating (formerly Class B Euro Accumulating)*	€9.62	€9.10	€9.67
– Class A US Dollar Accumulating (formerly Class B US Dollar Accumulating)*	US\$8.54	US\$8.39	US\$9.50
– Class A Euro Distributing (formerly Class B Euro Distributing)*	€9.58	€9.06	€9.63
– Class A Sterling Distributing (formerly Class B Sterling Distributing)*	£11.60	£10.81	£12.21
– Class A US Dollar Distributing (formerly Class B US Dollar Distributing)*	US\$8.53	US\$8.37	US\$9.48
Thames River World Government Bond Fund (terminated 17 April 2012)			
– Sterling Accumulating Class	–	–	£11.30
– Sterling Distributing Class	–	£10.27	£10.93
F&C Water and Agriculture Equity Long/Short Fund			
– Class A Euro Accumulating (formerly Euro Accumulating Class)*	€12.47	€11.84	€12.86
– Class A Sterling Accumulating (formerly Sterling Accumulating Class)*	£11.05	£10.43	£11.32
– Class A US Dollar Accumulating (formerly US Dollar Accumulating Class)*	US\$12.50	US\$11.81	US\$12.83
– Class A Norwegian Krone Accumulating (formerly Norwegian Krone Accumulating Class)*	NOK 111.98	NOK 104.90	NOK 112.34
– Class A Singapore Dollar Accumulating (formerly Singapore Dollar Accumulating Class)*	SGD 10.48	SGD 9.97	–
– Class A Euro Distributing (formerly Euro Distributing Class)*	€12.36	€11.74	€12.74
– Class A Sterling Distributing (formerly Sterling Distributing Class)*	£12.44	£11.75	£12.75
– Class A US Dollar Distributing (formerly US Dollar Distributing Class)*	US\$11.05	US\$10.44	US\$11.34
– Class C Sterling Accumulating	£10.35	–	–
– Class C Sterling Distributing	£10.35	–	–

* Change of name effective 2 July 2012

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2013

13. Comparative Statistics (continued)

Net Asset Value per share	Audited 31.03.2013	Audited 31.03.2012	Audited 31.03.2011
F&C Global Credit Fund (terminated 26 March 2013)			
– Class A Euro Accumulating	–	€10.50	€10.91
– Class A Sterling Accumulating	–	£10.49	£10.91
– Class A US Dollar Accumulating	–	US\$10.43	US\$10.89
– Class A Euro Distributing	–	€9.70	€10.35
– Class A Sterling Distributing	–	£9.68	£10.35
– Class A US Dollar Distributing	–	US\$9.64	US\$10.33
– Class B Euro Accumulating	–	€10.61	€10.97
– Class B Sterling Accumulating	–	£10.62	£10.96
– Class B US Dollar Accumulating	–	US\$10.55	US\$10.95
– Class B Sterling Distributing	–	£9.79	£10.42
– Class A Norwegian Krone Distributing	–	NOK 100.28	NOK 105.38
F&C Credit Select Fund (terminated 26 March 2013)			
– Class A Euro Accumulating	–	€10.75	€10.79
– Class A Sterling Accumulating	–	£10.74	£10.80
– Class A US Dollar Accumulating	–	US\$10.68	US\$10.77
– Class A Euro Distributing	–	€10.12	€10.37
– Class A Sterling Distributing	–	£10.11	£10.38
– Class A US Dollar Distributing	–	US\$10.06	US\$10.36
– Class A Norwegian Krone Distributing	–	NOK 102.17	NOK 103.05
– Class B Sterling Accumulating	–	£10.70	£10.70
– Class B US Dollar Accumulating	–	US\$10.81	US\$10.85
– Class B Euro Distributing	–	€10.25	€10.46
– Class B Sterling Distributing	–	£10.23	£10.45
– Class B US Dollar Distributing	–	US\$10.18	US\$10.44
F&C Real Estate Securities Fund			
– Class A Euro Accumulating	€12.57	€10.70	€11.94
– Class A Sterling Accumulating	£12.93	£10.90	£12.03
– Class A Sterling Distributing	£12.34	£10.69	£11.94
– Class B Euro Accumulating	€12.69	€10.77	€11.97
– Class B Sterling Accumulating	£13.06	£11.00	£12.08
– Class A Norwegian Krone Accumulating	NOK 102.00	NOK 85.34	–
– Class C Sterling Distributing (formerly Class B Sterling Distributing)*	£12.43	£10.75	£11.98
F&C Global Emerging Markets Equity Long/Short Fund			
– 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 C Sterling Distributing (formerly Class B Sterling Distributing)*	£9.29	£8.77	–
Thames River – BSI Bond Opportunity Fund (terminated 17 December 2012)			
– Euro Accumulating Class	–	€10.01	€10.12
– US Dollar Accumulating Class	–	US\$9.97	US\$10.11
– Swiss Franc Accumulating Class	–	CHF 9.75	CHF 9.99

* Change of name effective 2 July 2012

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2013

13. Comparative Statistics (continued)

Net Asset Value per share	Audited 31.03.2013	Audited 31.03.2012	Audited 31.03.2011
F&C Global High Yield Fund			
– 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 (launched 3 December 2012)			
– Class A Euro Accumulating	€10.04	–	–
– Class A Sterling Accumulating	£10.05	–	–
– Class B Euro Accumulating	€10.06	–	–
– Class C Sterling Accumulating	£10.07	–	–

14. Exchange Rates

	Exchange Rate to € 2013	Exchange Rate to € 2012	Exchange Rate to US\$ 2013	Exchange Rate to US\$ 2012
Australian Dollar	1.23	1.29	0.96	0.97
Argentine Peso	6.58	5.83	5.12	4.38
Brazilian Real	2.59	2.43	2.02	1.82
Canadian Dollar	1.30	1.33	1.02	1.00
Chilean Peso	605.77	650.07	471.75	488.15
Chinese Renminbi	7.98	8.39	6.21	6.30
Colombian Peso	2,347.33	2,392.00	1,828.00	1,796.20
Czech Koruna	25.76	24.85	20.06	18.66
Danish Krone	7.45	7.44	5.81	5.59
Egyptian Pound	8.74	8.04	6.80	6.04
Euro	–	–	0.78	0.75
Hong Kong Dollar	9.97	10.34	7.76	7.76
Hungarian Forint	304.42	294.94	237.07	221.48
Indian Rupee	69.79	67.84	54.35	50.95
Indonesian Rupiah	12,478.23	12,177.06	9,717.50	9,144.00
Israeli Shekel	4.67	4.94	3.63	3.71
Japanese Yen	120.73	109.59	94.02	82.30
Malaysian Ringgit	3.98	4.08	3.10	3.06
Mexican Peso	15.84	17.06	12.34	12.81
New Taiwan Dollar	38.40	39.30	29.90	29.51
New Turkish Lira	2.32	2.37	1.81	1.78
New Zealand Dollar	1.53	1.63	1.19	1.22
Nigerian Nira	203.59	210.01	158.55	157.70
Norwegian Krone	7.49	7.60	5.83	5.70
Peruvian Sol	3.33	3.55	2.59	2.67
Philippine Peso	52.40	57.18	40.81	42.94
Polish Zloty	4.18	4.15	3.25	3.12
Romanian Leu	4.42	4.39	3.44	3.29
Russian Ruble	39.92	39.21	31.08	29.45
Singapore Dollar	1.59	1.67	1.24	1.26
South African Rand	11.78	10.22	9.17	7.67
South Korean Won	1,428.69	1,508.88	1,112.60	1,133.05
Sterling Pound	0.85	0.83	0.66	0.63
Swedish Krona	8.35	8.84	6.50	6.64
Swiss Franc	1.22	1.20	0.95	0.90
Thai Baht	37.60	41.08	29.29	30.85
UAE Dirham	4.72	4.89	3.67	3.67
United States Dollar	1.28	1.33	–	–
Uruguayan Peso	24.18	25.97	18.83	19.50

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2013

14. Exchange Rates (continued)

	Exchange Rate to £ 2013	Exchange Rate to £ 2012
Australian Dollar	1.46	1.54
Argentine Peso	7.78	7.00
Brazilian Real	3.06	2.91
Canadian Dollar	1.54	1.60
Chilean Peso	716.33	779.94
Chinese Renminbi	9.44	10.06
Colombian Peso	2,775.73	2,869.88
Czech Koruna	30.46	29.82
Danish Krone	8.82	8.93
Egyptian Pound	10.33	9.65
Euro	1.18	1.20
Hong Kong Dollar	11.79	12.40
Hungarian Forint	359.98	353.87
Indian Rupee	82.53	81.40
Indonesian Rupiah	14,755.54	14,609.83
Israeli Shekel	5.52	5.92
Japanese Yen	142.76	131.49
Malaysian Ringgit	4.70	4.89
Mexican Peso	18.74	20.47
New Taiwan Dollar	45.41	47.16
New Turkish Lira	2.75	2.85
New Zealand Dollar	1.81	1.95
Nigerian Naira	240.75	251.97
Norwegian Krone	8.86	9.11
Peruvian Sol	3.93	4.26
Philippine Peso	61.97	68.60
Polish Zloty	4.94	4.98
Romanian Leu	5.22	5.26
Russian Ruble	47.20	47.05
Singapore Dollar	1.88	2.01
South African Rand	13.93	12.26
South Korean Won	1,689.43	1,810.33
Swedish Krona	9.87	10.60
Swiss Franc	1.44	1.44
Thai Baht	44.47	49.29
UAE Dirham	5.58	5.87
United States Dollar	1.52	1.60
Uruguayan Peso	28.59	31.16

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2013

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2013

15. Fees and Expenses (continued)

Investment Management Fee (continued)

Fund / Share Class (where relevant)	Annual investment Management Fee Rate
F&C Global Emerging Markets Equity Long/Short Fund Class A – Non Institutional Class B & C – Institutional	1.75% 1.00%
Thames River – BSI Bond Opportunity Fund	1.80%
F&C Global High Yield Fund Class A – Non Institutional Class B – Institutional Class C – Institutional	1.50% 1.00% 0.75%
F&C Real Estate Equity Long/Short Fund Class A – Non Institutional Class B & C – Institutional	1.75% 1.00%

Details of investment management fees charged to each Fund in the year are shown in the Profit and Loss Account. Investment management fees payable at 31 March 2013 are disclosed in note 7.

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 European Equity Long/Short Fund – Shares of each class except Class A Old Euro Accumulating Shares and Class A Sterling Distributing Shares	12.5%	2% pa over the three month euro interbank interest offer rate ('EURIBOR') on the first Business Day of the Performance Period, expressed as a quarterly percentage
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

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2013

15. Fees and Expenses (continued)

Performance Fee (continued)

Fund	% Rate	Performance/Index Hurdle
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 Global Credit Fund	12.5%	3 month NIBOR for all NOK share classes, 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 Credit Select Fund	10%	3 month NIBOR for all NOK share classes, 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

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 2013 are disclosed in note 7.

Administration Fee

Since 1 April 2012, 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).

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2013

15. Fees and Expenses (continued)

Administration Fee (continued)

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.

Until 31 March 2012, the fees payable to Northern Trust International Fund Administration Services (Ireland) Limited (the "former Administrator") were calculated by reference to the total Net Asset Value of the Company's Funds and any other UCITS funds managed or advised by the Investment Managers and administered by the former Administrator and a composite rate was applied to each Fund or fund. The maximum fee rate was 0.165% per annum of the aggregated Net Asset Value of all of the relevant Funds with no minimum fee.

The former Administrator was entitled to be reimbursed for all reasonable out of pocket expenses. In addition, the former Administrator was also entitled to receive a fee in respect of investment risk and analytical services. The highest fee per Fund was \$115,000 per annum and the lowest fee was \$1,750 per annum.

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 2013 are disclosed in note 7.

Custodian Fee

Since 1 April 2012, State Street Custodial Services (Ireland) Limited (the "Custodian") will be 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 will also be 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.

Until 31 March 2012, the fee payable to Northern Trust Fiduciary Services (Ireland) Limited (the "former Custodian") was accrued daily and paid monthly in arrears, at a rate of 0.07% per annum of the Net Asset Value of each Fund with no minimum fee per Fund. In addition, the former Custodian was entitled to a transaction fee of £25 for each transaction. The former Custodian was also entitled to be repaid all reasonable out-of-pocket expenses incurred by it on behalf of the Company.

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 2013

16. Related Party Disclosures

The Company has appointed Thames River Capital LLP, Nevsky Capital LLP and F&C Management Limited as Investment Managers. Mr. Greenlees, who resigned as a Director on 31 December 2012, is a member of Thames River Capital LLP and a non-executive member of the Nevsky Capital LLP Compliance, Risk & Audit Committee. Mr. Hampden-Acton, who acted as alternate director for Mr. Greenlees, is a member of Nevsky Capital LLP and Thames River 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	2013 No. of Shares held	2013 %	2012 No. of Shares held	2012 %
F&C High Income Bond Fund				
– Class A New Norwegian Krone Distributing	0.04	–	1.59	–
F&C Global Emerging Markets Fund				
– Class A US Dollar Accumulating (formerly US Dollar Accumulating Class)*	–	–	1.00	–
F&C Macro Global Bond Fund (\$)				
– Class A US Dollar Distributing (formerly US Dollar Distributing Class)*	–	–	1.14	–
F&C Emerging Asia Fund				
– Class B Euro Accumulating (formerly Class A Euro Accumulating)*	–	–	1.00	100.00
– Class B Sterling Distributing (formerly Class A Sterling Distributing)*	–	–	1.02	0.02

At 31 March 2012 Mr. Greenlees held shares in the following funds:

Direct:	2012
F&C High Income Bond Fund – Class A Sterling Distributing (formerly Sterling Distributing Class)*	11,898
F&C Water and Agriculture Equity Long/Short Fund – Class A Sterling Accumulating (formerly Sterling Accumulating Class)*	12,810
Personal Pension Plan:	
F&C High Income Bond Fund – Class A New Sterling Distributing	5,260
F&C Macro Global Bond Fund (£) – Class A Sterling Accumulating (formerly Sterling Accumulating Class)*	4,991
Eastern European Fund – US Dollar class	1,010
F&C Water and Agriculture Equity Long/Short Fund – Class A Sterling Accumulating (formerly Sterling Accumulating Class)*	9,775
Close Family Members:	
F&C Global Emerging Markets Fund – Class A Sterling Distributing (formerly Sterling Distributing Class)*	6,226
F&C High Income Bond Fund – Class A Sterling Distributing (formerly Sterling Distributing Class)*	877
F&C Macro Global Bond Fund (£) – Class A Sterling Accumulating (formerly Sterling Accumulating Class)*	12,978

* Change of name effective 2 July 2012

TRADITIONAL FUNDS plc

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2013

16. Related Party Disclosures (continued)

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

	2013	2012
Direct:		
F&C Water and Agriculture Equity Long/Short Fund – Class A Sterling Accumulating (formerly Sterling Accumulating Class)*	2,493	2,493
Personal Pension Plan:		
F&C Water and Agriculture Equity Long/Short Fund – Class A Euro Accumulating (formerly Euro Accumulating Class)*	3,931	3,931

* Change of name effective 2 July 2012

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

Mr. Hammond is a director of Bridge Consulting which provides certain oversight functions for the Company. Fees amounting to €60,000 ex VAT (2012: €63,760) were charged by Bridge Consulting during the year.

During the year, Directors' fees of €247,500 (2012: €260,000) were charged to the Company and are disclosed in the Profit and Loss Account.

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2013

17. Taxation (continued)

(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>

20. Auditors Remuneration

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

	2013	2012
	€	€
Statutory audit of Company accounts	192,587	210,380
Other assurance services	—	—
Tax advisory services	—	—
Other non audit services	—	—
	<u>192,587</u>	<u>210,380</u>

21. Significant Events during the year

State Street Fund Services (Ireland) Limited were appointed as administrator and company secretary to the Company in place of Northern Trust International Fund Administration Services (Ireland) Limited and State Street Custodial Services (Ireland) Limited were appointed as custodian in place of Northern Trust Fiduciary Services (Ireland) Limited, both with effect from 1 April 2012.

The Thames River World Government Bond Fund terminated on 17 April 2012. The Thames River BSI Bond Opportunity Fund terminated 17 December 2012. The F&C Real Estate Equity Long/Short Fund launched on 3 December 2012. The F&C European Equity Long/Short Fund, F&C Global Credit Fund and F&C Credit Select Fund terminated on 26 March 2013. Mr. Greenlees resigned as a Director of the Company on the 31 December 2012.

A number of share classes of the Funds were renamed during the year (effective 2 July 2012) as documented in Note 9 of these financial statements.

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2013

22. Subsequent Events

The following distributions were declared on 2 April 2013 and paid after the year end:

F&C High Income Bond Fund

Class A Euro Distributing	Date	Rate per			
Date Declared	Paid	Share €	No. of Shares	Amount €	Relevant period
02.04.13	24.04.13	0.11	2,335,026	256,853	01.01.13 to 31.03.13
Class A US Dollar Distributing	Date	Rate per			
Date Declared	Paid	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
Class A Sterling Distributing	Date	Rate per			
Date Declared	Paid	Share £	No. of Shares	Amount £	Relevant period
02.04.13	24.04.13	0.118	755,404	89,138	01.01.13 to 31.03.13
Class A Norwegian Krone Distributing	Date	Rate per			
Date Declared	Paid	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
Class A New Euro Distributing	Date	Rate per			
Date Declared	Paid	Share €	No. of Shares	Amount €	Relevant period
02.04.13	24.04.13	0.08	4,508,831	360,706	01.01.13 to 31.03.13
Class A New US Dollar Distributing	Date	Rate per			
Date Declared	Paid	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
Class A New Sterling Distributing	Date	Rate per			
Date Declared	Paid	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
Class A New Norwegian Krone Distributing	Date	Rate per			
Date Declared	Paid	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
Class C Sterling Distributing	Date	Rate per			
Date Declared	Paid	Share £	No. of Shares	Amount £	Relevant period
02.04.13	24.04.13	0.07	35,453	2,482	01.01.13 to 31.03.13

31 March 2013

22. Subsequent Events (continued)

The Funds were renamed as follows, 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

Other events that occurred in respect of the Company subsequent to the year are disclosed in the Directors' report.

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 March 2013

23. 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 2013 and 31 March 2012. 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	2013	2012
F&C European Equity Long/Short Fund (€000) – terminated 26 March 2013	71	69
F&C High Income Bond Fund (US\$000)	21	33
Eastern European Fund (US\$000)	1,261	2,660
F&C Global Emerging Markets Fund (US\$000)	993	3,039
F&C Macro Global Bond Fund (£) (£000)	45	4
F&C Macro Global Bond Fund (€) (€000)	21	2
F&C Macro Global Bond Fund (\$) (US\$000)	8	4
F&C Emerging Asia Fund (US\$000)	129	315
Thames River World Government Bond Fund (£000) – terminated 17 April 2012	–	2
F&C Water and Agriculture Equity Long/Short Fund (US\$000)	447	420
F&C Global Credit Fund (€000) – terminated 26 March 2013	4	19
F&C Credit Select Fund (€000) – terminated 26 March 2013	2	15
F&C Real Estate Securities Fund (£000)	64	143
F&C Global Emerging Markets Equity Long/Short Fund (US\$000)	210	458
Thames River – BSI Bond Opportunity Fund (€000) – terminated 17 December 2012	5	19
F&C Global High Yield Fund (€000)	2	10
F&C Real Estate Equity Long/Short Fund (€000) – launched 3 December 2012	24	–

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

24. Approval of Financial Statements

The financial statements were approved by the Directors on 27 June 2013.

TRADITIONAL FUNDS plc

SIGNIFICANT PORTFOLIO MOVEMENTS (UNAUDITED)

For the year ended 31 March 2013

F&C European Equity Long/Short Fund (terminated 26 March 2013)

	Nominal Purchases	Nominal Sales
Aareal Bank	39,023	
Accor	37,043	37,043
Aegon	192,726	192,726
Ageas	29,000	29,000
Akzo Nobel		11,000
BASF	7,281	
Bayer	8,500	8,500
Bundesschatzanweisungen 1.5% 15.03.2013	1,000,000	208,885
Carefour		30,000
Deutsche Wohnen		67,855
DNB	53,143	53,143
Eads		17,000
EFG International		109,000
France 8.5% Bills 26.12.2012	1,000,000	
French Discount Treasury Bill 0% 30.05.2013	800,000	800,000
Germany Government 0% Bills 13.06.2012	1,800,000	
Germany Government 0% Bills 29.08.2012	1,600,000	
ING Group	156,052	
iShares Euro Stoxx Banks	84,000	84,000
Kabel Deutschland		9,374
Kuoni Reisen		3,000
Novartis	13,109	13,109
Petroleum Geo Services	41,097	
Plastic Omnium		15,687
Publicis Groupe	11,075	11,075
SKF	31,752	31,752
UBS	54,260	54,260
United States Treasury Bill 0% 20.09.2012	1,400,000	

TRADITIONAL FUNDS plc

SIGNIFICANT PORTFOLIO MOVEMENTS (UNAUDITED) (continued)

For the year ended 31 March 2013

F&C High Income Bond Fund

	Nominal Purchases	Nominal Sales
Argentine Republic Government International 8.28% Bond 31.12.2033		13,504,966
Assicurazioni Generali SpA 10.13% 10.07.2042		7,000,000
Brazil Letras do Tesouro Nacional 0% 01.07.2012	78,506,000	78,506,000
Brazil Letras do Tesouro Nacional 0% 03.07.2012	95,029,000	
Brazil Letras do Tesouro Nacional 0% 05.07.2012	91,630,000	91,630,000
Brazil Letras do Tesouro Nacional 0% 03.10.2012	373,604,000	
Brazil Letras do Tesouro Nacional 0% 01.01.2013	23,405,000	
Brazil Letras do Tesouro Nacional 0% 03.01.2013	81,448,000	81,448,000
Brazil Letras do Tesouro Nacional 0% 01.04.2013	23,750,000	
Brazil Letras do Tesouro Nacional 0% 01.07.2013	37,722,000	
Brazil Letras do Tesouro Nacional 0% 01.10.2013	23,030,000	
CMA CGM 8.5% 15.04.2017		16,000,000
Credit Suisse Group Guernsey IV 1.00% 22.03.2022		19,250,000
Dutch Treasury Certificate 0% 27.04.2012		15,000,000
Dutch Treasury Certificate 0% 31.05.2012		16,000,000
Dutch Treasury Certificate 0% 31.10.2012	26,000,000	15,000,000
French Discount Treasury Bill 0% 07.06.2012	20,000,000	
French Discount Treasury Bill 0% 23.08.2012	41,000,000	
French Discount Treasury Bill 0% 13.09.2012	12,000,000	
French Discount Treasury Bill 0% 27.09.2012	14,000,000	
French Discount Treasury Bill 0% 27.12.2012	14,000,000	14,000,000
Gazprom OAO Via Gaz Capital 3.76% 15.03.2017		7,000,000
Heckler & Koch 9.5% 15.05.2018		9,500,000
iTraxx Europe CDS 100 20.06.2017		264,000,000
Lithuania Government International 4.85% Bond 07.02.2018	8,000,000	8,000,000
OGX Austria 8.50% 01.06.2018	15,250,000	10,750,000
OMV AG 3.5% 27.09.2027		7,000,000
Pertamina Persero PT 4.88% 03.05.2022	12,000,000	12,000,000
Pertamina Persero PT 6.00% 03.05.2042	12,000,000	12,000,000
United States Treasury 0.63% Bills 30.04.2013	16,000,000	
Vnesheconombank 3.04% 21.02.2018		6,500,000

TRADITIONAL FUNDS plc

SIGNIFICANT PORTFOLIO MOVEMENTS (UNAUDITED) (continued)

For the year ended 31 March 2013

Eastern European Fund

	Nominal Purchases	Nominal Sales
Akbank TAS	5,050,000	3,664,528
Bank Pekao	192,000	
Ceske Energeticke Zavody	173,000	210,000
Gazprom ADR	1,650,000	2,010,000
KGHM Polska Miedz		327,773
Komerčni Banka	42,437	29,500
Lukoil ADR	670,000	714,000
Magnit GDR	163,000	
Megafon GDR	2,271,000	537,000
MMC Norilsk Nickel ADR	1,563,000	748,000
Mobile Telesystems ADR		1,401,444
Mol Hungarian Oil and Gas		73,500
NovaTek GDR		71,000
OTP Bank		1,773,000
PGE		1,465,000
Powszechna Kasa Oszczednosci Bank Polski	900,000	1,240,000
Powszechny Zaklad Ubezpieczen	81,820	
Rosneft GDR	8,467,800	6,815,000
Sberbank of Russia ADR	590,000	
Serbank Sponseres ADR	880,000	
Telefonica O2 Czech Republic	1,434,292	
Turkcell Iletisim Hizmet	6,070,000	1,773,000
Turkiye Garanti Bankasi	13,100,000	14,583,000
Turkiye Halk Bankasi	2,750,000	808,000
Turkiye Is Bankasi	9,096,000	11,330,000
Uralkali GDR	230,000	
VimpelCom ADR		655,946

TRADITIONAL FUNDS plc

SIGNIFICANT PORTFOLIO MOVEMENTS (UNAUDITED) (continued)

For the year ended 31 March 2013

F&C Global Emerging Markets Fund

	Nominal Purchases	Nominal Sales
Agricultural Bank of China	11,689,000	
Airports of Thailand PCL NVDR	1,270,200	
Belle International Holdings	1,117,000	
CCR	231,000	
China Construction Bank		8,860,720
China Life Insurance	1,046,000	
China Mengniu Dairy	756,000	
China Overseas Land & Investment	746,000	
Chinatrust Financial		5,637,264
CIMB		1,255,700
CNOOC		2,478,000
Deutsche Bank		62,472
Ecopetrol	35,931	
Far EasTone Telecommunications		1,148,000
Gazprom ADR		407,560
Hyundai Motor		14,700
Industrial & Commercial Bank of China	5,562,000	4,395,000
Itau Unibanco Holding ADR		195,800
Kasikornbank PCL NVDR		543,800
KB Financial Group		96,090
Lukoil ADR	70,200	
Mail.ru Group GDR		84,498
Malayan Banking	811,100	
Naspers		44,254
NovaTek GDR		23,288
PetroChina	2,610,000	129,398
Ping An Insurance Group		381,500
Powszechna Kasa Oszczednosci Bank Polski	223,152	
PT Bank Mandiri	2,524,000	
PTT PCL NVDR	205,500	
Samsung Electronics	2,206	5,054
Supalai PCL NVDR	3,846,900	
Taiwan Semiconductor	802,000	
HDFC Bank (CS Warrant)	166,506	
Tencent Holdings		178,140
Ultrapar Participacoes	94,400	
Walmart De Mexico		937,500

TRADITIONAL FUNDS plc

SIGNIFICANT PORTFOLIO MOVEMENTS (UNAUDITED) (continued)

For the year ended 31 March 2013

F&C Macro Global Bond Fund (£)

	Nominal Purchases	Nominal Sales
Canadian Government 0.75% Bonds 01.12.12	190,000,000	168,000,000
Germany Government 0% Bills 15.05.13	27,480,000	
Germany Government 0% Bills 24.04.13	135,290,000	
United Kingdom 0% Treasury Bills 02.04.13	30,000,000	28,000,000
United Kingdom 0% Treasury Bills 06.06.12		57,000,000
United Kingdom 0% Treasury Bills 07.05.12	50,000,000	
United Kingdom 0% Treasury Bills 08.10.12	95,000,000	45,000,000
United Kingdom 0% Treasury Bills 10.09.12		17,000,000
United Kingdom 0% Treasury Bills 12.11.12	50,000,000	
United Kingdom 0% Treasury Bills 17.09.12	50,000,000	50,000,000
United Kingdom 0% Treasury Bills 21.01.13	50,000,000	20,000,000
United Kingdom 0% Treasury Bills 22.04.13	60,000,000	28,000,000
United Kingdom 0% Treasury Bills 29.10.12	96,000,000	35,000,000
United Kingdom 0% Treasury Bills 30.07.12		15,000,000
United States 0% Treasury Bills 06.06.13	40,000,000	
United States 0% Treasury Bills 07.03.13	40,000,000	
United States 0% Treasury Bills 08.11.12	40,000,000	
United States 0% Treasury Bills 09.08.12	50,000,000	
United States 0% Treasury Bills 13.06.13	84,330,000	
United States 0% Treasury Bills 14.03.13	84,330,000	
United States 0% Treasury Bills 15.11.12	84,330,000	
United States 0% Treasury Bills 18.10.12		122,000,000
United States 0% Treasury Bills 20.09.12		122,150,000
United States 0% Treasury Bills 23.05.13	35,700,000	
United States 0% Treasury Bills 23.08.12		83,000,000
United States 0% Treasury Bills 25.10.12	95,410,000	87,000,000
United States 0% Treasury Bills 26.07.12		78,000,000
United States 0% Treasury Bills 31.05.12		127,000,000

TRADITIONAL FUNDS plc

SIGNIFICANT PORTFOLIO MOVEMENTS (UNAUDITED) (continued)

For the year ended 31 March 2013

F&C Macro Global Bond Fund (€)

	Nominal Purchases	Nominal Sales
Canadian Government 1.5% Bonds 01.12.2012	44,000,000	36,300,000
Germany Government 0% Bills 14.11.2012	13,000,000	
Germany Government 0% Bills 09.01.2013	30,600,000	30,600,000
Germany Government 0% Bills 23.01.2013	13,700,000	
Germany Government 0% Bills 13.02.2013	43,400,000	39,500,000
Germany Government 0% Bills 27.02.2013	22,600,000	10,000,000
Germany Government 0% Bills 10.04.2013	13,000,000	
Germany Government 0% Bills 24.04.2013	29,230,000	15,000,000
Germany Government 0% Bills 26.06.2013	40,000,000	8,000,000
Germany Government 0% Bills 24.07.2013	25,250,000	
Netherlands Government 0% Bill 31.08.2012	15,000,000	
United States Treasury 0% Bills 26.07.2012		2,000,000
United States Treasury 0% Bills 23.08.2012		19,100,000
United States Treasury 0% Bills 20.09.2012		25,140,000
United States Treasury 0% Bills 18.10.2012		34,000,000
United States Treasury 0% Bills 25.10.2012	22,380,000	7,000,000
United States Treasury 0% Bills 08.11.2012	37,000,000	10,700,000
United States Treasury 0% Bills 15.11.2012	17,000,000	17,000,000
United States Treasury 0% Bills 29.11.2012	23,000,000	23,000,000
United States Treasury 0% Bills 24.01.2013	27,300,000	27,300,000
United States Treasury 0% Bills 21.02.2013	33,050,000	
United States Treasury 0% Bills 07.03.2013	26,300,000	
United States Treasury 0% Bills 23.05.2013	33,000,000	
United States Treasury 0% Bills 06.06.2013	26,300,000	

TRADITIONAL FUNDS plc

SIGNIFICANT PORTFOLIO MOVEMENTS (UNAUDITED) (continued)

For the year ended 31 March 2013

F&C Macro Global Bond Fund (\$)

	Nominal Purchases	Nominal Sales
Canadian Government 0.75% Bonds 01.12.12	190,000,000	168,000,000
Germany Government 0% Bills 15.05.13	27,480,000	
Germany Government 0% Bills 24.04.13	135,290,000	
United Kingdom 0% Treasury Bills 02.04.13	30,000,000	28,000,000
United Kingdom 0% Treasury Bills 06.06.12		57,000,000
United Kingdom 0% Treasury Bills 07.05.12	50,000,000	
United Kingdom 0% Treasury Bills 08.10.12	95,000,000	45,000,000
United Kingdom 0% Treasury Bills 10.09.12		17,000,000
United Kingdom 0% Treasury Bills 12.11.12	50,000,000	
United Kingdom 0% Treasury Bills 17.09.12	50,000,000	50,000,000
United Kingdom 0% Treasury Bills 21.01.13	50,000,000	20,000,000
United Kingdom 0% Treasury Bills 22.04.13	60,000,000	28,000,000
United Kingdom 0% Treasury Bills 29.10.12	96,000,000	35,000,000
United Kingdom 0% Treasury Bills 30.07.12		15,000,000
United States 0% Treasury Bills 06.06.13	40,000,000	
United States 0% Treasury Bills 07.03.13	40,000,000	
United States 0% Treasury Bills 08.11.12	40,000,000	
United States 0% Treasury Bills 09.08.12	50,000,000	
United States 0% Treasury Bills 13.06.13	84,330,000	
United States 0% Treasury Bills 14.03.13	84,330,000	
United States 0% Treasury Bills 15.11.12	84,330,000	
United States 0% Treasury Bills 18.10.12		122,000,000
United States 0% Treasury Bills 20.09.12		122,150,000
United States 0% Treasury Bills 23.05.13	35,700,000	
United States 0% Treasury Bills 23.08.12		83,000,000
United States 0% Treasury Bills 25.10.12	95,410,000	87,000,000
United States 0% Treasury Bills 26.07.12		78,000,000
United States 0% Treasury Bills 31.05.12		127,000,000

TRADITIONAL FUNDS plc

SIGNIFICANT PORTFOLIO MOVEMENTS (UNAUDITED) (continued)

For the year ended 31 March 2013

F&C Emerging Asia Fund

	Nominal Purchases	Nominal Sales
Agricultural Bank of China	1,450,000	
Bank Rakyat Indonesia Persero		394,500
Belle International Holdings	212,000	
China Construction Bank		875,000
China Life Insurance	185,000	
China Mengniu Dairy	142,000	
China Overseas Land & Investment	161,000	
Chinatrust Financial Holding		698,239
CIMB		143,000
CNOOC		285,100
E. Sun Financial Holding	786,000	
Far EasTone Telecommunications		188,000
HDFC Bank (CS Warrant)	26,878	
Golden Eagle Retail Group	183,000	
Grand Korea Leisure	16,590	18,940
Hyundai Motor	2,970	2,040
Indocement Tunggul Prakarsa		152,500
Industrial & Commercial Bank of China	1,328,000	547,000
Infosys Technologies (CS Warrant)		963,300
Kasikornbank PCL NVDR		56,700
KB Financial Group		10,069
Kia Motors	6,861	5,950
Largan Precision		12,000
LG Chemical	1,780	
Malayan Banking	153,300	
MediaTek	31,000	
PetroChina	464,000	
Ping An Insurance Group		51,500
Samsung Electronics	1,148	965
S-Oil	4,343	
Supalai PCL NVDR	986,400	925,400
Taiwan Semiconductor Manufacturing	199,000	
Tencent Holdings		22,045
Ultratech Cement (Barclays Warrant)		951,200

TRADITIONAL FUNDS plc

SIGNIFICANT PORTFOLIO MOVEMENTS (UNAUDITED) (continued)

For the year ended 31 March 2013

Thames River World Government Bond Fund (terminated 17 April 2012)

There were no significant purchases or sales during the period due to the termination of the Fund on 17 April 2012.

TRADITIONAL FUNDS plc

SIGNIFICANT PORTFOLIO MOVEMENTS (UNAUDITED) (continued)

For the year ended 31 March 2013

F&C Water and Agriculture Equity Long/Short Fund

	Nominal Purchases	Nominal Sales
American Water Works	115,000	
Aqua America		225,000
Australia Government Bonds 5.75% 15.05.21		10,000,000
Bayer	70,000	65,000
Caterpillar	70,000	70,000
CF Industries Holdings	32,500	32,500
Diageo ADR	39,000	
ETFS Wheat	1,500,000	
iShares		50,000
Mead Johnston Nutrition	50,000	60,000
Mexico Government International 6.750% 27.09.34	3,500,000	
Monsanto	60,000	110,000
Mosaic	160,000	135,000
Plum Creek timber		100,044
Quimica Minera	65,000	65,000
Rayonier	80,000	130,000
Russia Foreign Bond – Eurobond 7.500% 31.03.2030	3,130,000	
Smith (A.O) Corp	54,000	79,000
Syngenta ADR		65,000
United States Treasury Notes 0.500% 31.05.2013	30,000,000	30,000,000
United States Treasury Notes 3.625% 15.02.2021	17,000,000	20,000,000
United States Treasury Notes 1.125% 15.01.2021	10,248,900	10,495,515
Valmont	29,000	29,000
Weyerhaeuser Reits	300,000	350,000
Yara International	80,000	130,000

TRADITIONAL FUNDS plc

SIGNIFICANT PORTFOLIO MOVEMENTS (UNAUDITED) (continued)

For the year ended 31 March 2013

F&C Global Credit Fund (terminated 26 March 2013)

	Nominal Purchases	Nominal Sales
Aviva 6.63% 03.06.2041		1,500,000
Italy CDS 100 20.09.2017	25,000,000	75,000,000
iTraxx Europe CDS 100 20.06.2017	90,000,000	90,000,000
France CDS 25 20.09.2017	75,000,000	75,000,000
Croatia Government 6.25% Bond 27.04.2017		2,000,000
CNOOC Finance 2012 3.88% 02.05.2022		2,000,000
CSG Guernsey 1.00% 22.03.2022		6,000,000
Dutch 0% Treasury Certificate 31.07.2012	2,500,000	
Dutch 0% Treasury Certificate 28.09.2012	2,000,000	
Dutch 0% Treasury Certificate 31.10.2012	5,000,000	5,000,000
European Financial Stability Facility Treasury Bill 07.06.2012		2,500,000
European Financial Stability Facility Treasury Bill 19.07.2012	4,500,000	4,500,000
European Financial Stability Facility Treasury Bill 09.08.2012	4,500,000	4,500,000
European Financial Stability Facility Treasury Bill 23.08.2012	5,000,000	
European Financial Stability Facility Treasury Bill 06.09.2012	2,000,000	
European Financial Stability Facility Treasury Bill 20.09.2012	4,500,000	
European Financial Stability Facility Treasury Bill 04.10.2012	2,000,000	
European Financial Stability Facility Treasury Bill 20.12.2012	4,000,000	4,000,000
European Financial Stability Facility Treasury Bill 17.06.2013		1,700,000
French Discount Treasury Bill 0% 05.07.2012	2,500,000	
French Discount Treasury Bill 0% 07.06.2012	6,500,000	
French Discount Treasury Bill 0% 02.08.2012	2,500,000	2,500,000
French Discount Treasury Bill 0% 23.08.2012	3,000,000	
French Discount Treasury Bill 0% 27.09.2012	7,000,000	
French Discount Treasury Bill 0% 27.12.2012	3,000,000	
Gazprom 3.76% 15.03.2017	2,000,000	2,000,000
GDF Suez 5.95% 16.03.2017		2,000,000
Kingdom of Bahrain 6.13% 30.06.2022		2,000,000
Saudi Electricity Global 2.67% 03.04.2017		2,000,000
Türkiye Vakıflar Bankası 5.75% 24.04.2017		2,500,000
Vale 4.38% 11.01.2022		2,000,000

TRADITIONAL FUNDS plc

SIGNIFICANT PORTFOLIO MOVEMENTS (UNAUDITED) (continued)

For the year ended 31 March 2013

F&C Credit Select Fund (terminated 26 March 2013)

	Nominal Purchases	Nominal Sales
Croatia Government 6.25% Bond 27.04.2017		1,000,000
CSG Guernsey 1.00% 22.03.2022		2,750,000
Dutch 0% Treasury Certificate 27.04.2012		3,500,000
Dutch 0% Treasury Certificate 31.05.2012		1,500,000
Dutch 0% Treasury Certificate 29.06.2012	3,000,000	
Dutch 0% Treasury Certificate 31.07.2012	3,500,000	3,500,000
Dutch 0% Treasury Certificate 28.09.2012	1,000,000	
Dutch 0% Treasury Certificate 31.10.2012	2,500,000	
Dutch 0% Treasury Certificate 28.03.2013	1,000,000	1,000,000
Ebay 2.60% 15.07.2022		1,000,000
EIB Sukuk 4.15% 11.01.2018		1,000,000
Empresa Bras De Aeronau 5.15% 15.06.2022		1,000,000
European Financial Stability Facility Treasury Bill 09.08.2012	3,000,000	
European Financial Stability Facility Treasury Bill 20.09.2012	3,000,000	3,000,000
European Financial Stability Facility Treasury Bill 04.10.2012	3,000,000	1,600,000
European Financial Stability Facility Treasury Bill 06.12.2012	1,000,000	
French Discount Treasury Bill 0% 24.05.2012		1,750,000
French Discount Treasury Bill 0% 07.06.2012	2,500,000	
French Discount Treasury Bill 0% 05.07.2012	2,250,000	
French Discount Treasury Bill 0% 02.08.2012	1,500,000	1,500,000
French Discount Treasury Bill 0% 23.08.2012	2,500,000	
French Discount Treasury Bill 0% 13.09.2012	1,400,000	
French Discount Treasury Bill 0% 27.09.2012	2,250,000	
French Discount Treasury Bill 0% 27.12.2012	1,750,000	
French Discount Treasury Bill 0% 25.04.2013		1,000,000
Gazprom 3.76% 15.03.2017	1,200,000	1,200,000
iTraxx Europe CDS 100 20.06.2017	36,000,000	36,000,000
Kingdom of Bahrain 6.13% 30.06.2022		1,000,000
MAF Global Securities 5.25% 05.07.2019		1,000,000
Saudi Electricity Global 2.67% 02.04.2017		1,000,000
Telefonica Emisiones 5.81% 05.09.2017	1,000,000	1,000,000
US Treasury 0% Certificates 16.08.2012	3,000,000	

TRADITIONAL FUNDS plc

SIGNIFICANT PORTFOLIO MOVEMENTS (UNAUDITED) (continued)

For the year ended 31 March 2013

F&C Real Estate Securities Fund

	Nominal Purchases	Nominal Sales
Alstria Office	118,380	149,777
Befimmo		18,346
CA Immobilien Anlagen	70,197	
Castellum	113,367	113,367
Corio	34,209	65,380
Deutsche Euroshop	53,797	
Deutsche Wohnen	117,000	210,219
Eurocommercial Properties	53,000	72,027
Fabege	144,266	144,266
GSW Immobilien	31,500	75,324
Hufvudstaden	102,556	102,556
Icade		24,674
Klepierre	24,124	92,426
LEG Immobilien	71,586	25,000
Mercialys	83,763	157,102
PSP Swiss Property	10,240	30,500
Sponda	320,638	288,638
Swiss Prime Site	12,000	40,400
Terreis	43,327	
Unibail-Rodamco 3.50% 01.01.2015	600,076	600,076
Unibail-Rodamco	40,500	45,906
Vastned Retail	30,945	32,705
Wereldhave		28,321

TRADITIONAL FUNDS plc

SIGNIFICANT PORTFOLIO MOVEMENTS (UNAUDITED) (continued)

For the year ended 31 March 2013

F&C Global Emerging Markets Equity Long/Short Fund

	Nominal Purchases	Nominal Sales
Abbott Laboratories	32,000	32,000
Alexion Pharmaceuticals		19,500
Amgen	25,200	25,200
Apple	3,400	5,400
Australian Government Bond 5.75% 15.05.2021		5,000,000
British American Tobacco ADR	15,000	22,000
China Mobile		50,000
Chunghwa Telecom	78,300	69,000
Coca-Cola Femsa ADR	19,600	
Consumer Staples Select Sector SPDR Fund	105,000	105,000
Credicorp	18,000	18,000
Diageo ADR	22,000	19,000
Ecopetrol		44,000
Fomento Economico Mexicano ADR	22,600	
Google	3,850	3,450
Grupo Aeroportuario del Sureste ADR	24,000	
International Business Machines	10,000	
iShares Barclays 1-3 Year Treasury Bond Fund	35,000	35,000
iShares MSCI Emerging Markets Index Fund	74,000	74,000
Johnson & Johnson		30,000
Market Vectors Russia ETF		100,000
PepsiCo	24,900	
Philippine Long Distance Telephone	39,000	39,000
Shoprite	86,300	120,000
Starbucks	32,000	
United States Treasury 0.50% Bills 31.05.2013	4,000,000	4,000,000

TRADITIONAL FUNDS plc

SIGNIFICANT PORTFOLIO MOVEMENTS (UNAUDITED) (continued)

For the year ended 31 March 2013

Thames River – BSI Bond Opportunity Fund (terminated 17 December 2012)

	Nominal Purchases	Nominal Sales
Aviva 6.63% 03.06.2041		3,000,000
Bahrain (Kingdom of) 6.13% Bond 30.06.2022		4,000,000
CLP Power 3.38% 26.10.2027		4,000,000
Croatia Government International Bond 6.25% 27.04.2017		4,000,000
CSG Guernsey IV 1.00% 22.03.2022		14,750,000
Dutch Treasury Certificate 0% 27.04.2012		13,000,000
Dutch Treasury Certificate 0% 29.06.2012	8,999,964	
Dutch Treasury Certificate 0% 31.07.2012	8,999,969	
Dutch Treasury Certificate 0% 31.08.2012	4,500,000	
Dutch Treasury Certificate 0% 28.09.2012	7,500,615	
Dutch Treasury Certificate 0% 31.10.2012	13,500,517	10,000,000
Dutch Treasury Certificate 0% 31.01.2013		4,000,000
Empresa Bras De Aeronau 5.15% 15.06.2022		4,000,000
European Financial Stability Facility Treasury Bill 19.07.2012	8,497,309	
European Financial Stability Facility Treasury Bill 09.08.2012	12,996,361	
European Financial Stability Facility Treasury Bill 20.09.2012	13,001,517	
European Financial Stability Facility Treasury Bill 04.10.2012	10,000,280	
European Financial Stability Facility Treasury Bill 20.12.2012	6,499,773	6,500,000
France 0% Bills 13.05.2012	7,500,717	
France 0% Bills 24.05.2012		18,500,000
France 0% Bills 07.06.2012	9,999,378	10,000,000
France 0% Bills 05.07.2013	9,999,582	
France 0% Bills 02.08.2012	9,998,678	
France 0% Bills 23.08.2012	13,500,169	
France 0% Bills 27.09.2012	8,000,907	
France 0% Bills 22.11.2012	13,000,455	13,000,000
France 0% Bills 23.11.2012		9,000,000
France 0% Bills 24.01.2013		4,000,000
Gazprom 3.76% 15.03.2017	4,800,000	4,800,000
iTraxx Europe CDS 100 20.06.2017	174,000,000	174,000,000
OMV AG 3.5% 27.09.2027		3,300,000
Poland Government 3.38% Bond 09.07.2024		3,250,000
Telefonica Emisiones 5.81% 05.09.2017		4,000,000
United States Treasury 0% Bills 16.08.2012	8,998,380	

TRADITIONAL FUNDS plc

SIGNIFICANT PORTFOLIO MOVEMENTS (UNAUDITED) (continued)

For the year ended 31 March 2013

F&C Global High Yield Fund

	Nominal Purchases	Nominal Sales
Bank of Ceylon 6.88% 05.03.2017		1,250,000
CMA CGM Holdings 8.50% 15.04.2017		3,150,000
CNOOC Finance 12 5.00% 05.02.2042	2,250,000	2,250,000
Consolidated Minerals 8.88% 05.01.2016		2,000,000
CSG Guernsey IV 1.00% 22.03.2022		2,500,000
Dixons Retail 8.75% 15.09.2017		1,000,000
Dutch Treasury Certificate 0% 31.10.2012	3,500,000	
Dutch Treasury Certificate 0% 28.09.2012	2,000,000	
EFSF 0% Treasury Bill 10.04.2012	2,000,000	
EFSF 0% Treasury Bill 09.06.2012	1,500,000	
EFSF 0% Treasury Bill 19.07.2012	1,500,000	
EFSF 0% Treasury Bill 11.08.2012	1,500,000	
EFSF 0% Treasury Bill 23.08.2012	2,000,000	
EFSF 0% Treasury Bill 20.09.2012	2,000,000	
EFSF 0% Treasury Bill 20.12.2012	4,000,000	3,750,000
Europcar 11.50% 15.05.2017	2,000,000	2,000,000
Faurecia 8.75% 15.06.2019		1,000,000
French Discount 0% Treasury Bill 24.05.2012		1,500,000
French Discount 0% Treasury Bill 23.08.2012	3,500,000	
French Discount 0% Treasury Bill 13.09.2012	3,000,000	
French Discount 0% Treasury Bill 27.09.2012	4,000,000	
French Discount 0% Treasury Bill 22.11.2012	3,000,000	
French Discount 0% Treasury Bill 27.12.2012	2,000,000	
Heckler + Koch 9.50% 15.05.2018		2,250,000
Heidelberger Druckmaschine 9.25% 15.04.2018		1,630,000
Lecta 8.88% 15.05.2019		1,000,000
Mexichem 6.75% 19.09.2042	2,000,000	2,000,000
Rottapharm 6.13% 15.11.2019	1,250,000	1,250,000
Spie Bondco 11.00% 15.08.2019		1,000,000
Sunrise Communications 5.63% 31.12.2017	2,000,000	2,000,000
Techem Energy 7.88% 10.01.2020		1,000,000
Unique Pub Finance 6.54% 30.03.2021		800,000
Wind Acquisition Finance 11.75% 25.07.2017	1,700,000	1,300,000

TRADITIONAL FUNDS plc**SIGNIFICANT PORTFOLIO MOVEMENTS (UNAUDITED) (continued)**

For the year ended 31 March 2013

F&C Real Estate Equity Long/Short Fund

	Nominal Purchases	Nominal Sales
Alstria Office	540,000	30,000
Hufvudstaden	245,000	245,000
Intu Properties	30,000	30,000
Klovern	156,000	
LEG Immobilien	136,000	
Nieuwe Steen Investments	123,304	123,304
PSP Swiss Property	42,000	
Vastned Retail	143,000	51,000
Wereldhave	41,500	41,500

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 2% of the proceeds of the redemption of the shares in respect of the Thames River – BSI Bond Opportunity Fund and 3% in respect of any other 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 year 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 2013

	Unaudited Portfolio Turnover Rate
F&C High Income Bond Fund	15.04
Eastern European Fund	0.39
F&C Global Emerging Markets Fund	1.51
F&C Macro Global Bond Fund (£)	3.85
F&C Macro Global Bond Fund (€)	4.65
F&C Macro Global Bond Fund (\$)	3.64
F&C Emerging Asia Fund	3.74
F&C Water and Agriculture Equity Long/Short Fund	7.39
F&C Real Estate Securities Fund	3.84
F&C Global Emerging Markets Equity Long/Short Fund	8.38
F&C Global High Yield Fund	14.21
F&C Real Estate Equity Long/Short Fund	1.40

TRADITIONAL FUNDS plc

UNAUDITED GENERAL INFORMATION (continued)

Information for Investors in Norway and Switzerland (continued)

Total Expense Ratios for the year ended 31 March 2013

	Excluding Performance	Including Performance
F&C High Income Bond Fund		
– Class A Euro Distributing (formerly Euro Distributing Class)*	1.85%	1.85%
– Class A Sterling Distributing (formerly Sterling Distributing Class)*	1.85%	1.85%
– Class A US Dollar Distributing (formerly US Dollar Distributing Class)*	1.85%	1.85%
– Class A Norwegian Krone Distributing (formerly Norwegian Krone Distributing Class)*	1.85%	1.85%
– Class A New Euro Accumulating	1.85%	1.85%
– Class A New Sterling Accumulating	1.85%	1.85%
– Class A New US Dollar Accumulating	1.85%	1.85%
– Class A New Euro Distributing	1.85%	1.85%
– Class A New Sterling Distributing	1.85%	1.85%
– Class A New US Dollar Distributing	1.85%	1.85%
– Class A New Norwegian Krone Distributing	1.85%	1.85%
– Class C Sterling Distributing	1.11%	1.11%
Eastern European Fund – US Dollar Class	2.08%	2.08%
F&C Global Emerging Markets Fund		
– Class A Euro Accumulating (formerly Euro Accumulating Class)*	2.13%	2.13%
– Class A US Dollar Accumulating (formerly US Dollar Accumulating Class)*	2.13%	2.13%
– Class A Euro Distributing (formerly Euro Distributing Class)*	2.13%	2.13%
– Class A Sterling Distributing (formerly Sterling Distributing Class)*	2.13%	2.13%
– Class A US Dollar Distributing (formerly US Dollar Distributing Class)*	2.13%	2.13%
– Class C Sterling Accumulating	1.43%	1.67%
F&C Macro Global Bond Fund (£)		
– Class A Sterling Accumulating (formerly Sterling Accumulating Class)*	1.21%	1.21%
– Euro Distributing Class	1.21%	1.21%
– Class A Sterling Distributing (formerly Sterling Distributing Class)*	1.21%	1.21%
– US Dollar Distributing Class	1.21%	1.21%
– Class C Sterling Accumulating	0.91%	0.91%
– Class C Sterling Distributing	0.91%	0.91%
F&C Macro Global Bond Fund (€)		
– Class A Euro Accumulating (formerly Euro Accumulating Class)*		
– Class A Euro Distributing (formerly Euro Distributing Class)*	1.21%	1.21%
– Class C Sterling Distributing	1.21%	1.21%
F&C Macro Global Bond Fund (\$)		
– Class A US Dollar Accumulating (formerly US Dollar Accumulating Class)*		
– Class A US Dollar Distributing (formerly US Dollar Distributing Class)*	1.38%	1.38%
– Class C Sterling Distributing	1.38%	1.38%
F&C Emerging Asia Fund		
– Class B Euro Accumulating (formerly Class A Euro Accumulating)*	2.56%	2.56%
– Class B US Dollar Accumulating (formerly Class A US Dollar Accumulating)*	2.56%	2.56%
– Class B Sterling Distribution (formerly Class A Sterling Distributing)*	2.56%	2.56%
– Class A Euro Accumulating (formerly Class B Euro Accumulating)*	3.10%	3.10%
– Class A US Dollar Accumulating (formerly Class B US Dollar Accumulating)*	3.10%	3.10%
– Class A Euro Distributing (formerly Class B Euro Distributing)*	3.10%	3.10%
– Class A Sterling Distributing (formerly Class B Sterling Distributing)*	3.10%	3.10%
– Class A US Dollar Distributing (formerly Class B US Dollar Distributing)*	3.10%	3.10%

* Change of name effective 2 July 2012

TRADITIONAL FUNDS plc

UNAUDITED GENERAL INFORMATION (continued)

Information for Investors in Norway and Switzerland (continued)

Total Expense Ratios for the year ended 31 March 2013 (continued)

	Excluding Performance	Including Performance
F&C Water and Agriculture Equity Long/Short Fund		
– Class A Euro Accumulating (formerly Euro Accumulating Class)*	2.21%	2.21%
– Class A Sterling Accumulating (formerly Sterling Accumulating Class)*	2.21%	2.21%
– Class A US Dollar Accumulating (formerly US Dollar Accumulating Class)*	2.21%	2.21%
– Class A Norwegian Krone Accumulating (formerly Norwegian Krone Accumulating Class)*	2.21%	2.21%
– Class A Singapore Dollar Accumulating (formerly Singapore Dollar Accumulating Class)*	2.21%	2.21%
– Class A Euro Distributing (formerly Euro Distributing Class)*	2.21%	2.21%
– Class A Sterling Distributing (formerly Sterling Distributing Class)*	2.21%	2.21%
– Class A US Dollar Distributing (formerly US Dollar Distributing Class)*	2.21%	2.21%
– Class C Sterling Accumulating	1.75%	1.75%
– Class C Sterling Distributing	1.75%	1.75%
F&C Real Estate Securities Fund		
– Class A Euro Accumulating	2.17%	2.17%
– Class A Sterling Accumulating	2.17%	2.17%
– Class A Sterling Distributing	2.17%	2.17%
– Class B Euro Accumulating	1.61%	1.61%
– Class B Sterling Accumulating	1.61%	1.61%
– Class A Norwegian Krone Accumulating	2.17%	2.17%
– Class C Sterling Distributing (formerly Class B Sterling Distributing)*	1.63%	1.63%
F&C Global Emerging Markets Equity Long/Short Fund		
– Class A Euro Accumulating	2.49%	2.49%
– Class A Sterling Accumulating	2.49%	2.49%
– Class A Norwegian Krone Accumulating	2.49%	2.49%
– Class A US Dollar Accumulating	2.49%	2.49%
– Class A Sterling Distributing	2.49%	2.49%
– Class B Euro Accumulating	1.73%	1.73%
– Class B US Dollar Accumulating	1.73%	1.73%
– Class B Swiss Franc Accumulating	1.73%	1.73%
– Class B Sterling Accumulating	1.73%	1.73%
– Class C Sterling Distributing (formerly Class B Sterling Distributing)*	1.73%	1.73%
F&C Global High Yield Fund		
– Class A Euro Accumulating	2.28%	3.64%
– Class A Sterling Accumulating	2.28%	3.64%
– Class A US Dollar Accumulating	2.28%	3.64%
– Class A Euro Distributing	2.28%	3.64%
– Class A US Dollar Distributing	2.28%	3.64%
– Class A Sterling Distributing	2.28%	3.64%
– Class A Norwegian Krone Distributing	2.28%	3.64%
– Class B Euro Accumulating	2.28%	3.64%
F&C Real Estate Equity Long/Short Fund (launched 3 December 2012)		
– Class A Euro Accumulating	2.13%	2.32%
– Class A Sterling Accumulating	2.13%	2.32%
– Class B Euro Accumulating	1.36%	1.61%
– Class C Sterling Accumulating	1.38%	1.71%

* Change of name effective 2 July 2012

TRADITIONAL FUNDS plc

UNAUDITED GENERAL INFORMATION (continued)

Information for Investors in Norway and Switzerland (continued)

Fund performance data

	Performance 01.04.2012 to 31.03.2013
F&C European Equity Long/Short Fund (terminated 26 March 2013)***	
– Class A New Euro Accumulating	+10.5%
– Class A Old Euro Accumulating	+11.0%
– Class A Sterling Accumulating	+10.8%
– Class A Old Sterling Distributing	+11.5%
– Class A New Sterling Distributing	+10.9%
– Class B Euro Accumulating	+11.1%
F&C High Income Bond Fund**	
– Class A Euro Distributing (formerly Euro Distributing Class)*	+2.5%
– Class A Sterling Distributing (formerly Sterling Distributing Class)*	+3.1%
– Class A US Dollar Distributing (formerly US Dollar Distributing Class)*	+2.9%
– Class A Norwegian Krone Distributing (formerly Norwegian Krone Distributing Class)*	+4.3%
– A New Euro Accumulating Class	+2.6%
– A New Sterling Accumulating Class	+3.3%
– A New US Dollar Accumulating Class	+3.1%
– A New Euro Distributing Class	+2.6%
– A New Sterling Distributing Class	+3.1%
– A New US Dollar Distributing Class	+3.0%
– A New Norwegian Krone Distributing Class	+4.3%
– Class C Sterling Distributing	-1.2%
Eastern European Fund	
– US Dollar Class	+2.9%
INDEX: MSCI TR NET EMERGING MARKETS Europe Free Index	+1.0%
F&C Global Emerging Markets Fund	
– Class A Euro Accumulating (formerly Euro Accumulating Class)*	+5.0%
– Class A US Dollar Accumulating (formerly US Dollar Accumulating Class)*	+1.2%
– Class A Euro Distributing (formerly Euro Distributing Class)*	+5.1%
– Class A Sterling Distributing (formerly Sterling Distributing Class)*	+6.6%
– Class A US Dollar Distributing (formerly US Dollar Distributing Class)*	+1.2%
INDEX: MSCI TR Net Daily Series EM USD	+2.0%
F&C Macro Global Bond Fund (£)	
– Class A Sterling Accumulating (formerly Sterling Accumulating Class)*	-4.1%
– Euro Distributing Class	-4.7%
– Class A Sterling Distributing (formerly Sterling Distributing Class)*	-4.1%
– US Dollar Distributing Class	-4.3%
– Class C Sterling Accumulating	-1.1%
– Class C Sterling Distributing	-2.1%
INDEX: 50% FTSE All Stock . 50% Citigroup World Global Government Bond	+4.9%
F&C Macro Global Bond Fund (€)	
– Class A Euro Accumulating (formerly Euro Accumulating Class)*	-2.4%
– Class A Euro Distributing (formerly Euro Distributing Class)*	-2.5%
INDEX: 50% Citigroup Euro Govt Bond . 50% Citigroup World Government Bond in €	+5.2%
F&C Macro Global Bond Fund (\$)	
– Class A US Dollar Accumulating (formerly US Dollar Accumulating Class)*	-5.5%
– Class A US Dollar Distributing (formerly US Dollar Distributing Class)*	-5.5%
INDEX: 50% Citigroup US Govt Bond . 50% Citigroup World Government Bond in \$	+1.2%

TRADITIONAL FUNDS plc

UNAUDITED GENERAL INFORMATION (continued)

Information for Investors in Norway and Switzerland (continued)

Fund performance data (continued)

	Performance 01.04.2012 to 31.03.2013
F&C Emerging Asia Fund	
– Class B Euro Accumulating (formerly Class A Euro Accumulating)*	+9.9%
– Class B US Dollar Accumulating (formerly Class A US Dollar Accumulating)*	+7.5%
– Class B Sterling Distribution (formerly Class A Sterling Distributing)*	+7.9%
– Class A Euro Accumulating (formerly Class B Euro Accumulating)*	+5.7%
– Class A US Dollar Accumulating (formerly Class B US Dollar Accumulating)*	+1.8%
– Class A Euro Distributing (formerly Class B Euro Distributing)*	+5.7%
– Class A Sterling Distributing (formerly Class B Sterling Distributing)*	+7.3%
– Class A US Dollar Distributing (formerly Class B US Dollar Distributing)*	+1.9%
INDEX: MSCI TR Net Emerging Asia	+5.2%
Thames River World Government Bond Fund (terminated 17 April 2012)	
– Sterling Distributing Class	-10.6%
INDEX: Citigroup World Government Bond Index	-0.3%
F&C Water and Agriculture Equity Long/Short Fund***	
– Class A Euro Accumulating (formerly Euro Accumulating Class)*	+5.3%
– Class A Sterling Accumulating (formerly Sterling Accumulating Class)*	+5.9%
– Class A US Dollar Accumulating (formerly US Dollar Accumulating Class)*	+5.8%
– Class A Norwegian Krone Accumulating (formerly Norwegian Krone Accumulating Class)*	+6.7%
– Class A Singapore Dollar Accumulating (formerly Singapore Dollar Accumulating Class)*	+5.1%
– Class A Euro Distributing (formerly Euro Distributing Class)*	+5.3%
– Class A Sterling Distributing (formerly Sterling Distributing Class)*	+5.9%
– Class A US Dollar Distributing (formerly US Dollar Distributing Class)*	+5.8%
– Class C Sterling Accumulating	+3.5%
– Class C Sterling Distributing	+3.5%
F&C Global Credit Fund (terminated 26 March 2013)**	
– Class A Euro Accumulating	+0.2%
– Class A Sterling Accumulating	+0.6%
– Class A US Dollar Accumulating	+0.5%
– Class A Euro Distributing	+0.1%
– Class A Sterling Distributing	+0.6%
– Class A US Dollar Distributing	+0.5%
– Class B Euro Accumulating	+0.7%
– Class B Sterling Accumulating	+1.0%
– Class B US Dollar Accumulating	+0.9%
– Class B Sterling Distributing	+1.1%
– Class A Norwegian Krone Distributing	+1.9%
F&C Credit Select Fund (terminated 26 March 2013)**	
– Class A Euro Accumulating	-0.2%
– Class A Sterling Accumulating	+0.4%
– Class A US Dollar Accumulating	+0.4%
– Class A Euro Distributing	-0.2%
– Class A Sterling Distributing	+0.3%
– Class A US Dollar Distributing	+0.3%
– Class A Norwegian Krone Distributing	+2.7%
– Class B Sterling Accumulating	-0.2%
– Class B US Dollar Accumulating	+0.6%
– Class B Euro Distributing	+0.9%
– Class B Sterling Distributing	+0.4%
– Class B US Dollar Distributing	+0.6%

TRADITIONAL FUNDS plc

UNAUDITED GENERAL INFORMATION (continued)

Information for Investors in Norway and Switzerland (continued)

Fund performance data (continued)

	Performance 01.04.2012 to 31.03.2013
F&C Real Estate Securities Fund	
– Class A Euro Accumulating	+17.5%
– Class A Sterling Accumulating	+18.6%
– Class A Sterling Distributing	+18.7%
– Class B Euro Accumulating	+17.8%
– Class B Sterling Accumulating	+18.7%
– Class A Norwegian Krone Accumulating	+19.5%
– Class C Sterling Distributing (formerly Class B Sterling Distributing)*	+19.2%
INDEX: FTSE EPRA/NAREIT Developed Europe Capped Total Return (Net) Index	+17.3%
F&C Global Emerging Markets Equity Long/Short Fund***	
– Class A Euro Accumulating	+4.5%
– Class A Sterling Accumulating	+5.2%
– Class A Norwegian Krone Accumulating	+6.4%
– Class A US Dollar Accumulating	+5.2%
– Class A Sterling Distributing	+5.2%
– Class B Euro Accumulating	-1.4%
– Class B US Dollar Accumulating	+4.1%
– Class B Swiss Franc Accumulating	-1.4%
– Class C Sterling Distributing (formerly Class B Sterling Distributing)*	+5.9%
Thames River – BSI Bond Opportunity Fund (terminated 17 December 2012)**	
– Euro Accumulating Class	+1.4%
– US Dollar Accumulating Class	+1.7%
– Swiss Franc Accumulating Class	+1.2%
F&C Global High Yield Fund**	
– Class A Euro Accumulating	+11.8%
– Class A Sterling Accumulating	+12.1%
– Class A US Dollar Accumulating	+12.2%
– Class A Euro Distributing	+11.6%
– Class A US Dollar Distributing	+11.5%
– Class A Sterling Distributing	+12.3%
– Class A Norwegian Krone Distributing	+12.9%
– Class B Euro Accumulating	+3.8%
F&C Real Estate Equity Long/Short Fund (launched 3 December 2012)***	
– Class A Euro Accumulating	+0.4%
– Class A Sterling Accumulating	+0.5%
– Class B Euro Accumulating	+0.6%
– Class C Sterling Accumulating	+0.7%

* Effective 2 July 2012

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

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

DISCLAIMER:

Past performance is no indication of current or future performance.

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

TRADITIONAL FUNDS plc

UNAUDITED GENERAL INFORMATION (continued)

Information for Investors in Norway and Switzerland (continued)

Fund performance data (unaudited)

		01.04.11 to 31.03.12	01.04.10 to 31.03.11	01.04.09 to 31.03.10
Fund	Thames River European Absolute Return Growth Class A (€) – 31.03.99	-4.9%	+10.7%	+36.3%
Index	MSCI Europe Index (in €)	+3.1%	+4.4%	+54.5%
Fund	Thames River High Income (€ Dbn) – 26.06.00	-3.6%	+3.6%	+34.4%
Index	JP Morgan EMBI Global, hedged into €	+11.4%	+8.6%	+29.5%
Fund	Eastern European (\$) – 13.10.00	-16.3%	+20.9%	+125.5%
Index	MSCI Emerging Europe Index	-18.5%	+22.9%	+110.7%
Fund	Global Emerging Markets (\$) Dbn – 04.04.03	-13.2%	+14.6%	+73.5%
Index	MSCI TR Series EM Free	-8.8%	+18.5%	+52.4%
Fund	Thames River Global Bond (£) Dbn – 24.10.03	-3.7%	+7.0%	+1.7%
Index	50% FTSE Gilt . 50% Citigroup Global Government Bond	+9.9%	+2.3%	-1.3%
Fund	Thames River Global Bond (€) Dbn – 07.12.04	-3.0%	+6.8%	+4.3%
Index	50% Citigroup Euro Govt Bond . 50% Citigroup World Government Bond in €	+10.2%	+1.7%	+5.1%
Fund	Thames River Global Bond (\$) Dbn – 07.12.04	-4.0%	+6.6%	+1.2%
Index	50% Citigroup US Govt Bond . 50% Citigroup World Government Bond in \$	+5.5%	+5.8%	+2.5%
Fund	Thames River Emerging Asia(\$) Class B Acc – 02.11.07	-5.9%	+10.0%	+64.1%
Index	MSCI Emerging Asia	-7.9%	+19.2%	+73.3%
Fund	Thames River World Government Bond Fund (£) Dbn – 12.11.08	-22.1%	+5.8%	-3.0%
Index	Citigroup World Government Bond Index	+5.5%	+1.5%	+50.0%
Fund	Thames River Water & Agriculture Bond Fund (€) Dbn 02.03.09	-7.9%	+12.2%	+14.4%
Index	MSCI World Index	-1.8%	+11.2%	+59.9%
Fund	Thames River Euro Select Fund (€) – 01.09.08*	–	–	+42.3%
Index	MSCI Pan-European Index	–	–	–
Fund	Thames River UK Absolute Fund(£) 06.11.09**	–	+0.2%	+2.2%
Index	Sterling Overnight Interest Average	–	–	+0.2%
Fund	Thames River Global Credit (€) 23.10.09	-3.9%	+3.0%	+4.0%
Index	JP Morgan EMBI Global, hedged into €	+11.4%	+8.6%	+29.5%
Fund	Thames River Credit Select (€) 23.10.09	-0.4%	+3.6%	+4.2%
Index	JP Morgan EMBI Global, hedged into €	+11.4%	+8.6%	+29.5%
Fund	Thames River Currency Alpha (€) 23.10.09***	–	-0.1%	+0.2%
Fund	Thames River Real Estate Securities Fund	-1.1%	+20.8%	–
Index	FTSE EPRA/NAREIT Developed Europe Capped Total Return (Net) Index	-9.9%	+15.5%	–
Fund	Thames River Global Emerging Markets Absolute Return Fund	-1.3%	–	–
Index	MSCI Emerging Markets Index	-6.7%	–	–
Fund	Thames River – BSI Bond Opportunity Fund	-0.1%	-0.1%	–
Index	JP Morgan EMBI Global, hedged into €	+11.4%	+8.6%	–
Fund	Thames River Global High Yield Fund (€ Acc)	-4.0%	–	–
Index	JP Morgan EMBI Global, hedged into €	+11.4%	–	–

Source: Thames River Capital LLP, Nevsky Capital LLP, F&C Management Limited

*Fund Terminated February 23rd 2010

**Fund Terminated June 25th 2010

***Fund Terminated May 17th 2010

ENQUIRIES

For further information, please contact:

Matthew Sethard-Wright
Martin Weisinger
James Young
Simon King
Vanessa Lawley

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

Tel: +44 (0)20 7011 4444
Fax: +44 (0)20 7628 8188
email: client.service@fandc.com

Thames River Capital LLP, Nevsky Capital LLP and F&C Management Limited are regulated and authorised by the Financial Conduct Authority.

DEALING SERVICES

State Street Fund Services (Ireland) Limited

Tel: +353 (0) 1 242 5529

CLIENT SERVICES

Thames River Capital LLP

Tel: +44 (0)20 7011 4444