

## **Aspect UCITS Funds PLC**

(An investment company with variable capital structured as an umbrella fund with segregated liability between sub-funds and incorporated pursuant to the Companies Acts 1963 to 2013 with limited liability in Ireland under registered number 490560 and authorised by the Central Bank pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (as amended))

### **ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the year ended  
31 December 2013**

Company Registered Number: 490560

**This report is submitted pursuant to an exemption under section 4.7 of the Regulations of the  
Commodity Futures Trading Commission**

## **ASPECT UCITS FUNDS PLC**

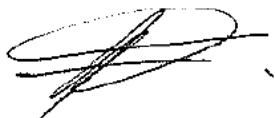
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2<sup>nd</sup> Floor, Block E  
Iveagh Court  
Harcourt Road  
Ireland

### **AFFIRMATION OF THE INVESTMENT MANAGER**

To the best of the knowledge and belief of the undersigned, the information contained in the audited financial statements of Aspect UCITS Funds plc for the year ended 31 December 2013 is accurate and complete.

For the period from 1 January 2013 to 31 December 2013, the Investment Manager is satisfied that Aspect UCITS Funds plc remained in compliance with, and did not trade in violation of, any stated investment policy and/or objectives, including any applicable investment guidelines, and the Investment Manager is not aware of any fraudulent activity in relation to the trading activities of Aspect UCITS Funds plc during such period.



By: Aspect Capital Limited  
Investment Manager  
of Aspect UCITS Funds plc

Director

27 March 2014

# **ASPECT UCITS FUNDS PLC**

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## **ANNUAL REPORT AND FINANCIAL STATEMENTS**

**For the year ended 31 December 2013**

<b>TABLE OF CONTENTS</b>	<i>PAGE</i>
Company information	3
Directors' report	4-7
Statement of Custodian's responsibilities and Custodian's report	8
Investment Manager's report	9-12
Independent Auditor's report	13-14
Statement of Financial Position	15-16
Statement of Comprehensive Income	17
Statement of Changes in Net Assets Attributable to Holders of Redeemable Shares	18
Statement of Cash Flows	19
Notes to the Financial Statements	20-48
Schedule of Investments	49-51
Significant Purchase and Sales	52-55

# ASPECT UCITS FUNDS PLC

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## COMPANY INFORMATION

### DIRECTORS

Mr. Adrian Waters\*\*  
Mr. John Skelly\*\*  
Mr. John Wareham\*  
Mr. Teddy Otto\*\*

\* Non-executive

\*\*Independent, non-executive

### REGISTERED OFFICE

Aspect UCITS Funds plc  
2nd Floor, Block E  
Iveagh Court  
Harcourt Road  
Dublin 2

### ADMINISTRATOR

Quintillion Limited  
24-26 City Quay  
Dublin 2  
Ireland

### INVESTMENT MANAGER, PROMOTER AND PRINCIPAL DISTRIBUTOR

Aspect Capital Limited  
10 Portman Square  
London W1H 6AZ  
United Kingdom

### CUSTODIAN

BNY Mellon Trust Company (Ireland) Limited  
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Guild Street  
IFSC  
Dublin 1  
Ireland

### LEGAL ADVISORS *(in Ireland)*

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75 St Stephen's Green  
Dublin 2  
Ireland

### LEGAL ADVISORS *(in the United Kingdom)*

Simmons & Simmons  
City Point  
One Ropemaker Street  
London EC2Y 9SS  
United Kingdom

### INDEPENDENT AUDITOR

KPMG  
1 Harbourmaster Place  
IFSC  
Dublin 1  
Ireland

### COMPANY SECRETARY

Carne Global Financial Services Limited  
2nd Floor, Block E  
Iveagh Court  
Harcourt Road  
Dublin 2

# **ASPECT UCITS FUNDS PLC**

## **DIRECTORS' REPORT**

**For the year ended 31 December 2013**

The Directors present their Annual Report and Audited Financial Statements of Aspect UCITS Funds plc (the "Company") for the year ended 31 December 2013.

### **Company Background**

The Company was incorporated in Ireland on 22 October 2010 as an investment company with variable capital structured as an umbrella fund with segregated liability between sub-funds and with limited liability pursuant to the Companies Acts and the UCITS Regulations. The Company has been authorised as a UCITS by the Central Bank of Ireland. The Company currently has one sub-fund, Aspect Diversified Trends Fund (the "Fund"), which was authorised by the Central Bank of Ireland on 21 December 2010.

### **Statement of Directors' Responsibilities**

The Directors are responsible for preparing the Annual Report and the Company's financial statements in accordance with applicable law and regulations.

Company law in Ireland requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Company's financial statements in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union.

The Company's financial statements are required by law and IFRSs as adopted by the EU to present fairly the financial position and performance of the Company. The Companies Acts provide in relation to such financial statements that references in the relevant parts of the Companies Acts to financial statements giving a true and fair view are references to their achieving a fair presentation.

In preparing the 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; 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 that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Acts. They are also responsible for safeguarding the assets of the Company. In this regard, they have entrusted the assets of the Company to a custodian for safe-keeping. They have general responsibility for taking such steps as are reasonably open to them to prevent and detect fraud and other irregularities.

The Directors are also responsible for preparing a Directors' Report that complies with the requirements of the Companies Acts.

### **Corporate Governance**

In December 2012, the Board adopted the corporate governance code issued by the Irish Funds Industry Association (the IFIA code), having regard for certain other key pillars of governance within the collective investment fund governance structure, including:

- the unique role of the Promoter, as recognised by the Central Bank of Ireland, in supporting the corporate governance of the Company; and
- the uniqueness of the independent segregation of duties as between the Investment Manager, the Administrator (with responsibility for the calculation of the net asset value, amongst other duties) and the independent Custodian (with responsibility for safeguarding the assets of the Company and overseeing how the Company is managed), such segregation of duties/functions being achieved through delegation of respective responsibilities to and appointment of suitably qualified and also regulated third party entities who are subject to regulatory supervision.

The IFIA Code may be inspected on/ obtained from [www.irishfunds.ie](http://www.irishfunds.ie).

## **ASPECT UCITS FUNDS PLC**

### **DIRECTORS' REPORT (Continued)**

**For the year ended 31 December 2013**

#### **Corporate Governance (continued)**

The Company has no employees and the Directors are all non-executive. Consistent with the regulatory framework applicable to investment fund companies such as the Company, the Company, consequently, operates under the delegated model whereby it has delegated investment management, administration and distribution functions to third parties without abrogating the Board's overall responsibility. The Board has in place mechanisms for monitoring the exercise of such delegated functions which are always subject to the supervision and direction of the Board. These delegations of functions and the appointment of regulated third party entities are detailed in the Company's Prospectus and Supplements. In summary, they are:

1. The Board has delegated the performance of the investment management functions in respect of the Company and of its Funds to the Investment Manager. The Investment Manager has direct responsibility for the day to day investment management of the Fund and is accountable to the Board of the Company for the investment performance of the Fund. The Investment Manager has internal controls and risk management processes in place to ensure that all applicable risks pertaining to its investment management of the Fund are identified, monitored and managed at all times and appropriate reporting is made to the Board on a regular basis. The Investment Manager has also been appointed as the distributor of the Funds of the Company. The Investment Manager is regulated by and under the supervision of the regulator of its operating jurisdiction;
2. The Board has delegated its responsibilities for administration to Quintillion Limited (the "Administrator") which has responsibility for the day to day administration of the Company and the Fund including the calculation of the net asset values. The Administrator is regulated by and under the supervision of the Central Bank of Ireland.

#### **Objectives and Principal Risks**

The assets of each sub-fund are segregated from one another and are invested in accordance with the investment objective and investment policies applicable to each such sub-fund. The Company currently has one sub-fund, the Aspect Diversified Trends Fund (the "Fund"). The investment objective of the Fund is to achieve capital appreciation while closely controlling risk.

Up to 13 December 2013 the Fund sought to achieve its investment objective through investing in total return swaps which provided exposure to the Aspect Diversified Trends Index (the "Index").

As of 16 December 2013 the Fund seeks to achieve its investment objective through exposure to the performance of the Aspect Diversified Programme (the "Programme") which it obtains by investing in listed structured financial instruments known as certificates (the "Certificates"). The Certificates are a type of debt instrument which are classified as transferable securities under the UCITS Notices and Regulations. The Certificates provide exposure to an open ended investment company (the "Underlying Investment Company") which is established in the Cayman Islands. As of 11 December 2014 the assets of the Underlying Investment Company have been managed in accordance with the Programme. The Certificates do not embed leverage or derivatives. The Underlying Investment Company does not use explicit leverage which requires borrowing. However, leverage is inherent to the Programme through the use of margin-traded instruments.

Between 9 and 13 December 2013, the Fund invested in both total return swaps and Certificates.

## **ASPECT UCITS FUNDS PLC**

### **DIRECTORS' REPORT (Continued)**

**For the year ended 31 December 2013**

#### **Directors' Statement on Proper Books of Account**

The Directors believe that they have complied with the requirements of section 202 of the Companies Act, 1990 with regard to proper books of account by employing personnel with appropriate expertise and by providing adequate resources to finance this function. The books of account of the Company are maintained by Quintillion Limited, 24-26 City Quay, Dublin 2, Ireland. The Directors have appointed BNY Mellon Trust Company (Ireland) Limited to provide for the custody of the Company's assets.

#### **Activities and Business Review**

The Directors have directed the affairs of the Company so as to enable it to maintain its status as an investment company. A review of the performance of the Company during the year is included in the Investment Manager's Report on pages 9-12.

The funds under management amounted to approximately US\$666m (2012: US\$694m) as at 31 December 2013.

#### **Results and Dividend**

The results for the year are set out in the Statement of Comprehensive Income on page 17. The Directors may at their discretion declare dividends from time to time in respect of the shares. It is not the current intention to pay dividends and no dividends have been declared during the year ended 31 December 2013 (2012: Nil).

#### **Independent Auditors**

The Company's auditors, KPMG, Chartered Accountants, have been appointed as auditors in accordance with Section 160 (2) of the Companies Act, 1963. They have indicated their willingness to continue in office.

#### **Significant events during the year**

##### **Restructuring of the Aspect Diversified Trends Fund**

In December 2012, ESMA (the European Securities and Markets Authority, the body responsible for harmonising the application of UCITS rules) issued guidelines on "ETFs and other UCITS Issues" (the "Guidelines") which amongst other things, set additional criteria to determine which financial indices a UCITS can invest in and specified more detailed requirements on the provision of index information. The Guidelines came into force as of 18 February 2013 and, on the basis of the transitional provisions set out in the Guidelines, the Fund was required to comply with the Guidelines by 18 February 2014.

At the time and until 13 December 2013 the Fund achieved its investment objective primarily through the use of total return swaps on the Index.

Having considered the new criteria the Board of Directors determined that the structure in force at the time was no longer appropriate and proposed putting in place a new structure whereunder the Fund would seek to achieve its investment objective through exposure to the Programme by investing in Certificates. The Certificates provide exposure to the Underlying Investment Company, the assets of which are managed in accordance with the Programme.

The restructuring was approved by the shareholders on 26 November 2013 at an Extraordinary General Meeting of the Company ("EGM") and as of 16 December 2013, the Fund seeks to achieve its investment objective solely through providing investors with exposure to the Programme through investing in Certificates.

#### **Updated prospectus**

A revised draft Prospectus was sent to investors on 11 November 2013 for their approval. It was approved at an EGM on 26 November 2013 and issued on the same day.

**ASPECT UCITS FUNDS PLC**  
**DIRECTORS' REPORT (Continued)**  
**For the year ended 31 December 2013**

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**Significant events during the year (continued)**

**New share classes**

During the year the following classes were launched: Class L (EUR) Platform, Class P (GBP) Institutional.

**Directors**

The Directors holding office as at 31 December 2013 were:

Mr. John Skelly (Irish) \*\*

Mr. John Wareham (English)\*

Mr. Teddy Otto (German) \*\*

Mr. Adrian Waters (Irish)\*\*

\* Non-executive

\*\*Independent, non-executive

None of the Directors had any interest in the shares of the Company at any time during the year.

**Transactions involving Directors**

There were no contracts or arrangements of any significance in relation to the business of the Company in which the Directors had any interest, as defined in the Companies Act, 1990, at any time during the year.


**Subsequent Events**

There are no events subsequent to 31 December 2013 which, in the opinion of the Directors of the Company, may have had an impact on the financial statements for the year ended 31 December 2013.



Director

27 March 2014



Director

27 March 2014

## REPORT OF THE CUSTODIAN TO SHAREHOLDERS

We have enquired into the conduct of Aspect UCITS Funds PLC (the "Company") for the year ended 31 December 2013, in our capacity as custodian to 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 of Ireland'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 of Ireland'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 European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, (the "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.

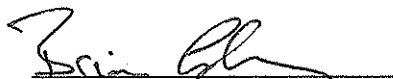
### Basis of Custodian Opinion

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 period, in all material respects:

- (i) in accordance with the limitations imposed on the investment and borrowing powers of the Company by the Memorandum and Articles of Association and by the Regulations; and
- (ii) otherwise in accordance with the provisions of the Memorandum and Articles of Association and the Regulations.



For and on behalf of BNY Mellon Trust Company (Ireland) Ltd.

Date: 27/3/2014

**ASPECT UCITS FUNDS PLC**  
**INVESTMENT MANAGER'S REPORT**  
**For the year ended 31 December 2013**

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The Aspect Diversified Trends Fund (the "Fund"), as represented by the Class A Shares of the Fund, produced a return of -4.04% for year ended 31 December 2013.

**January 2013**

The Fund returned 3.63% in January. The year started with a healthy dose of risk appetite. This was caused by the end of political gridlock over spending cuts and tax increases in the United States, accelerating growth in China, better than expected global corporate profits and signs of a recovery in Europe. As a result investors moved away from the safety of bonds and into stocks and growth-sensitive commodities. The Fund's long exposures in stock indices, the oils complex and certain base metals, all contributed to gains. In particular, reformulated gasoline rallied strongly as the risk appetite was partnered with reducing inventories. However, as capital moved away from safe haven assets, the Fund incurred losses from its net long bond exposures. German bonds dominated the losses as European sentiment continued to strengthen. However, exposure in this sector continued to reduce throughout the month. In currencies, a clear theme developed: a weakening Japanese Yen and a stronger Euro. The newly elected Japanese government recently pledged to aggressively tackle deflation while the Euro rally versus the USD has now extended to six months. On the back of this, the Fund made gains from its short exposure to the Yen and long exposure to the Euro. Offsetting this, some losses came from the Fund's long Sterling exposure as the UK economy showed signs of stagnation.

**February 2013**

The Fund returned -3.33% in February. Sluggish global demand, a stronger Dollar and production of crude oil in the United States reaching a twenty year high ensured that the Fund's long exposures to the complex incurred the worst losses in February. Italy's inconclusive elections coupled with a contraction of the euro zone economy rekindled concerns about the region. The Euro weakened, major bond yields decreased and southern European equities traded lower. In the United States, despite spending reductions coming into effect, the economy showed resilience. As a result the US Dollar strengthened along with North American equity markets. The Fund's net short exposure to the US Dollar, in particular against the Euro, dominated the losses in the currencies sector. In fixed income, gains predominantly came from the Fund's long exposures in Japanese and German bonds. However, short exposures to UK, Australian and longer maturity North American bonds incurred losses. The Fund's uniformly long exposures to stock indices made gains on North American and Japanese indices, but these were not enough to offset losses from Southern European and Chinese indices. The threat of a Chinese property slowdown coupled with weak European demand led to commodities generally selling off. The Fund's net long exposures to industrial metals dominated the losses in that sector. However, gains were made from the Fund's short gold exposure. Snowstorms provided relief to drought stricken US wheat and bumper crops caused coffee and sugar to also trade lower, making the predominantly short agricultural sector February's top performer.

**March 2013**

The Fund returned 1.69% in March (including the return over the Bank Holiday on 29<sup>th</sup> of March). At the start of the month hopes of US economic growth together with continued support from global central banks boosted stock markets. The dominant news item during the second half of March was the banking crisis in Cyprus, causing the Fund to give back some of its earlier gains from stock indices. By the end of the month, the reopening of banks in Cyprus reassured markets and stock indices ended the month as the top sector. Following the Japanese government's upgrade to its economic assessment, and the confirmation of Haruhiko Kuroda as the new governor of the Bank of Japan, Japanese stock indices in particular made strong gains. Meanwhile, long positions in bonds were profitable as Eurozone uncertainty boosted safe weakness in the first half of the month. However, losses came from the Fund's long EUR/GBP position as concerns over the contagion effects from Cyprus pushed the Euro lower. The energies sector performed negatively as prices of oil products fell following a combination of weak Chinese industrial production data and strong inventories. Short positions in other commodity markets including agriculturals and industrial metals were profitable.

## ASPECT UCITS FUNDS PLC

### INVESTMENT MANAGER'S REPORT

For the year ended 31 December 2013 (continued)

#### April 2013

The Fund made a return of 3.59% in April, mainly driven by profits from the metals sector. The Fund's established short positions in precious metals dominated performance when prices collapsed in the middle of the month: the gold price saw its largest two-day drop in 30 years, as fears emerged that Cyprus and other crisis-hit countries may be forced to sell their gold reserves. Another factor was a reduction in inflation concerns following April's FOMC minutes which showed a possible early end to QE. This helped foster a generally positive economic outlook which, combined with some strong corporate earnings results, propelled stock markets higher. This benefited the Fund's long positions where Japanese indices again led performance. Government bond positions in Japan suffered, as a sharp single-day correction caused some of the recent profits to be given back. However, the long positions in the remainder of the bonds sector were more successful, led by European markets - where speculation of an ECB rate cut pushed German yields down towards their lowest ever levels. In currencies, the short Yen and long New Zealand Dollar positions continued to generate profits but high unemployment and dovish interest rate forecasts in Sweden led to a reversal in the Krona's recent strength. Finally, the other commodity sectors struggled: despite profits from the long natural gas positions, the energies sector suffered from declining oil prices and agriculturals saw losses from short positions in wheat and other grains markets.

#### May 2013

The Fund returned -6.38% in May. Gains came from long positions in stock indices, which rose at the start of the month following central bank actions and announcements. Strong global economic data also helped bolster risk appetite, causing bond markets to sell off against the Fund's long positions. The second half of the month was dominated by uncertainty over the future of the Fed's asset purchase programme, causing the Fund to give back some of its gains from stock indices and accelerating the sell-off in government bonds. The US Dollar rose, in particular against the Japanese Yen, leading to profits from the Fund's short Yen exposure. The New Zealand and Australian Dollars also fell against the US Dollar, causing losses for the Fund after it was revealed that the Reserve Bank of New Zealand had taken steps to curb currency strength, and the Reserve Bank of Australia cut interest rates. Short positions in gold and silver were profitable, as prices fell largely in response to the US Dollar's strength. In the energies sector, losses came from the long natural gas position as much higher than expected inventories in the US triggered a sell-off. Finally, in agriculturals the Fund's short sugar position was profitable as forecasts of large crop yields pushed prices lower.

#### June 2013

The Fund returned 0.42% in June. The main macro theme which dominated the month concerned FOMC rhetoric surrounding a phasing out of bond purchases should risks to the United States economy continue to abate. Markets chose to ignore the good news embedded in these comments and this resulted in the slightly unusual combination of equities, bonds and commodities all selling off together. The Fund's established short positions across both precious and industrial metals contributed strongly as prices continued to fall, with gold at one point trading below USD1,200. In stock indices, gains from newly opened short exposures to some emerging markets were not enough to offset the losses incurred from reducing longs in the rest of the sector. The Fund's positioning in the fixed income sectors switched to a net short during the month, and thus contributed positively to performance. These profits came predominantly from short exposures to UK, Canadian and longer maturity US bonds. There were however some losses from the Fund's few remaining long bond and rates exposures, in particular in Australia. In currencies, a reversal in the recent US Dollar weakness led to losses against the Yen and Sterling. However, the Fund's short Norwegian Krone position was profitable. Energies also proved challenging for the strategy in June as oil markets stayed range-bound. Agricultural markets were profitable, capturing continued trends on the short side in grains such as wheat and corn and in coffee.

## **ASPECT UCITS FUNDS PLC**

### **INVESTMENT MANAGER'S REPORT**

**For the year ended 31 December 2013 (continued)**

#### **July 2013**

The Fund returned -1.85% in July with losses coming largely from short exposures in commodity markets. Oils and metals rose over the month and stock markets, outside Japan, recovered from their falls in the previous month. The early market driver in July was the release of unexpectedly strong non-farm payrolls figures in the United States. This boosted stocks, the US Dollar and bond yields, and the Fund was well positioned to take advantage of these moves. However, the market mood changed course mid-month as Bernanke sought to clarify his June comments on the end of Quantitative Easing. Pointing to low inflation and below-target employment, Bernanke's dovish reassurances pushed back market expectations on tapering. This provided continued support for equities but saw the US Dollar retreat and near-term bond yields fall. Losses came in short fixed income positions, with UK positions further affected by lower than expected inflation data. Metals meanwhile continued to rise: gold was particularly strong in response to the weakening US Dollar, making the Fund's short position the worst performer for the month. Elsewhere, as tensions in Egypt mounted, gains were made from rising WTI crude oil, helped by bullish inventory data. However, these gains were offset by losses from other oils markets where the Fund switched positioning from short to long only late in the month. Towards the end of July, uncertainty over Chinese growth began to dominate and caused a pull-back in industrial metals, stock indices and oils.

#### **August 2013**

The Fund returned -2.76% in August. The metals sector was the worst performer, with losses incurred from short positions in both industrial and precious metals. Price rallies were driven by data out of China: strong manufacturing data early in the month drove the prices of industrial metals higher, while increased demand drove the prices of precious metals higher. Positive US economic data at the start of the month supported an earlier Federal Reserve tapering of stimulus, which drove bond yields and stock prices higher. These moves were beneficial to the Fund's positioning in those two sectors. Investor optimism also spread to Europe as strong Q2 GDP growth in Germany and France lifted the Eurozone out of an 18-month recession. Within fixed income, long positions in Australian short-term bonds and rates were the worst performers following less-dovish Reserve Bank of Australia comments that accompanied a rate cut decision early in the month. In contrast, long positions in Japanese government bonds generated gains. In the UK, better than expected growth data mid-month helped drive the prices of UK Gilts lower, to the benefit of the Fund's short exposure. However, the Fund's net short exposure to Sterling suffered and dominated losses in currencies. The general market mood reversed sharply towards the end of the month as the West considered military action against Syria. Against this backdrop, stock markets sold off while bond prices rallied, negatively affecting the Fund's performance. The potential for military action pushed oil prices higher, benefiting the Fund's long positions, as fears of supply disruptions mounted. The short exposure to natural gas on the other hand incurred losses as prices recovered on smaller than expected inventory levels.

#### **September 2013**

The Fund returned -2.66% in September, with the most significant losses arising in energies as the Fund's long oil positions were adversely impacted by the easing of geopolitical concerns over Syria. Speculation around impending policy announcements in the USA and elsewhere, with market participants focused on the timing of the Federal Reserve's "tapering" and other interest rate moves, drove stock and fixed income markets. Initially, the Fund made gains from its long positions in stock indices and its short exposures to fixed income as yields rose. However, the gains from fixed income were later eroded as bonds reversed course following the Federal Reserve's decision not to begin withdrawing stimulus. The end of the month was marked by a deadlock in US Congress surrounding the fiscal budget, while uncertainty surrounding the German and Italian governments added to nervousness. The Fund gave back some of its earlier gains from stock indices and further losses came from its short fixed income positions. However, the Fund's long fixed income position in the Japanese 10 Year bond future performed strongly. Returns from currencies were muted overall, although the Fund's long exposure to the New Zealand Dollar profited after the central bank signalled that rates may rise. Lastly, short positions in some other commodities suffered as prices of industrial metals, sugar and wheat rose on signs of stronger demand.

## ASPECT UCITS FUNDS PLC

### INVESTMENT MANAGER'S REPORT

For the year ended 31 December 2013 (continued)

#### October 2013

The Fund returned 1.93% in October. As the prospect of an imminent stimulus reduction by the Fed waned, following a US government shutdown and softer labour statistics, global equity markets rallied. The Fund's long exposures in stock indices contributed the majority of gains. The Fund's performance in fixed income markets reflected geographical differences. Losses from short exposures to longer maturity bonds in North America, the UK and Germany were more than offset by gains from long exposures in Japan, Italy and Australia. The Currencies sector proved more challenging. Although the net short exposure to the US Dollar and net long exposure to the Euro generated gains earlier in the month, currency markets reversed later - resulting in losses. The Euro depreciated against its prevailing trend on speculation that slowing Eurozone inflation will prompt the ECB to cut rates. Losses in the metals sector came from the Fund's short exposures to precious and industrial metals. A weaker US dollar saw gold and silver appreciate in price, whereas a strengthening Chinese manufacturing sector drove industrial metals higher. In agricultural markets, the Fund's short exposure to coffee was rewarded as wet weather boosted the crop outlook in Brazil.

#### November 2013

The Fund returned 2.02% in November. The combination of easy monetary policies and expectations of growth drove developed equity markets higher and the S&P 500 Index reached a record high. China pledged to expand economic freedoms, the European Central Bank cut interest rates and speculation increased that the Federal Reserve will delay reducing stimulus. The Fund's long exposures to stock indices, in particular in the USA, Japan and Germany, made gains. In currencies, the Fund benefited from its continued short exposure to the Japanese Yen. However, the Australian and New Zealand Dollars reversed course and this led to losses from the Fund's long positioning there. Reports highlighting accelerating growth in the UK economy led to gains from the Fund's long exposure to sterling and short exposure to 10 year gilts. The Fund also made gains from its longs in Italian bonds and shorts in Australian bonds. The Fund's short exposure to natural gas incurred losses: colder than expected weather in North America coupled with large draws on inventory saw the price rally to a five-month high. Losses also occurred elsewhere in the energies sector as refinery outages saw crude oil products reverse their bearish trends. The Fund made gains from its short exposure to metals. Gold and silver dropped in price, driven predominantly by expectations of a stronger US Dollar. Aluminium traded down to near four year lows after data showed a developing global supply glut.

#### December 2013

The Fund returned 0.13% in December. In the early part of the month, positive data from the United States led to speculation that the Federal Reserve would begin tapering its quantitative easing programme imminently. This led stock markets to decline and the US Dollar to weaken. However, when the Fed actually announced a smaller than anticipated amount of tapering on the 18th December, stock markets rallied, benefiting the Fund. Meanwhile, in Japan, market participants speculated that the Bank of Japan would maintain its monetary easing policy. This caused the Japanese Yen to weaken, leading to gains from the Fund's net short Yen exposure. However long positions in Japanese bonds detracted from the performance, following the news that Japan's Government Pension Investment Fund is to reduce its local debt holdings. Elsewhere, robust GDP data in the UK caused Sterling to strengthen, adding to the Fund's gains in currencies while the short UK gilt position also benefited. In commodities, gains were made in wheat markets as prices declined following reports of larger than expected global supplies but losses were seen in energies and metals. In particular, natural gas prices rose on weather news in the United States, causing losses from the Fund's short position. Short positions in industrial metals also hurt performance as prices were supported by positive Chinese data. However, this was partially offset by gains on the short position in gold.





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## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASPECT UCITS FUNDS PLC**

We have audited the financial statements of Aspect UCITS Funds plc (the "Company") for the year ended 31 December 2013 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Net Assets Attributable to Holders of Redeemable Shares, the Statement of Cash flows and the related notes. The financial reporting framework that has been applied in their preparation is Irish law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the Company's members, as a body, in accordance with section 193 of the Companies Act 1990 and the European Communities (Undertaking for Collective Investment in Transferrable Securities) Regulation, 2011. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of Directors and Auditor**

As explained more fully in the Statement of Directors Responsibilities set out on page 4, 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 Ethical Standards for Auditors issued by the Auditing Practices Board.

### **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 IFRSs as adopted by the EU, of the state of the Company's affairs as at 31 December 2013 and of its changes in net assets attributable to holders of redeemable participating shares for the year then ended; and
- the financial statements have been properly prepared in accordance with the Companies Acts 1963, to 2013 and the European Communities (Undertakings for the Collective Investment in Transferrable Securities) Regulation, 2011.

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

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

The financial statements are in agreement with the books of account and, in our opinion; proper books of account have been kept by the Company.

In our opinion the information given in the Directors' Report is consistent with the financial statements.



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASPECT UCITS FUNDS PLC

### Matters on which we are required to report by exception

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

A handwritten signature in blue ink that reads 'Brian Clavin'.

Brian Clavin  
for and on behalf of  
KPMG  
Statutory Audit Firm  
1 Harbourmaster Place  
IFSC, Dublin 1

Date: 27 March 2014

# ASPECT UCITS FUNDS PLC

## STATEMENT OF FINANCIAL POSITION

As at 31 December 2013

(Stated in US\$)

	Note	2013 US\$	2012 US\$
<b>Assets</b>			
Cash and cash equivalents	3	47,909,402	29,349,024
Financial assets at fair value through profit or loss	4, 6, 11	622,630,529	666,262,253
Due from Broker	3	15,750,000	-
Other assets and prepaid expenses		23,031	-
<b>Total assets</b>		<b>686,312,962</b>	<b>695,611,277</b>
<b>Liabilities</b>			
Financial liabilities at fair value through profit or loss	4, 6, 11	181,757	155,861
Due to Broker		18,747,594	-
Incentive fee payable	7	-	13
Management fee payable	7	976,534	1,039,905
Audit fee payable		22,000	34,658
Trustee fee payable	7	23,570	48,025
Custodian fee payable	7	17,723	8,395
Swap financing fee payable	7	-	203,899
Administration fee payable	7	75,817	76,742
Other payables and accrued expenses		2,641	48,933
<b>Total liabilities (excluding net assets attributable to holders of redeemable shares)</b>		<b>20,047,636</b>	<b>1,616,431</b>
<b>Net assets attributable to holders of redeemable shares</b>		<b>666,265,326</b>	<b>693,994,846</b>
Number of Class A (USD) Institutional shares outstanding	10	287,389	544,200
Number of Class B (USD) Retail shares outstanding	10	1,264	1,264
Number of Class C (EUR) Institutional shares outstanding	10	247,288	758,360
Number of Class D (EUR) Retail shares outstanding	10	101	13,283
Number of Class E (GBP) Institutional shares outstanding	10	1,826,601	1,440,112
Number of Class F (GBP) Retail shares outstanding	10	1,079,041	1,298,255
Number of Class G (CHF) Institutional shares outstanding	10	20,867	29,234
Number of Class I (SEK) Institutional shares outstanding	10	7,578,312	8,113,654
Number of Class L (EUR) Platform shares outstanding	10	16,000	-
Number of Class P (GBP) Institutional shares outstanding	10	357,148	-

See the accompanying notes to the financial statements

## ASPECT UCITS FUNDS PLC

### STATEMENT OF FINANCIAL POSITION (Continued)

As at 31 December 2013

(Stated in US\$)

	Note	2013 US\$	2012 US\$
Net asset value per Class A (USD) Institutional share	10	US\$90.1386	US\$93.9261
Net asset value per Class B (USD) Retail share	10	US\$82.9414	US\$87.2946
Net asset value per Class C (EUR) Institutional share	10	EUR89.7356	EUR93.7496
Net asset value per Class D (EUR) Retail share	10	EUR82.9123	EUR87.3652
Net asset value per Class E (GBP) Institutional share	10	GBP92.7214	GBP96.3980
Net asset value per Class F (GBP) Retail share	10	GBP89.1921	GBP93.6628
Net asset value per Class G (CHF) Institutional share	10	CHF88.7704	CHF92.7936
Net asset value per Class I (SEK) Institutional share	10	SEK93.9251	SEK97.1989
Net asset value per Class L (EUR) Platform share	10	EUR91.9002	-
Net asset value per Class P (GBP) Institutional share	10	GBP92.6750	-

On behalf of the Board:



Director

27 March 2014



Director

27 March 2014

*See the accompanying notes to the financial statements*

## ASPECT UCITS FUNDS PLC

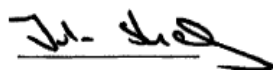
### STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2013

(Stated in US\$)

	Note	2013 US\$	2012 US\$
<b>Investment income</b>			
Interest income		132,721	95,626
Net loss on financial assets and liabilities at fair value through profit or loss	5	(1,642,679)	(40,034,660)
<b>Net investment expense</b>		<b>(1,509,958)</b>	<b>(39,939,034)</b>
<b>Expenses</b>			
Incentive fee	7	248,530	3,745,999
Management fee	7	12,100,196	11,752,441
Custodian fee	7	123,107	122,279
Trustee fee	7	144,734	137,073
Other expenses	7	175,290	160,005
Transaction costs	7	4,565	5,130
Brokerage charges	7	32,689	25,283
Swap financing fee	7	2,471,752	2,331,604
Directors' fee	7	84,521	60,348
Administration fee	7	946,034	851,020
Legal fee		294,032	344,793
Auditor fee	7	22,000	45,038
<b>Total operating expenses before finance costs</b>		<b>16,647,450</b>	<b>19,581,013</b>
<b>Net loss from operations before finance costs</b>		<b>(18,157,408)</b>	<b>(59,520,047)</b>
<b>Finance costs</b>			
Interest expense		29,491	2,053
<b>Change in net assets attributable to holders of redeemable shares resulting from operations</b>		<b>(18,186,899)</b>	<b>(59,522,100)</b>

On behalf of the Board:



Director

27 March 2014



Director

27 March 2014

*All income arose from continuing operations.*

*See the accompanying notes to the financial statements*

## ASPECT UCITS FUNDS PLC

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

For the year ended 31 December 2013

	2013	2012
	US\$	US\$
Net assets attributable to holders of redeemable shares at the beginning of the year	693,994,846	492,596,659
Change in net assets attributable to holders of redeemable shares resulting from operations	(18,186,899)	(59,522,100)
Proceeds from redeemable shares issued	328,614,073	426,218,753
Redemption of redeemable shares	(338,156,694)	(165,298,466)
<b>Net assets attributable to holders of redeemable shares at the end of the year</b>	<b>666,265,326</b>	<b>693,994,846</b>

*See the accompanying notes to the financial statements*

**ASPECT UCITS FUNDS PLC****STATEMENT OF CASH FLOWS****For the year ended 31 December 2013**

	<b>2013</b>	<b>2012</b>
	<b>US\$</b>	<b>US\$</b>
<b>Cash flows from operating activities</b>		
Change in net assets attributable to holders of redeemable shares resulting from operations	( 18,186,899)	( 59,522,100)
Net realised loss on investments and derivative contracts	30,222,280	71,787,239
Adjustment for unrealised appreciation on investments and derivative contracts	( 8,428,900)	( 25,218,354)
<b>Net operating cash flow before change in operating assets and liabilities</b>	<b>3,606,481</b>	<b>( 12,953,215)</b>
<b>Change in operating assets and liabilities</b>		
Net purchases and sales of financial assets and financial liabilities	21,864,240	( 247,835,743)
(Decrease)/increase in management fees payable	( 63,371)	330,825
(Decrease)/increase in incentive fees payable	( 13)	13
(Decrease)/increase in administration fees payable	( 925)	24,607
Increase in other receivables	( 15,773,031)	-
Increase in other payables	18,673,517	53,362
(Decrease)/increase in swap financing fee payable	( 203,899)	70,219
<b>Cash flows used in operating activities</b>	<b>28,102,999</b>	<b>( 260,309,932)</b>
<b>Financing activities</b>		
Proceeds from issue of redeemable shares	328,614,073	426,218,753
Redemption of redeemable shares	( 338,156,694)	( 165,298,466)
<b>Cash flows from financing activities</b>	<b>( 9,542,621)</b>	<b>260,920,286</b>
<b>Net increase in cash and cash equivalents for the year</b>	<b>18,560,378</b>	<b>610,354</b>
Cash and cash equivalents at the beginning of the year	29,349,024	28,738,670
<b>Cash and cash equivalents at the end of the year</b>	<b>47,909,402</b>	<b>29,349,024</b>
<b>Supplementary information on cash flow from operating activities include:</b>		
Interest received	132,721	95,626
Interest paid	29,491	2,053

*See the accompanying notes to the financial statements*

# ASPECT UCITS FUNDS PLC

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2013

### 1. GENERAL INFORMATION

The Company is an open-ended umbrella fund with segregated liability between sub-funds authorised by the Central Bank of Ireland on 21 December 2010 as a UCITS pursuant to the UCITS Regulations. The first and currently sole sub-fund of the Company is Aspect Diversified Trends Fund (the "Fund").

The Company's registered office is located at 2<sup>nd</sup> Floor, Block E, Iveagh Court, Harcourt Road, Dublin 2, Ireland. The Company has had no employees since incorporation.

In December 2012, ESMA (the European Securities and Markets Authority, the body responsible for harmonising the application of UCITS rules) issued guidelines on "ETFs and other UCITS Issues" (the "Guidelines") which amongst other things, set additional criteria to determine which financial indices a UCITS can invest in and specified more detailed requirements on the provision of index information. The Guidelines came into force as of 18 February 2013 and, on the basis of the transitional provisions set out in the Guidelines, the Fund was required to comply with the Guidelines by 18 February 2014.

At the time and until 16 December 2013 the Fund achieved its investment objective primarily through the use of total return swaps on the Index.

Having considered the new criteria the Board of Directors determined that the structure in force at the time was no longer appropriate and proposed putting in place a new structure whereunder the Fund would seek to achieve its investment objective through exposure to the Programme by investing in Certificates. The Certificates provide exposure to the Underlying Investment Company, the assets of which are managed in accordance with the Programme.

The restructuring was approved by the shareholders on 26 November 2013 at an Extraordinary General Meeting of the Company ("EGM") and as of 16 December 2013 the Fund seeks to achieve its investment objective solely through providing investors with exposure to the Programme through investing in Certificates.

During the year, Platform Shares - a new type of redeemable participating shares were launched; and the following share classes were also launched: Class L (EUR) Platform Shares and Class P (GBP) Institutional Shares.

The Company was incorporated on 22 October 2010 and the Fund commenced operations on 29 December 2010.

### 2. BASIS OF PREPARATION

These financial statements are prepared in accordance with IFRSs as adopted by the EU and in accordance with the Companies Acts and all regulations to be construed as one with the Companies Acts.

The functional and presentation currency of the Company is the United States Dollar (US\$).

The financial statements are prepared on a fair value basis for financial derivative instruments and financial assets and liabilities held for trading. Other financial assets and liabilities and non-financial assets and liabilities are stated at historical cost or amortised cost as appropriate or redemption amount (redeemable shares).

#### *Use of estimates*

The preparation of financial statements in accordance with IFRSs requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the year. Actual results could differ from those estimates.

## ASPECT UCITS FUNDS PLC

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2013

#### 3. SIGNIFICANT ACCOUNTING POLICIES

##### (a) *Investment transactions and valuation*

The Fund classifies its debt and equity investments into the financial assets at fair value through profit or loss category.

The category of financial assets and financial liabilities at fair value through profit or loss comprises:

- Financial instruments held-for-trading: These include investments in transferable securities, collective investments schemes, forward foreign exchange contracts and total return swaps. All financial derivative instruments in a net receivable position (positive fair value) are reported as financial assets held-for-trading. All financial derivative instruments in a net payable position (negative fair value) are reported as financial liabilities held-for-trading.
- Financial instruments designated at fair value through profit and loss upon initial recognition: These include financial assets that are not held for trading purposes and which may be sold. At the date of this report no such assets were held.

The Fund recognises financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instruments.

Financial instruments are measured initially at fair value (transaction price) plus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately, while on other financial instruments they are amortised.

Subsequent to initial recognition, all instruments classified at fair value through profit or loss are measured at fair value with changes in fair value recognised in the Statement of Comprehensive Income.

Financial liabilities, other than those at fair value through profit or loss, are measured at amortised cost using the effective interest rate. Financial liabilities arising on redeemable shares issued by the Fund are carried at the redemption amount representing the investors' right to a residual interest in the Fund's assets.

The fair value of financial instruments is based on their quoted market prices at the balance sheet date without any deduction for estimated selling costs. IFRS 13, Fair Value Measurement, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an existing price). All prices used are considered most representative of fair value within the bid-ask spread.

The Fund derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the asset qualifies for derecognition in accordance with IAS 39. A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

##### (b) *Transferable securities*

###### (i) Certificates

The Fund invests in Certificates which are a type of structured debt instrument that falls in the categorisation of 'transferable securities' as contemplated by the UCITS Notices and Regulations. The Certificates are issued by corporate entities incorporated in Jersey and whose share capital is held by a charitable trust. The Certificates are independently valued on a daily basis by a third party administrator, currently Crestbridge Corporate Services Limited, (the "Certificates Administrator") and are listed on the Irish Stock Exchange.

## ASPECT UCITS FUNDS PLC

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2013

#### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

##### (b) *Transferable securities (continued)*

###### (i) Certificates (continued)

The Certificates provide exposure on a 1:1 basis to interests in the “Underlying Investment Company”, the assets of which are managed in accordance with the Programme. The Certificates do not embed leverage or financial derivative instruments. The Underlying Investment Company does not use explicit leverage which requires borrowing. However, leverage is inherent to the Programme through the use of margin-traded instruments. The investment by the Fund in the Certificates shall not exceed 30% of the net asset value of the Fund.

###### (ii) Government backed commercial paper and treasury bills

The Fund also invests in Government backed commercial paper and treasury bills which are principally short term in nature. The fair value is based on quoted market prices which are available for these fixed income securities. Accordingly, they have been categorised as Level 1 of the fair value hierarchy.

##### (c) *Foreign currencies*

The presentation and functional currency of the Fund is the US Dollar as the Directors have determined that this reflects the Fund’s primary economic environment. Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to the reporting currency at the exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the Statement of Comprehensive Income. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to the reporting currency at the exchange rates ruling at the dates that the values are determined. Non-monetary assets and liabilities denominated in foreign currencies that are stated at historical cost are translated at exchange rate ruling at the date of transaction. The foreign exchange rates versus US\$ used as at 31 December were as follows:

Currency	2013	2012
	US\$ Rate	US\$ Rate
CHF	0.88935	0.91535
EUR	0.72572	0.75850
GBP	0.60377	0.61520
SEK	6.42260	6.50545

##### (d) *Total return swaps*

The total return swaps held by the Fund represented an agreement whereby the Fund did not pay the full value or notional value of the agreed underlying reference assets on the date of entry into the total return swaps, but instead pledged by way of security in favour of the counterparties a set percentage of their full value or notional value (known as margin). On certain pre-agreed dates during the term of the total return swaps the Fund (i) received the gain or paid the loss of the performance of the underlying reference assets (ii) paid an interest rate payment which was equal to the funding cost of holding the underlying reference assets and (iii) paid a fee. On maturity the margin amounts were released from the security arrangement and delivered back to the Fund. The Fund no longer uses this instrument to gain exposure to the Index instead it obtains exposure to the Programme through investing in Certificates as set out in (b) above.

## ASPECT UCITS FUNDS PLC

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2013

#### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) **Cash and cash equivalents**

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term liquid investments with original maturities of three months or less and bank overdrafts. An amount of US\$19,468,132 (2012: US\$605,793) is held on behalf of the Fund with the Company's Custodian.

As of December 31st Cash balances held with the Company's brokers are as follows:

		<b>2013</b>	<b>2012</b>
BNY Mellon	US\$	19,468,132	605,793
JP Morgan Chase Bank	US\$	28,441,270	28,743,231
		<b>47,909,402</b>	<b>29,349,024</b>

(f) **Offsetting financial assets and liabilities**

Financial assets and liabilities are offset when a current legal right of offset exists and there is intent to realise the asset and settle the liability simultaneously or on a net basis.

(g) **Redeemable shares**

All redeemable shares issued by the Fund provide the investors with the right to require redemption for cash at the value proportionate to the investor's share in the Fund's net assets at the redemption date. In accordance with IAS 32 such instruments give rise to a financial liability for the present value of the redemption amount.

(h) **Net asset value per redeemable share**

The NAV per redeemable share disclosed on the face of the Statement of Financial Position is calculated by dividing net assets included in the Statement of Financial Position by the number of redeemable participating shares outstanding at 31 December 2013.

(i) **Interest**

Interest income and expense are accounted for on an accruals basis.

(j) **Expenses**

All expenses, including management and incentive fees, are recognised in the Statement of Comprehensive Income on an accruals basis.

(k) **Balances due from brokers**

Balances due from brokers include receivables for securities sold that have been contracted for but not yet settled on the Statement of Financial Position date.

(l) **Investments in open-ended collective investment schemes**

Investments in open-ended collective investment schemes are typically valued utilising the net asset valuations provided by the managers of the underlying funds and/or their administrators. The Company invests into daily dealing UCITS money market funds which have no liquidity concerns as at 31 December 2013. The investment objective of these money market funds is to maximise return in their respective reference currencies consistent with capital preservation and a high degree of liquidity. Investments in these investment funds are included in Level 1 of the fair value hierarchy with fair value determined based on the net asset values of those investment funds.

## ASPECT UCITS FUNDS PLC

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2013

#### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

##### (m) *New standards and interpretations adopted*

Amendments to IFRS 7, 'Disclosures – Offsetting financial assets and financial liabilities' require additional disclosures to enable users of financial statements to evaluate the effect or the potential effects of netting arrangements, including rights of set-off associated with an entity's recognised financial assets and recognised financial liabilities, on the entity's financial position. The amendments did not have any impact on the Company's financial position or performance, however, has resulted in additional disclosure in the notes to the financial statements.

IFRS 10, 'Consolidated financial statements', effective for annual periods beginning on or after 1 January 2013, builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. There has been no material impact on the Company as a result of adopting this standard.

IFRS 12, 'Disclosures of interests in other entities', effective for annual periods beginning on or after 1 January 2013, includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. There has been no material impact on the Company as a result of adopting this standard.

IFRS 13 'Fair Value Measurement', effective for annual periods beginning on or after 1 January 2013. The standard provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRS. If an asset or a liability measured at fair value has a bid price and an ask price, the standard requires the valuation to be based on a price within the bid-ask spread that is most representative of fair value and allows the use of mid-market pricing or other pricing conventions that are used by market participants as a practical expedient for fair value measurement within a bid-ask spread. There has been no material impact on the Company as a result of adopting this standard.

##### (n) *New standards and interpretations not yet adopted*

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2014, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the measurement of the amounts recognised in the financial statements of the Company.

IFRS 9 Financial Instruments deals with recognition, derecognition, classification and measurement of financial assets and financial liabilities. Its requirements represent a significant change from the existing requirements in IAS 39 in respect of financial assets. The standard contains two primary measurement categories for financial assets: at amortised cost and fair value. The standard eliminates the existing IAS 39 categories of held to maturity, available for sale and loans and receivables. Most requirements of IFRS 9 relating to classification and measurement of financial liabilities are unchanged from IAS 39.

The standard is effective for annual periods beginning on or after 1 January 2015 with early adoption permitted. The standard is not expected to have an impact on the measurement basis of the financial assets since the majority of the Company's financial assets are measured at fair value through profit or loss.

On 31 October 2012, the IASB published Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27), including consequential amendments to numerous other standards. A qualifying investment entity measures investments in controlled entities – as well as investments in associates and joint ventures – at fair value through profit or loss.

## ASPECT UCITS FUNDS PLC

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2013

#### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) *New standards and interpretations not yet adopted (continued)*

The consolidation exception is not optional. The parent of an investment entity (that is not itself an investment entity) is still required to consolidate all subsidiaries. The amendments apply to annual periods beginning on or after 1 January 2014 with early adoption permitted.

Amendments to IAS 32, 'Offsetting financial assets and financial liabilities' are effective for annual periods beginning on or after 1 January 2014. These amendments clarify the offsetting criteria in IAS 32 and address inconsistencies in their application. This includes clarifying the meaning of 'currently has a legally enforceable right of set-off' and that some gross settlement systems may be considered equivalent to net settlement.

#### 4. FINANCIAL ASSETS AND LIABILITIES

The following table details the categories of financial assets and liabilities held by the Fund at the reporting date:

	31 December 2013	31 December 2012
Assets	US\$	US\$
<b>Financial assets at fair value through profit or loss</b>		
<i>Held for trading</i>		
<i>Transferable securities</i>		
Certificates	169,831,332	-
Treasury bills	402,850,106	610,083,070
<i>Collective investment schemes</i>	41,925,029	37,995,001
<i>Financial derivative instruments:</i>		
Unrealised gain on foreign exchange contracts	8,024,062	10,324,857
Unrealised gain on total return swap	-	7,859,325
<b>Total financial assets at fair value through profit or loss</b>	<b>622,630,529</b>	<b>666,262,253</b>
Liabilities	31 December 2013	31 December 2012
	US\$	US\$
<b>Financial liabilities at fair value through profit or loss</b>		
<i>Held for trading</i>		
<i>Financial derivative instruments:</i>		
Unrealised loss on forward foreign exchange contracts	(181,757)	(155,861)
<b>Total financial liabilities at fair value through profit or loss</b>	<b>(181,757)</b>	<b>(155,861)</b>

## ASPECT UCITS FUNDS PLC

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2013

#### 5. GAINS AND LOSSES FROM FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

The following table details the gains and losses from financial assets and liabilities at fair value through profit or loss for the years ended:

<i>All financial assets and liabilities at fair value through profit or loss are held for trading</i>	<b>31 December 2013</b>	<b>31 December 2012</b>
	<b>US\$</b>	<b>US\$</b>
<b>Net gains/(losses) from financial assets and liabilities at fair value through profit or loss</b>		
Net realised loss on disposal of investments and other derivative contracts	(30,222,280)	(71,787,239)
Net change in unrealised appreciation on investments and other derivative contracts	10,755,590	7,810,522
Net realised gain on foreign currency	20,150,701	6,534,225
Net change in unrealised (depreciation)/appreciation on foreign exchange	(2,326,690)	17,407,832
<b>Total net loss from financial assets and liabilities at fair value through profit or loss</b>	<b>(1,642,679)</b>	<b>(40,034,660)</b>

Gains and losses presented above exclude interest income and interest expense.

#### 6. FAIR VALUE INFORMATION

The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the year end date. Prior to 1 January 2013, the financial statements were prepared using IFRS 7 which required that the quoted market price used for financial assets held by the Company to be the current bid price and the quoted market price for financial liabilities the current asking price. As at 31 December 2012 the Company auditors deemed that any difference between the IFRS 7 bid/ask price and the traded price used was immaterial. As of 1 January 2013 the Company has adopted IFRS 13, 'Fair value measurement' and this standard requires the Company price its financial assets and liabilities using the price in the bid-ask spread that is most representative of fair value for both financial assets and financial liabilities. An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of financial assets and liabilities that are not traded in an active market is determined by using various methods including alternative price sources sourced from a reputable broker/counterparty, validated and periodically reviewed by the Investment Manager, independently of the party that calculated them, using market standard models.

The hierarchy is broken down into three levels based on the observability of inputs as follows:

Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

Level 2: Inputs other than quoted prices included in Level 1 that are observable, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques for which all significant inputs are directly or indirectly observable from market data.

Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

## ASPECT UCITS FUNDS PLC

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2013

#### 6. FAIR VALUE INFORMATION (continued)

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.

Set forth below are the Company's financial instruments at 31 December 2013 categorised based on the hierarchy set out in IFRS 13:

Assets	Level 1		Level 2		Level 3	
	Fair Value US\$	As % of Net Assets	Fair Value US\$	As % of Net Assets	Fair Value US\$	As % of Net Assets
<b>Investment type</b>						
<i>Transferable securities:</i>						
Western Europe						
Certificates:	169,831,332	25.49%	-	0.00%	-	0.00%
United States						
Sovereign	402,850,106	60.46%	-	0.00%	-	0.00%
<i>Collective Investment Schemes:</i>						
Eurozone						
Money market funds	41,925,029	6.29%	-	0.00%	-	0.00%
<i>Financial Derivative Instruments:</i>						
Forward contracts	-	0.00%	8,024,062	1.20%	-	0.00%
<b>Total</b>	<b>614,606,467</b>	<b>92.24%</b>	<b>8,024,062</b>	<b>1.20%</b>	<b>-</b>	<b>0.00%</b>

Liabilities	Level 1		Level 2		Level 3	
	Fair Value US\$	As % of Net Assets	Fair Value US\$	As % of Net Assets	Fair Value US\$	As % of Net Assets
<b>Investment type</b>						
<i>Financial Derivative Instruments:</i>						
Forward contracts	-	0.00%	(181,757)	(0.03%)	-	0.00%
<b>Total</b>	<b>-</b>	<b>0.00%</b>	<b>(181,757)</b>	<b>(0.03%)</b>	<b>-</b>	<b>0.00%</b>

## ASPECT UCITS FUNDS PLC

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2013

#### 6. FAIR VALUE INFORMATION (continued)

Set forth below are the Company's financial instruments at 31 December 2012 categorised based on the hierarchy set out in IFRS 13:

Assets	Level 1		Level 2		Level 3	
	Fair Value	As % of	Fair Value	As % of	Fair Value	As % of
Investment type	US\$	Net Assets	US\$	Net Assets	US\$	Net Assets
<i>Transferable securities:</i>						
United States						
Sovereign	610,083,070	87.91%	-	0.00%	-	0.00%
<i>Collective Investment Schemes:</i>						
Eurozone						
<i>Money market funds</i>	37,995,001	5.47%	-	0.00%	-	0.00%
<i>Financial Derivative Instruments:</i>						
Forward contracts		0.00%	10,324,857	1.49%	-	0.00%
Total return swaps	-	0.00%	7,859,325	1.13%	-	0.00%
<b>Total</b>	<b>648,078,071</b>	<b>93.38%</b>	<b>18,184,182</b>	<b>2.62%</b>	<b>-</b>	<b>0.00%</b>

Liabilities	Level 1		Level 2		Level 3	
	Fair Value	As % of	Fair Value	As % of	Fair Value	As % of
Investment type	US\$	Net Assets	US\$	Net Assets	US\$	Net Assets
<i>Financial Derivative Instruments:</i>						
Forward contracts	-	0.00%	(155,861)	(0.02)%	-	0.00%
<b>Total</b>	<b>-</b>	<b>0.00%</b>	<b>(155,861)</b>	<b>(0.02)%</b>	<b>-</b>	<b>0.00%</b>

Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include money market funds and US government treasury bills. The Fund does not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. These include forward foreign exchange contracts and total return swaps. As Level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

Investments classified within Level 3 have significant unobservable inputs, as they trade infrequently. There are no Level 3 positions at 31 December 2013 or 31 December 2012.

There have been no significant transfers between levels during the year and no Level 3 investments were held between 1 January 2013 and 31 December 2013.

## ASPECT UCITS FUNDS PLC

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2013

#### 6. FAIR VALUE INFORMATION (continued)

The following table sets out the fair values of financial instruments not measured at fair value and analyses the financial instruments by the level in the fair value hierarchy into which each fair value measurement is categorised as at 31 December 2013.

Assets	Level 1		Level 2		Level 3	
	Fair Value	As % of	Fair Value	As % of	Fair Value	As % of
	US\$	Net Assets	US\$	Net Assets	US\$	Net Assets
Cash and cash equivalents	47,909,402	7.19%	-	0.00%	-	0.00%
Due from Brokers	-	0.00%	15,750,000	2.37%	-	0.00%
Other assets and prepaid expenses	-	0.00%	23,031	0.00%	-	0.00%
<b>Total</b>	<b>47,909,402</b>	<b>7.19%</b>	<b>15,773,031</b>	<b>2.37%</b>	<b>-</b>	<b>0.00%</b>

Liabilities	Level 1		Level 2		Level 3	
	Fair Value	As % of	Fair Value	As % of	Fair Value	As % of
	US\$	Net Assets	US\$	Net Assets	US\$	Net Assets
Due to Brokers	-	0.00%	(18,747,594)	(2.81%)	-	0.00%
Management fee payable	-	0.00%	(976,534)	(0.15%)	-	0.00%
Audit fee payable	-	0.00%	(22,000)	(0.00%)	-	0.00%
Trustee fee payable	-	0.00%	(23,570)	(0.00%)	-	0.00%
Custodian fee payable	-	0.00%	(17,723)	(0.00%)	-	0.00%
Administration fee payable	-	0.00%	(75,817)	(0.01%)	-	0.00%
Other payables and accrued expenses	-	0.00%	(2,641)	(0.00%)	-	0.00%
Net assets attributable to holders of redeemable shares	-	0.00%	(666,265,326)	(100.00%)	-	0.00%
<b>Total</b>	<b>-</b>	<b>0.00%</b>	<b>(686,131,205)</b>	<b>(102.97)%</b>	<b>-</b>	<b>0.00%</b>

The following table sets out the fair values of financial instruments not measured at fair value and analyses the financial instruments by the level in the fair value hierarchy into which each fair value measurement is categorised as at 31 December 2012.

Assets	Level 1		Level 2		Level 3	
	Fair Value	As % of	Fair Value	As % of	Fair Value	As % of
	US\$	Net Assets	US\$	Net Assets	US\$	Net Assets
Cash and cash equivalents	29,349,024	4.23%	-	0.00%	-	0.00%
<b>Total</b>	<b>29,349,024</b>	<b>4.23%</b>	<b>-</b>	<b>0.00%</b>	<b>-</b>	<b>0.00%</b>

Liabilities	Level 1		Level 2		Level 3	
	Fair Value	As % of	Fair Value	As % of	Fair Value	As % of
	US\$	Net Assets	US\$	Net Assets	US\$	Net Assets
Incentive fee payable	-	0.00%	(13)	0.00%	-	0.00%
Management fee payable	-	0.00%	(1,039,905)	(0.15%)	-	0.00%
Audit fee payable	-	0.00%	(34,658)	(0.00%)	-	0.00%
Trustee fee payable	-	0.00%	(48,025)	(0.01%)	-	0.00%
Custodian fee payable	-	0.00%	(8,395)	(0.00%)	-	0.00%
Swap financing fee payable	-	0.00%	(203,899)	(0.03%)	-	0.00%
Administration fee payable	-	0.00%	(76,742)	(0.01%)	-	0.00%
Other payables and accrued expenses	-	0.00%	(48,933)	(0.01%)	-	0.00%
Net assets attributable to holders of redeemable shares	-	0.00%	(693,994,846)	(100.00%)	-	0.00%
<b>Total</b>	<b>-</b>	<b>0.00%</b>	<b>(695,455,416)</b>	<b>(100.21)%</b>	<b>-</b>	<b>0.00%</b>

## ASPECT UCITS FUNDS PLC

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2013

#### 6. FAIR VALUE INFORMATION (continued)

The assets and liabilities included in the above table are carried at amortised cost; their carrying values are a reasonable approximation of fair value. Cash equivalents include cash in hand, deposits held with banks and other short-term investments in an active market.

Fees payable and other payables represent the contractual amounts and obligations due by the Company for settlement of trades and expenses.

The puttable value of redeemable shares is calculated based on the net difference between total assets and all other liabilities of the Company in accordance with the Company's offering memorandum. These shares are not traded on an active market.

A demand feature is attached to these shares, as they are redeemable at the holders' option and can be put back to the Company at any dealing date for cash equal to a proportionate share of the Company's net asset value attributable to the share class. The fair value is based on the amount payable on demand, discounted from the first date that the amount could be required to be paid. The impact of discounting in this instance is not material. As such, Level 2 is deemed to be the most appropriate categorisation for net assets attributable to holders of redeemable shares.

#### 7. FEES AND EXPENSES

##### a) *Management fee*

The Investment Manager receives from the Company a management fee (the "management fee") of 2.5% per annum of the Net Asset Value of the Retail Shares and 1.5% per annum of the Net Asset Value of the Platform Shares and Institutional Shares, except the Class P (GBP) Institutional Shares, where the management fee is 1.2% of the Net Asset Value of the Class P (GBP) Institutional Shares. Management fee is payable monthly and is calculated before deduction of that month's fees, expenses, borrowings and interest together with value added tax, if any, on such a management fee and before deduction for any accrued incentive fee.

There were two new share classes launched in 2013: Class L (EUR) Platform and Class P (GBP) Institutional.

Management fees payable as at 31 December 2013 amounted to US\$976,534 (2012: US\$1,039,905). During the year ended 31 December 2013, the management fee expense totalled US\$12,100,196 (2012: US\$11,752,441).

##### b) *Incentive fee*

###### *Retail Shares and Platform Shares*

The Investment Manager will also be entitled to receive an incentive fee calculated in respect of each calendar month (each such month is a "Calculation Period") equal to 20% of the appreciation in NAV per share above the base NAV per share during the Calculation Period. The base NAV per share is the greater of the NAV per share at the time of issue of a share (being the initial offer price in the case of the shares issued by the Fund at the end of the initial offering period) and the highest NAV per share for such share achieved as at the end of any previous Calculation Period (if any) during which such share was in issue.

As at 31 December 2013 Class B (USD), Class D (EUR), Class F (GBP) are the Retail share classes in issue, earning a performance fee of US\$Nil (2012: US\$867,771) with US\$Nil payable at year end (2012: US\$13).

As at 31 December 2013 Class L (EUR) is the Platform share class in issue, earning a performance fee of US\$5,815 with US\$Nil payable at year end.

## ASPECT UCITS FUNDS PLC

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2013

#### 7. FEES AND EXPENSES (continued)

##### b) *Incentive fee (continued)*

###### *Institutional Shares*

As at 31 December 2013 Class A (USD), Class C (EUR), Class E (GBP), Class G (CHF), Class I (SEK), Class P (GBP) are the Institutional share classes in issue. The Investment Manager will receive a monthly incentive fee calculated on a share-by-share basis so that each share is charged incentive fees which equate precisely with that share's performance. The incentive fees will be calculated in respect of each month ('Calculation Period').

For each Calculation Period, the incentive fee in respect of each share will be equal to a total of 20% of the appreciation in the Net Asset Value above the high water mark of such share during that Calculation Period. The high water mark is the highest Net Asset Value of such share at the end of any prior month. As at 31 December 2013 the Investment Manager earned an incentive fee of US\$242,715 (2012: US\$2,878,228), with US\$Nil payable at year end (2012: Nil).

##### c) *Administration fee*

Quintillion Limited serves as the Company's Administrator, Registrar and Transfer Agent. For the services provided, Quintillion Limited receives an annual administration fee of 15 basis points of the net assets of the Fund on the first US\$250 million of net assets per annum, 13 basis points on the next US\$250 million and 11 basis points on assets in excess of US\$500 million payable monthly in arrears. Administration fees payable as at 31 December 2013 amounted to US\$75,817 (2012: US\$76,742). During the year ended 31 December 2013, the Administration fees expensed totalled US\$946,034 (2012: US\$851,020).

##### d) *Custodian and Trustee fee*

The Trustee shall be entitled to receive out of the assets of the Fund an annual trustee fee, accrued at each Valuation Point and payable monthly in arrears at a rate of 0.02% of Net Assets with a minimum of US\$2,500 per month.

Trustee fees payable as at 31 December 2013 amounted to US\$23,570 (2012: US\$48,025). During the year ended 31 December 2013, the Trustee Fee expense totalled US\$144,734 (2012: US\$137,073).

The Custodian shall also be entitled to receive out of the assets of the Fund an ad valorem custody fee (payable monthly in arrears) based on the fees charged in each country where assets of the Fund are held in custody subject to a minimum of US\$6,250 per month.

In addition the Custodian charges an asset safekeeping fee of 0.015% per year of assets held payable monthly in arrears.

Custodian fees payable as at 31 December 2013 amounted to US\$17,723 (2012: US\$8,395). During the year ended 31 December 2013, the Custodian Fee expense totalled US\$123,107 (2012: US\$122,279).

##### e) *Brokerage fees, Directors' fees and other operating costs*

The Brokers receive brokerage fees, which are based upon a combination of transaction charges, interest costs and borrowing fees. Additionally, the Fund bears all other ongoing operating costs and expenses, including Directors' fees.

##### f) *Audit fee*

Remuneration payable to the statutory auditor in respect of audit services to the Company for the year ended 31 December 2013 amounted to US\$22,000 (2012: US\$34,658). All other fees paid to the statutory audit firm of US\$33,127 (2012: US\$47,069) relate to tax advisory services.

## ASPECT UCITS FUNDS PLC

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2013

#### 7. FEES AND EXPENSES (continued)

*g) Swap financing fee*

On certain pre-agreed dates during the term of the total return swap the Fund paid an interest rate payment which is equal to the funding cost of holding the underlying reference asset. As at 31 December 2013 US\$Nil in swap financing fees were payable (2012: US\$203,899). The swap financing fee expense for the year was US\$2,471,752 (2012: US\$2,331,604). The Fund no longer holds swaps as at 31 December 2013.

*h) Transaction costs*

The UCITS Regulations include certain additional disclosure requirements, including disclosure of transaction costs, which apply for financial periods beginning on or after 1 July 2011. 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. Only transaction costs which are separately identifiable are disclosed. Transaction costs as at 31 December 2013 amounted to US\$4,565 (2012: US\$5,130). All transaction costs relate to the acquisition and disposal of transferable securities (Government backed commercial paper and Treasury Bills).

#### 8. 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 this basis, the Company will not be liable to tax in respect of its income and gains, other than on the occurrence of a chargeable event. Generally a chargeable event arises on any distribution, redemption, repurchase, cancellation, transfer of shares or on the ending of a "Relevant Period". A "Relevant Period" being an eight year period beginning with the acquisition of the shares by the shareholder and each subsequent period of eight years beginning immediately after the preceding Relevant Period.

A gain on a chargeable event does not arise in respect of:

- (i) any transactions in relation to shares held in a recognised clearing system as designated by order of the Revenue Commissioners of Ireland; or
- (ii) the exchange by a shareholder of shares in the undertaking for other shares in the investment undertaking; or
- (iii) an exchange of shares arising on a qualifying amalgamation or reconstruction of the Company with another fund; or
- (iv) certain exchanges of shares between spouses and former spouses;
- (v) an exchange by a shareholder, effected by way of an arm's length bargain where no payment is made to the shareholder of share in the Company for other shares in the Company;
- (vi) shareholders who are neither Irish Resident nor Irish Ordinary Resident for tax purposes at the time of the chargeable event and who have provided the Company with a relevant declaration to that effect;
- (vii) certain exempted Irish tax resident shareholders who have provided the Company with the necessary signed statutory declarations.

## ASPECT UCITS FUNDS PLC

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2013

#### 9. SHARE TRANSACTIONS

The authorised share capital of the Company is 500,000,000,000 participating shares of no par value and 300,002 redeemable non-participating shares of no par value at €1.00 each. The issued share capital of the Company as at 31 December 2013 was represented by 11,414,011 (2012: 12,198,362) participating shares and two non-participating shares at €1.00 each (the subscriber shares) issued for the purpose of the incorporation of the Company.

The Directors have the power to allot shares in the capital of the Company on such terms and in such manner as they may think fit. The subscriber shares, which are fully paid up, do not participate in the dividends or assets of the Company, do not form part of the shareholder's funds and are disclosed in the financial statements by way of note only. Each of the participating shares entitles the shareholder to participate equally on a pro rata basis in the dividends and net assets of the Fund, save in the case of dividends declared prior to becoming a shareholder. Each of the participating shares also entitles the holder to attend and vote at meetings of the Company represented by those shares.

No class of shares confers on the holder thereof any preferential or pre-emptive rights or any rights to participate in the profits and dividends of any class of shares or any voting rights in relation to matters relating solely to any other class of shares.

The Fund has three authorised types of redeemable participating shares – Institutional Shares, Retail Shares and Platform Shares which are identified by “(I)”, “(R)” and “P” respectively in the table below. Transactions by class for the year ended 31 December 2013 were as follows:

	<b>Class A</b>	<b>Class B</b>	<b>Class C</b>	<b>Class D</b>
	<b>USD (I)</b>	<b>USD (R)</b>	<b>EUR (I)</b>	<b>EUR (R)</b>
Share balance at beginning of the year	544,200	1,264	758,360	13,283
Issue of redeemable shares	167,647	265	237,405	6,936
Redemption of redeemable shares	(424,458)	(265)	(748,477)	(20,118)
<b>Share balance at the end of the year</b>	<b>287,389</b>	<b>1,264</b>	<b>247,288</b>	<b>101</b>

	<b>Class E</b>	<b>Class F</b>	<b>Class G</b>	<b>Class I</b>
	<b>GBP (I)</b>	<b>GBP (R)</b>	<b>CHF (I)</b>	<b>SEK (I)</b>
Share balance at beginning of the year	1,440,112	1,298,255	29,234	8,113,654
Issue of redeemable shares	628,722	304,937	-	4,748,382
Redemption of redeemable shares	(242,233)	(524,151)	(8,367)	(5,283,724)
<b>Share balance at the end of the year</b>	<b>1,826,601</b>	<b>1,079,041</b>	<b>20,867</b>	<b>7,578,312</b>

	<b>Class L</b>	<b>Class P</b>
	<b>EUR (P)</b>	<b>GBP (I)</b>
Share balance at beginning of the year	-	-
Issue of redeemable shares	17,000	456,940
Redemption of redeemable shares	(1,000)	(99,792)
<b>Share balance at the end of the year</b>	<b>16,000</b>	<b>357,148</b>

## ASPECT UCITS FUNDS PLC

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2013

#### 9. SHARE TRANSACTIONS (continued)

Transactions by class for the year ended 31 December 2012 were as follows:

	Class A	Class B	Class C	Class D
	USD (I)	USD (R)	EUR (I)	EUR (R)
Share balance at beginning of the year	486,774	-	573,556	-
Issue of redeemable shares	597,804	1,264	836,929	16,790
Redemption of redeemable shares	(540,378)	-	(652,125)	(3,507)
<b>Share balance at the end of the year</b>	<b>544,200</b>	<b>1,264</b>	<b>758,360</b>	<b>13,283</b>

	Class E	Class F	Class G	Class I
	GBP (I)	GBP (R)	CHF (I)	SEK (I)
Share balance at beginning of the year	838,585	826,723	17,441	5,465,849
Issue of redeemable shares	722,484	498,082	13,060	2,867,428
Redemption of redeemable shares	(120,957)	(26,550)	(1,267)	(219,623)
<b>Share balance at the end of the year</b>	<b>1,440,112</b>	<b>1,298,255</b>	<b>29,234</b>	<b>8,113,654</b>

#### Dividends

The Directors may at their discretion declare dividends from time to time in respect of the shares. It is not the current intention to pay dividends and no dividends have been declared during the year ended 31 December 2013 (2012: Nil).

#### 10. NET ASSET VALUES

	2013	2012	2011
Number of Institutional class A (USD) shares outstanding	287,389	544,200	486,774
Dealing NAV per Institutional class A (USD) share	US\$90.1559	US\$93.9521	US\$105.0180
Number of Retail class B (USD) shares outstanding	1,264	1,264	-
Dealing NAV per Retail class B (USD) share	US\$82.9573	US\$87.3188	-
Number of Institutional class C (EUR) shares outstanding	247,288	758,360	573,556
Dealing NAV per Institutional class C (EUR) share	EUR89.7529	EUR93.7756	EUR104.9904
Number of Retail class D (EUR) shares outstanding	101	13,283	-
Dealing NAV per Retail class D (EUR) share	EUR82.9282	EUR87.3895	-
Number of Institutional class E (GBP) shares outstanding	1,826,601	1,440,112	838,585
Dealing NAV per Institutional class E (GBP) share	GBP92.7391	GBP96.4245	GBP107.6381
Number of Retail class F (GBP) shares outstanding	1,079,041	1,298,255	826,723
Dealing NAV per Retail class F (GBP) share	GBP89.2092	GBP93.6886	GBP105.5632
Number of Institutional class G (CHF) shares outstanding	20,867	29,234	17,441
Dealing NAV per Institutional class G (CHF) share	CHF88.7874	CHF92.8193	CHF104.2224
Number of Institutional class I (SEK) shares outstanding	7,578,312	8,113,654	5,465,849
Dealing NAV per Institutional class I (SEK) share	SEK93.9431	SEK97.2258	SEK107.4972
Number of Platform class L (EUR) shares outstanding	16,000	-	-
Dealing NAV per Platform class L (EUR) share	EUR91.9178	-	-
Number of Institutional class P (GBP) shares outstanding	357,148	-	-
Dealing NAV per Institutional class P (GBP) share	GBP92.6927	-	-

The net asset value of the Fund is the value of the assets less the total liabilities attributable to the redeemable participating shares. These assets include the sum of all cash, accrued interest and the value of all investments held by the Fund on behalf of shareholders. Total liabilities include borrowings and amortised expenses, all accrued expenses and any contingencies (including tax) for which reserves are determined to be required.

## ASPECT UCITS FUNDS PLC

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2013

#### 10. NET ASSET VALUES (continued)

Under IFRS costs of establishment are charged immediately to income after the start/inception of a fund. Total costs of establishment amounted to US\$320,244 of which US\$291,776 was charged during the year ended 31 December 2010 and an additional US\$28,468 was charged during the year ended 31 December 2011. In accordance with the Prospectus, for dealing purposes, costs of establishment are amortised on a straight line basis over a period of up to 5 years. Accordingly a reconciliation of the net asset value as reported in the Statement of Financial Position under IFRS to the net asset value as determined for the purposes of processing share subscriptions and redemptions is provided overleaf.

As at 31 December 2013

	Local Net Asset Value 2013	Local NAV per Share 2013
<b>Institutional class A (USD)</b>		
NAV for dealing purposes	25,909,842	90.1559
Unamortised cost of establishment	<u>( 4,964)</u>	<u>( 0.017)</u>
NAV per financial statements	25,904,878	90.1386
<b>Retail class B (USD)</b>		
NAV for dealing purposes	104,877	82.9573
Unamortised cost of establishment	<u>( 20)</u>	<u>( 0.016)</u>
NAV per financial statements	104,857	82.9414
<b>Institutional class C (EUR)</b>		
NAV for dealing purposes	22,194,832	89.7529
Unamortised cost of establishment	<u>( 4,263)</u>	<u>( 0.017)</u>
NAV per financial statements	22,190,569	89.7356
<b>Retail class D (EUR)</b>		
NAV for dealing purposes	8,405	82.9282
Unamortised cost of establishment	<u>( 2)</u>	<u>( 0.016)</u>
NAV per financial statements	8,403	82.9123
<b>Institutional class E (GBP)</b>		
NAV for dealing purposes	169,397,364	92.7391
Unamortised cost of establishment	<u>( 32,383)</u>	<u>( 0.018)</u>
NAV per financial statements	169,364,981	92.7214
<b>Retail class F (GBP)</b>		
NAV for dealing purposes	96,260,323	89.2092
Unamortised cost of establishment	<u>( 18,402)</u>	<u>( 0.017)</u>
NAV per financial statements	96,241,921	89.1921
<b>Institutional class G (CHF)</b>		
NAV for dealing purposes	1,852,749	88.7874
Unamortised cost of establishment	<u>( 356)</u>	<u>( 0.017)</u>
NAV per financial statements	1,852,393	88.7704
<b>Institutional class I (SEK)</b>		
NAV for dealing purposes	711,929,867	93.9431
Unamortised cost of establishment	<u>( 136,326)</u>	<u>( 0.018)</u>
NAV per financial statements	711,793,541	93.9251

**ASPECT UCITS FUNDS PLC****NOTES TO THE FINANCIAL STATEMENTS (Continued)****For the year ended 31 December 2013****10. NET ASSET VALUES (continued)****As at 31 December 2013 (continued)**

	<b>Local Net Asset Value 2013</b>	<b>Local NAV per Share 2013</b>
<b>Platform class L (EUR)</b>		
NAV for dealing purposes	1,470,686	91.9178
Unamortised cost of establishment	<u>( 282)</u>	<u>( 0.018)</u>
NAV per financial statements	1,470,404	91.9002
<b>Institutional class P (GBP)</b>		
NAV for dealing purposes	33,105,015	92.6927
Unamortised cost of establishment	<u>( 6,329)</u>	<u>( 0.018)</u>
NAV per financial statements	33,098,686	92.6750

**As at 31 December 2012**

	<b>Local Net Asset Value 2012</b>	<b>Local NAV per Share 2012</b>
<b>Institutional class A (USD)</b>		
NAV for dealing purposes	51,128,689	93.9521
Unamortised cost of establishment	<u>(14,145)</u>	<u>(.0260)</u>
NAV per financial statements	51,114,544	93.9261
<b>Retail class B (USD)</b>		
NAV for dealing purposes	110,390	87.3188
Unamortised cost of establishment	<u>(30)</u>	<u>(.0242)</u>
NAV per financial statements	110,360	87.2946
<b>Institutional class C (EUR)</b>		
NAV for dealing purposes	71,115,653	93.7756
Unamortised cost of establishment	<u>(19,730)</u>	<u>(.0260)</u>
NAV per financial statements	71,095,923	93.7496
<b>Retail class D (EUR)</b>		
NAV for dealing purposes	1,160,803	87.3895
Unamortised cost of establishment	<u>(322)</u>	<u>(.0242)</u>
NAV per financial statements	1,160,481	87.3653
<b>Institutional class E (GBP)</b>		
NAV for dealing purposes	138,862,058	96.4245
Unamortised cost of establishment	<u>(38,181)</u>	<u>(.0265)</u>
NAV per financial statements	138,823,877	96.3980
<b>Retail class F (GBP)</b>		
NAV for dealing purposes	121,631,700	93.6886
Unamortised cost of establishment	<u>(33,446)</u>	<u>(.0258)</u>
NAV per financial statements	121,598,254	93.6628

## ASPECT UCITS FUNDS PLC

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2013

#### 10. NET ASSET VALUES (continued)

As at 31 December 2012 (continued)

	Local Net Asset Value 2012	Local NAV per Share 2012
<b>Institutional class G (CHF)</b>		
NAV for dealing purposes	2,713,459	92.8193
Unamortised cost of establishment	<u>(753)</u>	<u>(.0257)</u>
NAV per financial statements	2,712,706	92.7936
<b>Institutional class I (SEK)</b>		
NAV for dealing purposes	788,856,555	97.2258
Unamortised cost of establishment	<u>(218,062)</u>	<u>(.0269)</u>
NAV per financial statements	788,638,493	97.1989

#### 11. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

Up to 16 December 2013 the Fund provided investors with exposure to the performance of the Index. The Index was intended to reflect the performance of a systematic, diversified managed futures strategy developed and operated by the Investment Manager that employs quantitative processes to identify opportunities in markets which are trending or showing momentum. The Index comprised futures and forward contracts relating to certain assets in the financial or commodity markets such as government bonds, exchange rates, interest rates, stock indices, agriculturals, energies, and metals.

Aspect Capital Limited (the "Index Management Agent") was appointed to maintain and develop the rules for the construction of the Index. The Index Management Agent ensured that the constituents of the Index were eligible being (i) either a futures or forward contract; and (ii) comprising the following commodities sectors: agriculturals, energies, metals; and financial sectors: bonds, currencies, interest rates and stock indices; and (iii) subject to regular, independent and timely pricing; and (iv) included in the data repository of the Index Management Agent.

The Index Management Agent was responsible for maintaining and monitoring the weighting of the Index Constituents within the Index. The weighting methodology was a proprietary and systematic methodology designed to allocate weights to the Index Constituents in a way that reflects the trading strategies of a systematic, diversified Managed Futures strategy. Additional restrictions were placed on the weighting methodology to ensure diversification of the Index.

Publication of the Index has now ceased.

Although the Fund did not have direct exposure to the constituents of the Index, it gained indirect exposure by entering into one or more unfunded total return swaps on the Index. Any market risk taken was in accordance with the UCITS Regulations. Such market risk was monitored using absolute VaR, in accordance with the prospectus.

As of 16 December 2013 the Fund seeks to achieve its investment objective through exposure to the performance of the Programme by investing in Certificates. Certificates are a type of debt instrument classified as transferable securities under the UCITS Notices and Regulations which provide exposure to the Programme.

As set out above, the Fund may invest in Certificates which provide indirect exposure to the Programme. The Certificates are unleveraged instruments. The Programme is intended to reflect the performance of a systematic, diversified managed futures strategy developed and operated by the Investment Manager that employs quantitative processes to identify opportunities in markets which are trending or showing momentum.

## ASPECT UCITS FUNDS PLC

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2013

#### 11. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)

The Programme comprises futures and forward contracts relating to certain assets in the financial or commodity markets such as government bonds, exchange rates, interest rates, stock indices, agriculturals, energies, and metals.

Although the Fund does not have direct exposure to the constituents of the Programme, it gains indirect exposure by investing in one or more Certificates. Such market risk is monitored using absolute VaR. The VaR of the Fund is expected to range between 0.3% and 3.16%, and may not exceed 3.16%, of the net asset value of the Fund, based on a one day holding period and a one-tailed 95% confidence interval, using 1 year observation period (unless a shorter observation period is justified). The Fund does not explicitly use leverage which requires borrowing.

Further details of the Index are detailed in the Prospectus and the Index methodology, calculation and rules document. The nature and extent of the financial instruments outstanding at the balance sheet date and the specific risk management policies employed by the Fund are discussed below.

##### *Interest rate risk*

An amount of the Fund's financial assets throughout the year consisted of investments in transferable securities in the form of Government backed commercial paper and Treasury Bills which are principally short term in nature. Investment in these transferable securities and cash assets yield a significant amount of interest income, which will fluctuate according to the prevailing level of market interest rates. Such fluctuations will also impact the Fund's cash assets which would typically earn a rate of interest in line with the US Dollar LIBOR rate. During the year ended 31 December 2013, the US Dollar LIBOR rate averaged 0.187% (2012: 0.233%) and fluctuated between a low of 0.168% (2012: 0.209%) and a high of 0.204% (2012: 0.265%).

<b>2013</b>	<b>Transferable securities</b>	<b>Range of effective</b>
<b>Currency</b>	<b>US\$</b>	<b>interest rates</b>
USD	402,850,106	0.07%-0.00%

<b>2012</b>	<b>Transferable securities</b>	<b>Range of effective</b>
<b>Currency</b>	<b>US\$</b>	<b>interest rates</b>
USD	610,083,070	0.148%-0.062%

##### *Market risk*

Market risk is the risk that changes in interest rates, foreign exchange rates or equity and commodity prices will affect the positions held by the Fund. The Fund is exposed to market risk on financial instruments that are valued at market prices including the commitments of the index.

## ASPECT UCITS FUNDS PLC

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2013

#### 11. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)

##### *Other price risk*

Although the Fund will not have direct exposure to the constituents of the Index or the Programme, it obtains indirect exposure to such constituent instruments by entering into one or more total return swaps or through the acquisition of Certificates. As a result, the Fund is exposed to the market risk of the Index or the Programme.

The Fund's strategy on the management of investment risk is driven by the Fund's investment objective. The investment objective of the Fund is to aim to achieve capital appreciation while closely controlling risk.

Other price risk is the risk that the value of an instrument will fluctuate as a result of changes in market prices (other than those arising from changes in interest rates, foreign exchange rates or equity and commodity prices), whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market. As the majority of the Fund's financial instruments are carried at fair value with fair value changes recognised in the Statement of Comprehensive Income, all changes in market conditions will directly affect total investment income.

Other price risk is managed by the Fund's Investment Manager by investing primarily in liquid instruments with frequent pricing. The following table details the breakdown of investment assets and liabilities held by the Company.

	31 December 2013	31 December 2012
Assets	% of Net Assets	% of Net Assets
<b>Investment Assets</b>		
Transferable securities		
<i>Certificates</i>	25.50%	-
<i>Treasury bills</i>	60.46%	87.91%
Collective investment schemes	6.29%	5.47%
Unrealised gain on forward foreign exchange contracts	1.20%	1.49%
Total return swap	-	1.13%
<b>Total financial assets at fair value through profit or loss</b>	<b>93.45%</b>	<b>96.00%</b>
Liabilities	31 December 2013	31 December 2012
Financial liabilities at fair value through profit or loss	% of Net Assets	% of Net Assets
<i>Held for trading</i>		
Unrealised loss on forward foreign exchange contracts	(0.03%)	(0.02%)
<b>Total financial liabilities at fair value through profit or loss</b>	<b>(0.03%)</b>	<b>(0.02%)</b>

##### *Currency risk*

The Fund is exposed to the currency risk of the Index and Programme. Both the Index and the Programme have a base currency of US Dollars. Each of the Index and the Programme includes constituents that are denominated in currencies other than US Dollars. Consequently, the Index and the Programme are exposed to risks that the exchange rate of this currency relative to other currencies may change in a manner which may have a favourable or unfavourable effect on their value.

## ASPECT UCITS FUNDS PLC

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2013

#### 11. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)

##### *Currency risk (continued)*

The Company's total net exposure to fluctuations in foreign currency exchange rates at the Statement of Financial Position date was as follows:

	31 December 2013 US\$	31 December 2012 US\$
Swiss Franc	3,484	132
Euro	436,121	146,759
Pound Sterling	5,703,007	91,477
Swedish Krona	842,706	7
<b>Total</b>	<u>6,985,318</u>	<u>238,375</u>

The currency risk table excludes class-hedging forwards. In addition, the amounts in the above table are based on the carrying value of monetary assets and liabilities and the underlying principal amount of the forward currency contracts.

##### *Credit risk*

The Fund holds a large proportion of its assets in cash and US Treasury Bills. US Treasury Bills are exposed to the risk of the United States Government defaulting on its debt commitments. All securities transactions are cleared through and held in custody by the custodian. The Fund is subject to credit risk to the extent that this institution may be unable to fulfil its obligations either to return the Fund's securities or repay amounts owed.

In addition the Fund has exposure to Certificates. The Certificates are a type of debt instrument. Each series of Certificates represents limited recourse obligations of Mosel Capital Limited, Saar Capital Limited, Ems Capital Limited (the "Issuers"). Recourse in respect of any Certificate series will be limited to the series assets in respect of that series. If the net proceeds of such series assets are not sufficient for the Issuers to make all payments due in respect of the Certificates of that series, the other assets of the Issuer will not be available for payment of any shortfall. Any such shortfall shall be borne by the Certificate holders of such series.

For these financial instruments, the maximum credit risk amount at 31 December 2013 is represented by the amount at which they are included in the balance sheet. In the event of insolvency or bankruptcy of the custodian or broker, the Fund will be treated as a general creditor in relation to cash held with the relevant custodian or broker.

At 31 December 2013 all trading instruments, except the forward foreign exchange contracts are market quoted and readily traded financial instruments. At the reporting date, the Fund's financial assets exposed to credit risk amounted to the following:

## ASPECT UCITS FUNDS PLC

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2013

#### 11. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)

##### Credit risk (continued)

	31 December 2013	31 December 2012
	US\$	US\$
Transferable securities		
<i>Certificates</i>	169,831,332	-
<i>US Treasury Bills</i>	402,850,106	610,083,070
Collective investment schemes	41,925,029	37,995,001
Forward foreign exchange contracts	8,024,062	10,324,857
Unfunded Total Return Swap*	-	7,859,325
<b>Total</b>	<b>622,630,529</b>	<b>666,262,253</b>

\* represents unrealised gain on the total return swap on the Aspect Diversified Trends Index. As at 31 December 2013 the notional exposure of the swap is US\$Nil (2012: US\$693,000,063).

The table below details the credit rating and percentage of net assets held with each Custodian or broker to the Fund as at 31 December 2013:

Sub Custodian /Broker	Cash US\$	Certificates	Collective Investment schemes US\$	US Treasury US\$	Unrealised gain/loss on financial derivative instruments US\$	Total US\$	Standard and Poor's rating
Bank of New York Mellon SA/NV	19,468,132	-	-	402,850,106	7,842,305	430,160,543	A-1
JP Morgan	28,441,270	-	12,279,462	-	-	40,720,732	A-1
Morgan Stanley	-	169,831,332	-	-	-	169,831,332	A-1
Goldman Sachs	-	-	29,645,567	-	-	29,645,567	A-2
<b>Net exposure to sub custodian/ broker</b>	<b>47,909,402</b>	<b>169,831,332</b>	<b>41,925,029</b>	<b>402,850,106</b>	<b>7,842,305</b>	<b>670,358,174</b>	

The table below details the credit rating and percentage of net assets held with each Custodian or broker to the Fund as at 31 December 2012:

Sub Custodian /Broker	Cash US\$	Collective Investment schemes US\$	US Treasury US\$	Unrealised gain/ (loss) on financial derivative instruments US\$	Total US\$	Standard and Poors rating
Bank of New York Mellon SA/NV	605,793	-	610,083,070	10,168,996	620,857,859	A-1
JP Morgan	28,743,231	-	-	-	28,743,231	A-1
JP Morgan	-	17,245,165	-	-	17,245,165	AAAm
Goldman Sachs	-	20,749,836	-	-	20,749,836	AAAm
Newedge	-	-	-	3,931,506	3,931,506	A-1
SEB	-	-	-	3,927,819	3,927,819	A-1
<b>Net exposure to sub custodian/ broker</b>	<b>29,349,024</b>	<b>37,995,001</b>	<b>610,083,070</b>	<b>18,028,321</b>	<b>695,455,416</b>	

##### Offsetting Financial Assets and Financial Liabilities

The Company enters into master netting agreements in respect of forward foreign exchange contracts. Master netting agreements provide for the net settlement of contracts with the same counterparty in the event of default. The credit risk associated with derivative financial assets subject to a master netting arrangement is eliminated only to the extent that financial liabilities due to the same counterparty will be settled after the assets are realised. The exposure to credit risk reduced by master netting arrangements may change significantly within a short period of time as a result of transactions subject to the arrangement. The corresponding assets and liabilities have not been offset on the Statement of Financial Position.

## ASPECT UCITS FUNDS PLC

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2013

#### 11. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)

##### *Credit risk (continued)*

The Company has the following transactions and balances related to its derivative activities. These transactions are subject to master netting agreements and related rights and obligations to exchange financial collateral that do not qualify for offsetting.

31 December 2013	Derivatives		Collateral		
	Assets US\$	Liabilities US\$	Cash paid US\$	Cash received US\$	Securities received US\$
Bank of New York Mellon	8,024,062	( 181,757)	-	-	-
<b>Total</b>	<b>8,024,062</b>	<b>( 181,757)</b>	<b>-</b>	<b>-</b>	<b>-</b>

31 December 2012	Derivatives		Collateral		
	Assets US\$	Liabilities US\$	Cash paid US\$	Cash received US\$	Securities received US\$
Bank of New York Mellon	10,324,857	( 155,861)	-	-	-
SEB	7,859,325	-	72,391	-	76,144,848
<b>Total</b>	<b>18,184,182</b>	<b>( 155,861)</b>	<b>72,391</b>	<b>-</b>	<b>76,144,848</b>

##### *Open forward foreign exchange contracts*

The Company will engage in forward foreign exchange contracts to protect non base currency classes against fluctuations in foreign currency exchange rates. Forward foreign exchange contracts will be valued by reference to the forward price at which a new forward contract of the same size and maturity could be undertaken at the valuation date. The unrealised gain or loss on open forward foreign exchange contracts is calculated as the difference between the contract rate and this forward price, and is recognised in the Statement of Comprehensive Income. Where a forward contract is purchased to hedge the currency risk of a specific class which is issued in a currency other than the base currency of the Fund, all gains and losses on that contract are allocated to that class.

## ASPECT UCITS FUNDS PLC

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2013

#### 11. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)

##### *Open forward foreign exchange contracts (continued)*

At 31 December 2013 the Fund had contracted to buy and sell the following amounts:

<b>Purchase Currency</b>	<b>Amount</b>	<b>Sale Currency</b>	<b>Amount</b>	<b>Settle Date</b>	<b>Unrealised gain/(loss)</b>
EUR	28,577,347	USD	38,940,327	03-Jan-14	437,788
GBP	298,319,751	USD	488,624,403	03-Jan-14	5,461,287
CHF	1,855,380	USD	2,054,456	03-Jan-14	31,796
SEK	722,730,271	USD	110,537,103	03-Jan-14	1,988,150
USD	39,347,590	EUR	28,577,347	03-Jan-14	( 30,507)
USD	112,544,076	SEK	722,730,271	03-Jan-14	20,812
USD	2,086,036	CHF	1,855,380	03-Jan-14	( 233)
USD	494,166,667	GBP	298,319,751	03-Jan-14	84,127
EUR	23,625,447	USD	32,558,465	04-Feb-14	( 4,253)
GBP	296,246,346	USD	490,640,236	04-Feb-14	( 93,813)
SEK	713,584,709	USD	111,090,136	04-Feb-14	( 52,951)
CHF	1,856,810	USD	2,088,298	04-Feb-14	102
<b>Net unrealised gain</b>					<b>7,842,305</b>

At 31 December 2012 the Fund had contracted to buy and sell the following amounts:

<b>Purchase Currency</b>	<b>Amount</b>	<b>Sale Currency</b>	<b>Amount</b>	<b>Settle Date</b>	<b>Unrealised gain/(loss)</b>
CHF	2,787,145	USD	3,009,064	03-Jan-13	36,025
CHF	2,703,636	USD	2,956,636	04-Feb-13	( 840)
EUR	73,827,351	USD	96,064,716	03-Jan-13	1,271,922
EUR	72,008,630	USD	94,948,780	04-Feb-13	17,282
GBP	260,203,310	USD	416,950,577	03-Jan-13	6,006,260
GBP	259,604,983	USD	422,009,967	04-Feb-13	( 64,901)
SEK	785,050,021	USD	117,762,214	03-Jan-13	2,904,538
SEK	785,903,643	USD	120,759,626	04-Feb-13	( 55,854)
USD	3,046,116	CHF	2,787,145	03-Jan-13	1,027
USD	97,302,371	EUR	73,827,351	03-Jan-13	( 34,266)
USD	423,095,668	GBP	260,264,779	03-Jan-13	38,914
USD	120,715,640	SEK	785,050,021	03-Jan-13	48,889
<b>Net unrealised gain</b>					<b>10,168,996</b>

##### *Liquidity risk*

Liquidity risk is the risk that the Fund will encounter difficulty in being able to liquidate its assets promptly and to meet the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. This extends to both financial derivative instruments and non-financial derivative instrument liabilities. The Fund's policy and the Investment Manager's approach to managing liquidity is to ensure, as far as possible, that the Fund will always have sufficient liquidity to meet its liabilities as and when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation.

## ASPECT UCITS FUNDS PLC

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2013

#### 11. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)

##### *Liquidity risk (continued)*

The Company constitution provides for daily creation and cancellation of shares and it is therefore exposed to the liquidity risk of meeting shareholder redemptions at each redemption date.

The Fund may make investments in instruments that are volatile and may become illiquid. Accordingly it may be impossible (in the event of trading halts or daily price fluctuation limits on the markets traded or otherwise) or expensive for the Fund to liquidate positions against which the market is moving. Alternatively, it may not be possible, in certain circumstances, for a position to be initiated or liquidated promptly (in the event of insufficient trading activity in the relevant market or otherwise). Those risks may be accentuated where the Fund is required to liquidate positions to meet margin requests, margin calls or other funding requirements.

Under UCITS regulations the counterparty to OTC financial derivative instruments is required to close out of financial derivative instrument positions at fair value at the Fund's request. This exposes the Fund to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the relevant Fund to suffer a loss.

The table below analyses the Fund's other financial liabilities into relevant maturity groupings based on the remaining period from the Statement of Financial Position date to the contractual maturity date.

	<b>Less than 1 month</b>	<b>1-3 months</b>	<b>3-12 months</b>	<b>No stated maturity</b>
<b>At 31 December 2013</b>				
Financial liabilities at fair value through profit or loss	(30,740)	(151,017)	-	-
Due to Broker	(18,747,594)	-	-	-
Accrued expenses	(1,118,285)	-	-	-
Total financial liabilities	<u>(19,896,619)</u>	<u>(151,017)</u>	<u>-</u>	<u>-</u>

	<b>Less than 1 month</b>	<b>1-3 months</b>	<b>3-12 months</b>	<b>No stated maturity</b>
<b>At 31 December 2012</b>				
Financial liabilities at fair value through profit or loss	(35,106)	(120,755)	-	-
Accrued expenses	(1,460,570)	-	-	-
Total financial liabilities	<u>(1,495,676)</u>	<u>(120,755)</u>	<u>-</u>	<u>-</u>

##### *Value at risk*

A fundamental principle of the investment approach is the importance of a robust risk management framework. The market risk of the Company's financial asset and liability positions is monitored by the Investment Manager using VaR analysis. VaR analysis reflects the interdependencies between risk variables, unlike a traditional sensitivity analysis. VaR represents the potential losses from adverse changes in market factors for a specified time period and confidence level. Therefore, there is a specified statistical probability that actual loss could be greater than the VaR estimate.

##### **Method**

The Investment Manager uses a proprietary VaR model. This is a parametric variance-covariance VaR model using multivariate normal distribution assumptions.

## ASPECT UCITS FUNDS PLC

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2013

#### 11. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)

##### *Value at risk (continued)*

##### **Inputs**

The model is an asset by asset model: it uses each individual underlying instrument as a factor in the model. The model is updated daily and uses daily, exponentially weighted observations of market returns. This gives higher weight to more recent moves whilst allowing the full history of observations to be included. Close of business positions held in each market are used to calculate the VaR.

##### **Parameters and Assumptions**

Variances are calculated using daily returns, weighted using an 11.2 day exponential half-life.

Covariances are calculated using 5-day blocks of daily returns and a corresponding exponential half-life of 56 days. Five day returns are used in order to improve the calculation of covariances for markets that do not trade in the same time zone.

By considering the correlations and volatilities between markets, the Investment Manager is able to estimate the magnitude of an extreme adverse return. This number, expressed as a percentage of Fund capital, is what the Investment Manager refers to as VaR.

The Investment Manager calculates VaR at a 95% confidence level, using a 1 day holding period assumption.

Market returns are assumed to be normally distributed and the positions held in each market are assumed to be approximately unchanged over the 1 day holding period.

VaR is periodically back-tested to ensure that realised portfolio returns exceed the VaR estimate with approximately the expected frequency (with a 95% level of confidence one would expect VaR to be exceeded 5% of time). In addition, stress tests are also carried out as described below. The VaR of the Fund's financial instruments as at 31 December 2013, measured as the potential 1 day loss in value from changes in equity and commodity prices, interest rates and foreign currency rates, with a 95% confidence level was 1.35% (2012: 1.69%).

During the year ended 31 December 2013, the average daily VaR of the Fund's financial assets and liabilities was 1.30% (2012: 1.79%) with a minimum of 1.03% (2012: 0.96%) and a maximum of 1.67% (2012: 2.94%).

##### **Stress Testing**

As well as VaR modelling, the Investment Manager also measures risk using a range of stress tests including the historical simulation approach – i.e. assessing what impact historical changes in price would have on current positions. This assesses extreme exposure to market shocks similar to past events.

##### **Leverage**

The Fund does not use leverage. Ordinarily, the Fund may invest up to 100% of the Net Asset Value in investments as set out in the Prospectus supplement. This represents a change to the Fund's investment process that occurred in December 2013. Previous to this, the Fund achieved its investment objective by investing in swaps that referenced an approved Index. Leverage was inherent to the strategy of the Fund via its exposure to the use of margin-traded instruments within the Index, but not by borrowing. For this purpose, leverage can be calculated on the basis of the sum of notionals approach, using a full look-through to the underlying constituents of the Index. Measured in this way, the maximum leverage has been 3400% during 2013.

## ASPECT UCITS FUNDS PLC

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

For the year ended 31 December 2013

#### 12. RECONCILIATION TO US GAAP

The following adjustment would be required to these financial statements in order to reconcile the financial statements to a US GAAP or equivalent basis:

	31 December 2013	31 December 2012
	US\$	US\$
Net assets attributable to holders of redeemable shares as at 31 December (in accordance with IFRS)	666,265,326	693,994,846
Adjustment for redemptions payable on 1 January 2014 and 1 January 2013 in conformity with ASC480	(6,008,186)	(162,704)
Adjustment for revaluation of investments to last traded price	-	-
<b>Net assets of the Company calculated in conformity with US GAAP</b>	<u>660,257,140</u>	<u>693,832,142</u>

There was no other material difference as at 31 December 2013 between the reported Net Asset Value of the Company as calculated in accordance with IFRS and the Net Asset Value of the Company as calculated in conformity of US GAAP.

ASC815-10 “Derivatives and Hedging” includes disclosure requirements with the intent to provide users of financial statements with an enhanced understanding of how and why an entity uses derivative instruments. The fair value of financial derivative instruments held as at 31 December 2013 is shown in the accompanying schedule of investments. The Directors considers that these values are an appropriate indicator of trading activity.

Accounting Standards Codification (“ASC”) 740-10 “Accounting for Uncertainty in Income Taxes – an interpretation of ASC 740” clarifies the accounting for uncertainty in income taxes recognized in the Company’s financial statements in conformity with ASC 740 “Accounting for Income Taxes”. ASC 740-10 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position or expected position to be taken on a tax return. Given the Company’s domicile, the investment objective of the Fund and the trading strategies and instruments traded/held by the Company there are no uncertain tax positions and therefore ASC 740-10 has no impact on the Fund’s financial position or result of operations for the year ended 31 December 2013.

#### 13. RELATED PARTY DISCLOSURES

John Wareham, a Director of the Company is an employee of the Investment Manager.

Fees paid to the Investment Manager during the year ended 31 December 2013 are set out in Note 7 to these financial statements.

John Skelly and Teddy Otto, Directors of the Company, are also employees of Carne Global Financial Services Limited which provides company secretarial services to the Company. In addition to acting as Company Secretary, Carne Global Financial Services Limited also provides a Money-Laundering Reporting Officer, a Compliance Officer and offers ad hoc consultancy services to the Company, including acting as an on-going consultant for the passporting of the Company into foreign jurisdictions.

There are no other related party transactions to be disclosed.

#### 14. DIRECTORS’ INTERESTS

None of the Directors have any interest in the shares of the Company or the Fund or in any contract of significance with the Company or the Fund.

## **ASPECT UCITS FUNDS PLC**

### **NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**For the year ended 31 December 2013**

#### **15. SOFT COMMISSION ARRANGEMENTS**

There were no soft commission arrangements in operation during the year under review.

#### **16. EFFICIENT PORTFOLIO MANAGEMENT**

The Company does not engage in efficient portfolio management as defined by ESMA's guidelines on ETFs and other UCITS.

#### **17. DISTRIBUTION POLICY**

The Directors may in their absolute discretion declare dividends from time to time in respect of the shares. It is not the current intention of the Directors to declare a dividend.

#### **18. CONTINGENT LIABILITIES**

As at 31 December 2013, the Company did not have any significant commitments or contingent liabilities, other than those which are disclosed in the Financial Statements.

#### **19. SIGNIFICANT EVENTS DURING THE YEAR**

In December 2012, ESMA (the European Securities and Markets Authority, the body responsible for harmonising the application of UCITS rules) issued guidelines on "ETFs and other UCITS Issues" (the "Guidelines") which amongst other things, set additional criteria to determine which financial indices a UCITS can invest in and specified more detailed requirements on the provision of index information. The Guidelines came into force as of 18 February 2013 and, on the basis of the transitional provisions set out in the Guidelines, the Fund was required to comply with the Guidelines by 18 February 2014.

At the time and until 13th December 2013 the Fund achieved its investment objective primarily through by obtaining exposure to the Index through investing the use of total return swaps on the Index.

Having considered the new criteria the Board of Directors determined that the structure in force at the time was no longer appropriate and proposed putting in place a new structure whereunder the Fund would seek to achieve its investment objective through exposure to the Programme by investing in Certificates. The Certificates provide exposure to the Underlying Investment Company the assets of which are managed in accordance with the Programme.

The restructuring was approved by the shareholders on 26 November 2013 at an Extraordinary General Meeting of the Company ("EGM") and as of 16 December 2013, the Fund seeks to achieve its investment objective solely through providing investors with exposure to the Programme through investing in Certificates.

A revised prospectus was issued to shareholders on 27 November 2013.

##### **New share classes**

During the year the following classes were launched: Class L (EUR) Platform, Class P (GBP) Institutional.

## **ASPECT UCITS FUNDS PLC**

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### **NOTES TO THE FINANCIAL STATEMENTS (Continued)**

**For the year ended 31 December 2013**

#### **20. SUBSEQUENT EVENTS**

There are no events subsequent to 31 December 2013 which, in the opinion of the Directors of the Company, may have had an impact on the financial statements for the year ended 31 December 2013.

#### **21. APPROVAL OF FINANCIAL STATEMENTS**

The financial statements for the year ended 31 December 2013 were approved by the Directors on 27 March 2014.

**ASPECT UCITS FUNDS PLC****SCHEDULE OF INVESTMENTS**

As at 31 December 2013

(Stated in US\$)

	Quantity (units)	Notional value US\$	Fair value US\$	% of Net Assets
<b>Financial assets at fair value through profit or loss</b>				
<b>Collective investment schemes - Money market funds</b>				
Goldman Sachs US\$ Treasury Liquid Reserves Fund - Institutional	29,645,568	29,645,568	29,645,567	4.45%
JPMorgan US Dollar Treasury Liquidity Fund- Institutional	12,279,462	12,279,462	12,279,462	1.84%
			<b>41,925,029</b>	<b>6.29%</b>
<b>Investments in transferable securities at fair value</b>				
<b>Certificates</b>				
Mosel Capital Limited Series 1	50,368,479	50,368,479	56,610,444	8.50%
Saar Capital Limited Series 1	50,368,479	50,368,479	56,610,444	8.50%
Ems Capital Limited Series 1	50,368,479	50,368,479	56,610,444	8.50%
<b>Total Certificates</b>			<b>169,831,332</b>	<b>25.50%</b>
<b>United States</b>				
TREASURY BILL 0.000% 01/23/14	116,852,000	116,852,000	116,852,000	17.54%
TREASURY BILL 0.000% 01/09/14	75,000,000	75,000,000	75,000,000	11.26%
TREASURY BILL 0.000% 02/06/14	67,000,000	67,000,000	67,000,000	10.06%
TREASURY BILL 0.00% 30/01/2014	58,500,000	58,500,000	58,500,000	8.78%
TREASURY BILL 0.000% 01/16/14	48,000,000	48,000,000	48,000,000	7.20%
TREASURY BILL 0.000% 01/02/14	18,750,000	18,750,000	18,749,981	2.81%
WI TREASURY BILL 0.000% 03/27/14	18,750,000	18,750,000	18,748,125	2.81%
<b>Total US Treasury Bill</b>			<b>402,850,106</b>	<b>60.46%</b>
<b>Total transferable securities</b>			<b>572,681,438</b>	<b>85.96%</b>
<b>Total unrealised gain on forward foreign exchange contracts</b>			<b>8,024,062</b>	<b>1.20%</b>
<b>Total financial assets at fair value through profit or loss</b>			<b>622,630,529</b>	<b>93.45%</b>
<b>Financial liabilities at fair value through profit or loss</b>				
<b>Total unrealised loss on forward foreign exchange contracts</b>			<b>(181,757)</b>	<b>(0.03%)</b>
<b>Total financial liabilities at fair value through profit or loss</b>			<b>(181,757)</b>	<b>(0.03%)</b>

## ASPECT UCITS FUNDS PLC

### SCHEDULE OF INVESTMENTS (Continued)

As at 31 December 2012

(Stated in US\$)

	Quantity (units)	Notional value US\$	Fair value US\$	% of Net Assets
<b>Financial assets at fair value through profit or loss</b>				
<b>Collective investment schemes - Money market funds</b>				
Goldman Sachs US\$ Treasury Liquid Reserves Fund - Institutional	20,749,836	20,749,836	20,749,836	2.99%
JPMorgan US Dollar Treasury Liquidity Fund- Institutional	17,245,165	17,245,165	17,245,165	2.48%
			<b>37,995,001</b>	<b>5.47%</b>
<b>Investments in transferable securities at fair value</b>				
<b>United States</b>				
US TREASURY 0.00% 03/07/13	35,200,000	35,200,000	35,197,747	5.07%
US TREASURY 0.00% 03/07/13	24,800,000	24,800,000	24,798,413	3.57%
US TREASURY 0.00% 03/07/13	48,500,000	48,500,000	48,496,896	6.99%
US TREASURY 0.00% 03/14/13	19,500,000	19,500,000	19,498,752	2.81%
US TREASURY 0.00% 03/14/13	25,700,000	25,700,000	25,698,355	3.70%
US TREASURY 0.00% 03/14/13	60,952,000	60,952,000	60,948,099	8.78%
US TREASURY 0.00% 03/21/13	23,300,000	23,300,000	23,298,369	3.36%
US TREASURY 0.00% 03/21/13	70,150,000	70,150,000	70,145,090	10.11%
US TREASURY 0.00% 03/28/13	21,450,000	21,450,000	21,448,348	3.09%
US TREASURY 0.00% 03/28/13	58,550,000	58,550,000	58,545,492	8.44%
US TREASURY 0.00% 04/04/13	70,000,000	70,000,000	69,990,830	10.09%
US TREASURY 0.00% 04/11/13	60,530,000	60,530,000	60,524,915	8.72%
US TREASURY 0.00% 04/18/13	91,500,000	91,500,000	91,491,764	13.18%
<b>Total transferable securities</b>			<b>610,083,070</b>	<b>87.91%</b>
<b>Investments in total return swaps at fair value</b>				
			<b>Unrealised</b>	
			<b>gain / loss</b>	<b>% of Net</b>
			<b>US\$</b>	<b>Assets</b>
	<b>Counterparty</b>			
<b>United Kingdom</b>				
Aspect Diversified Trends Index Swap		Newedge	3,931,506	0.57%
Aspect Diversified Trends Index SEB Swap		SEB Bank	3,927,819	0.57%
<b>Total- total return swap</b>			<b>7,859,325</b>	<b>1.14%</b>
<b>Total unrealised gain on forward foreign exchange contracts</b>			<b>10,324,857</b>	<b>1.49%</b>
<b>Total financial assets at fair value through profit or loss</b>			<b>666,262,253</b>	<b>96.01%</b>
<b>Financial liabilities at fair value through profit or loss</b>				
<b>Total unrealised loss on forward foreign exchange contracts</b>			<b>(155,861)</b>	<b>(0.02%)</b>
<b>Total financial liabilities at fair value through profit or loss</b>			<b>(155,861)</b>	<b>(0.02%)</b>

**ASPECT UCITS FUNDS PLC****SCHEDULE OF INVESTMENTS (Continued)****As at 31 December 2013****(Stated in US\$)**

	<b>US\$</b>	<b>% of Net Assets</b>
Financial assets at fair value through profit or loss	622,630,529	93.45%
Cash and cash equivalents	47,909,402	7.19%
Other assets	15,773,031	2.37%
Other net liabilities	(20,047,636)	(3.01%)
<b>Net Asset Value as at 31 December 2013</b>	<b>666,265,326</b>	<b>100.00%</b>

**Total assets comprised as follows:**

	<b>US\$</b>	<b>% of Asset Value</b>
Transferable securities and money market instruments admitted to an official stock exchange or traded on a regulated market	614,606,467	89.55%
OTC Financial Derivative Instruments	8,024,062	1.17%
Other current assets	63,682,433	9.28%
<b>Total asset value as at 31 December 2013</b>	<b>686,312,962</b>	<b>100.00%</b>

	<b>US\$</b>	<b>% of Net Assets</b>
Financial assets at fair value through profit or loss	666,262,253	96.00%
Cash and cash equivalents	29,349,024	4.23%
Other net liabilities	(1,616,431)	(0.23%)
<b>Net Asset Value as at 31 December 2012</b>	<b>693,994,846</b>	<b>100.00%</b>

**Total assets comprised as follows:**

	<b>US\$</b>	<b>% of Asset Value</b>
Transferable securities and money market instruments admitted to an official stock exchange or traded on a regulated market	648,078,071	93.17%
OTC Financial Derivative Instruments	18,184,182	2.61%
Other current assets	29,349,024	4.22%
<b>Total asset value as at 31 December 2012</b>	<b>695,611,277</b>	<b>100.00%</b>

## ASPECT UCITS FUNDS PLC

### SIGNIFICANT PURCHASES AND SALES (Unaudited)

As at 31 December 2013

(Stated in US\$)

The Central Bank's Notice UCITS 8.3 requires a schedule of portfolio changes during the year. These are defined as aggregate purchases of a security exceeding one per cent of the total volume of purchases for the year and aggregate disposals greater than one per cent of the total value of sales for the year. Total purchases for the year amounted to US\$5,537,944,793 (2012: US\$5,471,776,643) and total sales for the year amounted to US\$3,227,157,124 (2012: US\$1,773,894,563). At a minimum the largest 20 purchases and 20 sales must be given or all purchases and sales if less than 20. A full list of the portfolio changes for the year is available upon request at no extra cost from the administrator.

As per note 18, up to 13 December 2013 the Fund gained exposure to the Index by investing in unfunded total return swaps. The Funds' investment in the swaps was aligned to subscriptions and redemptions in the Fund itself. For example on any given valuation day should the Fund have net US\$ subscription proceeds of US\$10,000,000 the Fund will increase its exposure to the swap by US\$10,000,00 alternatively should the Fund have net redemptions of US\$10,000,000 the Fund would reduce its exposure in the swaps by US\$10,000,000. In addition the Investment Manager monitors the Fund's swap exposure on a weekly basis and adjusts the notional should the Fund be deemed to be under or over invested. As the swaps are unfunded the transactions are not represented in the significant purchase and sales report below.

All Certificates purchased up to 31 December 2013 fall outside the largest 20 purchases and largest 20 sales for the year.

#### Purchases

Instrument Name	Nominal Amount	Cost (US\$)
TREASURY BILL 0.000% 09/26/13	129,000,000	129,000,149
TREASURY BILL 0.000% 10/10/13	118,000,000	117,995,870
TREASURY BILL 0.000% 07/18/13	118,000,000	117,987,610
TREASURY BILL 0.000% 01/23/14	116,852,000	116,851,387
TREASURY BILL 0.000% 12/12/13	116,852,000	116,847,633
TREASURY BILL 0.000% 04/25/13	108,500,000	108,489,293
TREASURY BILL 0.000% 07/25/13	106,152,000	106,140,978
TREASURY BILL 0.000% 05/02/13	106,152,000	106,139,719
TREASURY BILL 0.000% 07/05/13	105,530,000	105,517,043
TREASURY BILL 0.000% 07/11/13	104,500,000	104,488,540
TREASURY BILL 0.000% 11/14/13	101,250,000	101,250,069
TREASURY BILL 0.000% 01/02/14	101,250,000	101,244,023
TREASURY BILL 0.000% 08/15/13	100,000,000	99,997,278
TREASURY BILL 0.000% 08/01/13	93,450,000	93,446,884
TREASURY BILL 0.000% 10/24/13	93,450,000	93,445,748
TREASURY BILL 0.000% 06/13/13	93,450,000	93,435,827
TREASURY BILL 0.000% 12/26/13	92,000,000	91,994,097
TREASURY BILL 0.000% 12/19/13	85,500,000	85,499,086
TREASURY BILL 0.000% 10/03/13	85,500,000	85,496,110
TREASURY BILL 0.000% 11/21/13	83,000,000	83,000,000

## ASPECT UCITS FUNDS PLC

### SIGNIFICANT PURCHASES AND SALES (Unaudited)

As at 31 December 2013 (Continued)

(Stated in US\$)

#### Sales

<b>Instrument Name</b>	<b>Nominal Amount</b>	<b>Proceeds (US\$)</b>
TREASURY BILL 0.000% 10/10/13	118,000,000	118,000,000
TREASURY BILL 0.000% 07/18/13	118,000,000	118,000,000
TREASURY BILL 0.000% 12/26/13	117,000,000	117,000,000
TREASURY BILL 0.000% 12/12/13	116,852,000	116,852,000
TREASURY BILL 0.000% 10/17/13	116,852,000	116,847,422
TREASURY BILL 0.00% 04/25/13	108,500,000	108,500,000
TREASURY BILL 0.00% 03/07/13	108,500,000	108,500,000
TREASURY BILL 0.000% 05/02/13	106,152,000	106,152,000
TREASURY BILL 0.00% 03/14/13	106,152,000	106,152,000
TREASURY BILL 0.000% 07/05/13	105,530,000	105,530,000
TREASURY BILL 0.00% 04/11/13	105,530,000	105,530,000
TREASURY BILL 0.00% 04/18/13	104,500,000	104,500,000
TREASURY BILL 0.000% 12/19/13	102,000,000	101,999,207
TREASURY BILL 0.000% 10/24/13	101,250,000	101,248,425
TREASURY BILL 0.000% 11/14/13	101,250,000	101,226,915
TREASURY BILL 0.000% 08/15/13	100,000,000	100,000,000
TREASURY BILL 0.000% 06/27/13	100,000,000	100,000,000
TREASURY BILL 0.000% 06/13/13	93,450,000	93,450,000
TREASURY BILL 0.00% 03/21/13	93,450,000	93,450,000
TREASURY BILL 0.000% 08/01/13	93,450,000	93,450,000
TREASURY BILL 0.000% 06/20/13	91,000,000	91,000,000

## ASPECT UCITS FUNDS PLC

### SIGNIFICANT PURCHASES AND SALES (Unaudited)

As at 31 December 2012

(Stated in US\$)

#### Buys

<b>Instrument Name</b>	<b>Nominal Amount</b>	<b>Cost (US\$)</b>
US TREASURY 0.00% 06/07/12	57,800,000	57,793,256
US TREASURY 0.00% 04/12/12	57,250,000	57,245,993
US TREASURY 0.00% 04/19/12	55,390,000	55,380,791
US TREASURY 0.00% 08/02/12	50,000,000	49,997,278
US TREASURY 0.00% 08/16/12	50,000,000	49,996,500
US TREASURY 0.00% 08/16/12	50,000,000	49,996,500
US TREASURY 0.00% 11/23/12	50,000,000	49,996,438
US TREASURY 0.00% 07/26/12	50,000,000	49,996,111
US TREASURY 0.00% 08/30/12	50,000,000	49,996,111
US TREASURY 0.00% 08/23/12	50,000,000	49,996,111
US TREASURY 0.00% 08/09/12	50,000,000	49,995,722
US TREASURY 0.00% 08/09/12	50,000,000	49,995,722
US TREASURY 0.00% 10/04/12	50,000,000	49,995,722
US TREASURY 0.00% 04/26/12	50,000,000	49,995,625
US TREASURY 0.00% 11/15/12	50,000,000	49,995,333
US TREASURY 0.00% 06/14/12	50,000,000	49,995,139
US TREASURY 0.00% 09/06/12	50,000,000	49,994,944
US TREASURY 0.00% 09/27/12	50,000,000	49,994,944
US TREASURY 0.00% 11/08/12	50,000,000	49,994,944
US TREASURY 0.00% 11/29/12	50,000,000	49,994,750

## ASPECT UCITS FUNDS PLC

### SIGNIFICANT PURCHASES AND SALES (Unaudited)

As at 31 December 2012 (Continued)

(Stated in US\$)

#### Sales

<b>Instrument Name</b>	<b>Nominal Amount</b>	<b>Proceeds (US\$)</b>
US TREASURY 0.00% 08/09/12	124,930,000	124,919,943
US TREASURY 0.00% 09/27/12	110,700,000	110,690,176
US TREASURY 0.00% 08/16/12	107,980,000	107,972,714
US TREASURY 0.00% 06/14/12	107,930,000	107,926,616
US TREASURY 0.00% 08/02/12	105,000,000	104,994,579
US TREASURY 0.00% 10/04/12	101,450,000	101,440,597
US TREASURY 0.00% 11/29/12	101,450,000	101,439,348
US TREASURY 0.00% 06/21/12	100,480,000	100,473,986
US TREASURY 0.00% 09/20/12	98,500,000	98,490,091
US TREASURY 0.00% 11/01/12	98,000,000	97,994,554
US TREASURY 0.00% 11/08/12	96,152,000	96,145,223
US TREASURY 0.00% 11/23/12	96,000,000	95,992,760
US TREASURY 0.00% 11/15/12	91,500,000	91,491,730
US TREASURY 0.00% 06/07/12	90,500,000	90,493,081
US TREASURY 0.00% 06/28/12	88,030,000	88,022,577
US TREASURY 0.00% 05/31/12	79,300,000	79,292,110
US TREASURY 0.00% 10/11/12	70,000,000	69,991,289
US TREASURY 0.00% 12/06/12	70,000,000	69,989,656
US TREASURY 0.00% 04/12/12	67,250,000	67,245,594
US TREASURY 0.00% 08/23/12	67,030,000	67,024,787