

Blue Ink Global Circa Fund plc
comprising Blue Ink Global Circa Fund

Financial Statements
for the year ended 31 December 2012

Blue Ink Global Circa Fund plc comprising Blue Ink Global Circa Fund

Financial statements for the year ended 31 December 2012

Table of contents	Page(s)
Directors, officers and other information	1-2
Director's report	3-7
Director's responsibilities statement	8
Custodian's report	9
Investment Manager's report	10-13
Independent Auditor's report	14-15
Statement of financial position	16
Statement of comprehensive income	17
Statement of changes in net assets attributable to the holders of redeemable participating shares	18
Statement of cash flows	19
Notes to and forming part of the financial statements	20-50
Schedule of investments	51-53

Blue Ink Global Circa Fund plc comprising Blue Ink Global Circa Fund

Directors, officers and other information

The Company	Blue Ink Global Circa Fund plc
The Fund	Blue Ink Global Circa Fund
Company Registration Number	493308*
Board of Directors	Peter Murray (<i>independent**</i>) Paul Dobbyn (<i>independent***</i>) Anton Gildenhuys (<i>appointed 3 January 2012</i>)
Registered Office	Beech House Beech Hill Road Dublin 4 Ireland
Manager and Company Secretary	Sanlam Asset Management (Ireland) Limited Beech House Beech Hill Road Dublin 4 Ireland
Investment Manager and Advisor	Sanlam International Investments Limited 52/54 Brook Street London W1K 5DS United Kingdom
Sub-Investment Manager	Culross Global Investment Management Limited (<i>agreement terminated on 7 September 2012</i>) Level 1 Cornerline Dun Karm Street B'Kara BKR 9039 Malta

* Registered as an Irish umbrella-type investment company with variable capital effective from 4 January 2011.

** Peter Murray is considered an independent Director by the Irish Stock Exchange and in line with the Corporate Governance Code that was adopted by the Company with effect from 31st December 2012.

*** Paul Dobbyn is considered an independent Director by the Irish Stock Exchange only.

Blue Ink Global Circa Fund plc
comprising Blue Ink Global Circa Fund

Directors, officers and other information *(continued)*

Legal Advisors
(as to Irish law)

Maples and Calder
75 St. Stephen's Green
Dublin 2
Ireland

Custodian

HSBC Institutional Trust Services (Ireland) Limited
1 Grand Canal Square
Grand Canal Harbour
Dublin 2
Ireland

**Administrator, Registrar
& Transfer Agent**

Custom House Fund Services (Ireland) Limited
25 Eden Quay
Dublin 1
Ireland

Sponsoring and Listing Brokers

NCB Group Limited
3 George's Dock
IFSC
Dublin 1
Ireland

Independent Auditor

Ernst & Young
Ernst & Young Building
Harcourt Centre
Harcourt Street
Dublin 2
Ireland

Blue Ink Global Circa Fund plc comprising Blue Ink Global Circa Fund

Director's report

The Directors present the annual report of Blue Ink Global Circa Fund plc. for the year ended 31 December 2012.

Review of the business and future developments

Blue Ink Global Circa Fund plc (the "Company") is registered as an umbrella-type investment company with variable capital under the Companies (Miscellaneous Provisions) Act, 2009 (the "Act") with registration number 493308, and it is a designated company pursuant to Section 256 of the Act. Accordingly, the Company and each of the Funds are supervised by the Central Bank of Ireland. The Company has been authorised by the Central Bank of Ireland for marketing solely to Qualifying Investors. The Company is structured as an umbrella fund in that different funds (the "Funds") (which may be open-ended or closed-ended) may be established with the prior approval of the Central Bank of Ireland. There is segregated liability between the Funds. At 31 December 2012, the Company had one fund, Blue Ink Global Circa Fund (the "Fund"), an open-ended fund.

The Company was originally incorporated in the British Virgin Islands on 28 December 2005 (registration number 690188) as a company limited by shares under the provisions of the BVI Business Companies Act 2004 as amended. The Company incorporated as The Circa Fund, Ltd., did not trade, and subsequently changed its name to Octane Circa Fund Ltd on 23 January 2007. The Company re-domiciled to Ireland on 4 January 2011.

Principle risks and uncertainties

The principal risks of the Company are the same as those of the Fund, with the exception that the Company is also potentially exposed to cross liability risks. At the current point in time this risk is considered non-existent by the Directors as there is only one Fund in existence.

As a fund-of-funds, the Fund is exposed to the risks of the underlying funds in which it invests; these risks are diversified by investing in a balanced portfolio.

The Board considers the principal risk sources to be;

- The Fund invests in unregulated funds, which may provide less investor protection than Irish law; and
- Currency risk.

For further information on financial risk and management objectives and policies please see note 14.

Dividends

The Directors do not propose the payment of a dividend.

Directors

The names of persons who were Directors at any time during the year ended 31 December 2012 are presented below:

Peter Murray
Paul Dobbyn
Anton Gildenhuis (*appointed 3 January 2012*)

Blue Ink Global Circa Fund plc comprising Blue Ink Global Circa Fund

Director's report (*continued*)

Directors' interests in shares and contracts

Peter Murray, a Director of the Company, is also a Director of the Manager, Sanlam Asset Management (Ireland) Limited.

Paul Dobbyn, a Director of the Company, is a Partner in Maples and Calder, the legal advisors to the Company.

Anton Gildenhuis, appointed as Director on 3 January 2012, is also an employee of Sanlam Life Insurance Limited, a related party to the Investment Manager and Advisor and the Manager. He is also a Director of Sanlam Life and Pensions Limited.

Corporate governance statement

Introduction

The Company is subject to and complies with Irish Statute comprising the Companies Acts 1963 to 2012 and the Listing rules of the Irish Stock Exchange. Each of the service providers engaged by the Company is subject to their own corporate governance requirements.

The Company has adopted the voluntary Irish Funds Industry Association ("IFIA") Corporate Governance Code for Irish domiciled Collective Investment Schemes ("CIS") and Management Companies (the "Code") with effect from 31 December 2012. The Company has reviewed and assessed the requirements of the Code and has attended to matters to ensure compliance with the Code.

Financial reporting process

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

The Board has established processes regarding internal control and risk management systems to ensure its effective oversight of the financial reporting process. These include appointing Custom House Fund Services (Ireland) Limited (the "Administrator") to maintain the accounting records of the Company independently. The Administrator is contractually obliged to maintain proper books and records as required by the administration agreement. The Administrator is also contractually obliged to prepare for review and approval by the Board the annual report including financial statements intended to give a true and fair view of the Company. The Board evaluates and discusses significant accounting and reporting issues as the need arises. From time to time, the Board also examines and evaluates the Administrator's financial accounting and reporting routines and monitors and evaluates the external auditors' performance, qualifications and independence. The Administrator has operating responsibility for internal control in relation to the financial reporting process and the Administrator reports to the Board.

Blue Ink Global Circa Fund plc comprising Blue Ink Global Circa Fund

Director's report (*continued*)

Corporate governance statement (*continued*)

Risk assessment

The Board is responsible for assessing the risk of irregularities whether caused by fraud or error in financial reporting and ensuring that processes are in place for the timely identification of internal and external matters with a potential effect on financial reporting. The Board has also put in place processes to identify changes in accounting rules and recommendations and to ensure that these changes are accurately reflected in the Company's financial statements.

Controls activities

The Administrator is contractually obliged to design and maintain control structures to manage the risks which the Board judges to be significant for internal control over financial reporting. These control structures include appropriate division of responsibilities and specific control activities aimed at detecting or preventing the risk of significant deficiencies in financial reporting for every significant amount in the financial statements and the related notes in the Company's annual report.

The Company's policies and the Board's instructions with relevance for financial reporting are updated and communicated via appropriate channels, such as e-mail, correspondence and meetings to ensure that all financial reporting information requirements are met in a complete and accurate manner.

Monitoring

The Board has an annual process to ensure that appropriate measures are taken to consider and address the shortcomings identified and measures recommended by the independent auditors. Given the contractual obligations of the Administrator, the Board has concluded that there is currently no need for the Company to have a separate internal audit function in order for the Board to perform effective monitoring and oversight of the internal control and risk management systems of the Company in relation to the financial reporting process. The principal duties of an audit committee are completed by the Board. Therefore the Company has taken the exemption available not to have a separate audit committee.

Capital structure

No person has a significant direct or indirect holding of securities in the Company. No person has any special rights of control over the Company's share capital.

There are no restrictions on voting rights.

With regard to the appointment and replacement of Directors, the Company is governed by its Articles of Association and Irish statute comprising the Companies Act, 1963 to 2012 which empower the existing Directors to appoint and (if necessary) replace the Directors. The Articles of Association themselves may be amended by special resolution of the shareholders.

Powers of the Directors

The Board is responsible for managing the business affairs of the Company in accordance with the Articles of Association, which allow them to enter into contracts and perform all tasks necessary to conduct the business of the Company. The Directors may delegate certain functions to the Administrator and other parties, subject to the supervision and direction by the Directors. The Board of Directors contains two non-executive Directors.

Blue Ink Global Circa Fund plc comprising Blue Ink Global Circa Fund

Director's report (*continued*)

Books of account

The Directors believe that they have complied with the requirements of Section 202 of the Companies Act, 1990 with regard to books of account by employing an experienced Administrator with appropriate expertise and by providing adequate resources to the financial function. The books of account of the Company are maintained by Custom House Fund Services (Ireland) Limited, 25 Eden Quay, Dublin 1, Ireland.

State of affairs

The statement of financial position and statement of comprehensive income for the year ended 31 December 2012 are set out on pages 16 and 17 respectively.

Subsequent events

A decision was taken during 2012 to cease the investment strategy and to wind down the Fund. The advisor to the Blue Ink Global Circa Fund was duly terminated and, with effect from 30th September 2012, the Fund has been managed with the intention of closing and redeeming out of all investments held as at that date. In respect of 2013 and henceforth, Blue Ink Global Circa Fund plc is now a holdings vehicle for the Sanlam Group investing in multiple Sanlam funds with different investment objectives. The only shareholder of the Fund is a Sanlam Group Company.

On 2 January 2013, the Fund issued an updated Supplement to the Company's prospectus outlining the following amendments to the Fund:

Amendment to the Investment Policy of the Fund

The Fund's investment policy was amended to reflect the following:

- That the Fund may invest globally across all financial markets in a diverse range of CIS and in excess of 50% of the net asset value in any of the following fund of funds: Sanlam International Multi-Asset I Fund, Sanlam International Multi-Asset II Fund and/or Sanlam International Multi-Asset III Fund (the "Underlying CIS"). These funds are also managed by the Investment Manager;
- That the Fund may also invest in CIS which pursue a fixed income investment strategy; and
- That the Fund may also invest up to 100% of its net asset value in exchange traded funds pursuant to the Fund's investment objective.

Amendment to the Risk Factors of the Fund

The Fund's Investment Manager may discharge any applicable management and or performance fees provided for at the Underlying CIS level out of its management fees.

Amendment to the Redemption Dealing Day and Redemption Dealing Deadline of the Fund

The Fund's redemption dealing day was changed from the last business day of each calendar quarter to the last business day of each calendar month. The Fund's redemption dealing deadline was changed from ninety calendar days prior to the relevant dealing day to thirty calendar days prior to the relevant dealing day.

Amendment to the Fees and Expenses of the Fund

The Fund's fees and expenses changes as follows:

- The annual fees of the Investment Manager were reduced to 0.75% from 1% per annum of the net asset value of the Fund attributable to the Class A shares;
- The operational fees payable to the Investment Manager were removed;
- The incentive fees payable to the Investment Manager were removed; and
- The annual management fee charged by the CIS will not exceed 2.5%.

Blue Ink Global Circa Fund plc comprising Blue Ink Global Circa Fund

Director's report (*continued*)

Subsequent events (*continued*)

On the 1 January 2013, Harbinger L Series 2 and Harbinger PE series 2 were sold by Blue Ink Global Circa Fund to Blue Ink Global Diversified Fund for their fair value at 31 December 2012 amounting to US\$16,234 and US\$111,928 respectively.

There have been no other events subsequent to the year end that will have an impact on the financial statements for the year ended 31 December 2012.

Independent auditors

The auditors, Ernst & Young, have expressed their willingness to continue in office in accordance with Section 160(2) of the Companies Act, 1963.

By order of the Board of Directors,

Director

Director

Date: 24 April 2013

Blue Ink Global Circa Fund plc comprising Blue Ink Global Circa Fund

Director's responsibilities statement

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with Irish law and regulations.

Irish company law requires the Directors to prepare financial statements giving a true and fair view of the state of affairs of the company and the profit or loss of the company for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with IFRSs as adopted by the European Union.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state that the financial statements comply with IFRSs as adopted by the European Union; 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 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 the financial statements comply with the Companies Acts 1963 to 2012. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the Board of Directors:

Director

Director

Date: 24 April 2013

Blue Ink Global Circa Fund plc comprising Blue Ink Global Circa Fund

Custodian's report

Report of the Custodian to the Shareholders

We have enquired into the conduct of the Blue Ink Global Circa Fund plc ('the Company') for the period from 1 January 2012 to 31 December 2012, 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 as a body, in accordance with the Central Bank of Ireland's Non - UCITS Notice 7, 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 Non - UCITS Notice 7. 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 Non - UCITS Notices. 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 Non - UCITS Notice 7 and to ensure that, in all material respects, the Company has been managed (i) in accordance with the limitations imposed on its investment and borrowing powers by the provisions of its constitutional documentation and the appropriate regulations and (ii) otherwise in accordance with the Company's constitutional documentation and the appropriate regulations.

Opinion

In our opinion, the Company has been managed during the year, in all material respects:

- (i) in accordance with the limitations imposed on the investment and borrowing powers of the Company by the Memorandum and Articles of Association and by the Central Bank of Ireland under the powers granted to it by the Companies Act, 1990 Part XIII and the Investment Funds Act, 2005; and
- (ii) otherwise in accordance with the provisions of the Memorandum and Articles of Association, the Companies Act, 1990 Part XIII and the Investment Funds, Companies and Miscellaneous Provisions Act 2005.

On behalf of

HSBC Institutional Trust Services (Ireland) Limited
1 Grand Canal Square
Grand Canal Harbour
Dublin 2
Ireland

24 April 2013

HSBC Institutional Trust Services (Ireland) Limited

1 Grand Canal Square, Grand Canal Harbour, Dublin 2, Ireland
Tel: 00353 1 635 6000 Fax: 00353 1 649 7542

*Directors: Ronnie Griffin, John Cargill (UK), Ciara Houlihan, Mark Synnott
Registered in Dublin, Ireland: Reg No. 181767 V.A.T. 6581767L*

HSBC Institutional Trust Services (Ireland) Limited is authorised by the Central Bank of Ireland under the Investment Intermediaries Act, 1995.

Blue Ink Global Circa Fund plc comprising Blue Ink Global Circa Fund

Investment Manager's report

Investment Objective

The objective of the Fund was to achieve consistent absolute returns with moderately low levels of volatility by investing in hedge funds. The Fund pursued a multi-theme, multi-manager approach. Effective 30 September 2012 the advisor to the Blue Ink Global Circa Fund was terminated and the Fund is being managed with the intention of closing and redeeming out of all investments held as at 30 September 2012.

Blue Ink Global Circa Fund plc today is a holding vehicle for the Sanlam Group, investing in multiple Sanlam funds with different investment objectives. The only shareholder in the Fund is a Sanlam Group company.

Fund Performance

The Fund out-performed its benchmark for 2012 through 30 September 2012 returning +4.46% versus the benchmark performance of +3.42%. Of great significance was the arrival of better news about the US housing market in the middle of the year. Along with zero interest rates and a global hunt for yield, this factor provided the tailwind we had been expecting for our RMBS Opportunities theme. The theme is centred on the recovery in prices of non-agency mortgage backed securities in the US. This was the best performing theme of 2012, contributing 344bps of performance. New World Order Credit Spreads also benefited from tightening spreads and increased liquidity, contributing 201bps. Gratifyingly, the theme that had caused the damage in 2011, Financial Sector Recapitalisation, contributed 128bps as financial sector stocks and bonds started their journey on the road to recovery. Overall, the Global Fund finished the year up 6.47%, recovering the losses incurred in 2011.

Fund Outlook

As stated above, Blue Ink Global Circa Fund plc is maintained as a holdings vehicle.

2012 Economic Review

Despite enthusiastic implementation of unconventional monetary policy, growth in developed economies has been soft amidst deleveraging, high long-term unemployment rates, weaker productivity growth and a more stringent regulatory environment for financial market activity.

Following the post-recession bounce, global real GDP growth slowed from 5.1% in 2010 to 3.7% in 2011 and further to around 3% in 2012. Available data suggests real growth in developed economies was restricted to little more than 1% last year.

Given a modest advance in employment, global household consumer spending has held up relatively well. However, against a backdrop of slower corporate profits growth the advance in investment spending moderated last year, while industrial production growth weakened in both developed and developing countries.

Blue Ink Global Circa Fund plc comprising Blue Ink Global Circa Fund

Investment Manager's report (*continued*)

2012 Economic Review (*continued*)

Encouragingly, data released in late 2012 suggests an improvement in real economic activity is under way in the US, Brazil and the emerging countries of Asia, including China. Even in Europe, business surveys are improving although 4th Quarter 2012 real activity data remained weak.

Nonetheless, while the global economic expansion seems set to continue and growth may lift in 2013 from 2012, the outlook for global real GDP is not overly encouraging.

Most developed countries have made some progress in reducing fiscal deficits, but debt stabilisation is proving difficult, not least because of slow income growth. Indeed, debt levels are not expected to stabilize in most advanced economies before 2014/2015, if then.

At least, the stated willingness of the ECB to use its balance sheet in support of governments eased financial market conditions in the periphery of Europe towards the end of 2012. Also, a statement released in December 2012, by IMF Managing Director Christine Lagarde, lauded the Eurogroup's decision to support the debt buy back operation for Greece and to provide additional debt relief for the country, provided it achieved a primary budget surplus in 2013.

But, the fiscal challenges remain daunting and Europe is set for a prolonged period of fiscal austerity. It is imperative that GDP growth returns to positive territory in order for the fiscal maths to add up. Greece and Spain are key risks.

Further, on debt, much attention was focused on the "American Taxpayer Relief Act of 2012" (the "Act"), effective from 1 of January 2013 to avert government spending cuts and tax increases scheduled for this year. Even so, the inevitable cannot be delayed indefinitely. The Act merely limits the impact of fiscal consolidation - to an expected 1 ½% of GDP in 2013. Ultimately, given a still large budget deficit and a high and increasing government debt level, the US is also faced with an extended period of fiscal tightening. Continued moderate employment growth and an improvement in the housing market bode well for the year ahead, but fiscal consolidation can, nonetheless, be expected to constrain US economic growth.

In addition, the US President's fiscal bill postpones spending cuts by two months (while focusing tax increases on the wealthy). In the absence of new legislation automatic spending cuts of US\$110billion per annum become effective in March 2013. Meanwhile, the federal government has hit its debt ceiling, which will need to be lifted in the months ahead to prevent damaging expenditure cuts.

Elsewhere, amongst developing economies, economic activity data in Brazil was mixed in late 2012, but growth appears to be lifting. In the emerging countries of Asia, stronger technology exports and industrial production data have signalled a recovery in real economic activity. Specifically, in China although investment spending growth has moderated in recent years, it remained relatively robust in 2012 and some support is expected from infrastructure investment in the year ahead.

Blue Ink Global Circa Fund plc comprising Blue Ink Global Circa Fund

Investment Manager's report (*continued*)

2012 Economic Review (*continued*)

However, whereas GDP growth in emerging market economies advanced at close to 5% in 2012 and is expected to continue outpacing growth in developed economies, it has becoming increasingly difficult for the former group to maintain exceptionally strong growth. An important development pointing to likely lower potential growth in developing countries is the marked slowdown in multifactor productivity growth in the post-recession environment.

Meanwhile, although energy prices threatened briefly in 2012 the advance in headline consumer price inflation in developed economies has remained modest, advancing at an annual rate of less than 2% in November 2012. Core inflation in developed economies has been similarly subdued.

Contained inflation and uncomfortably high unemployment rates suggest ultra-loose monetary policy stances are likely to be maintained in 2013.

And, even though inflation amongst emerging markets may be a little less benign, given higher food price inflation, their central banks do not appear primed to tighten monetary policy as yet.

On balance, current information points to moderate global real GDP growth amidst fiscal consolidation, patient monetary policymakers and maintenance of low real interest rates in 2013.

2013 Economic Outlook

Whereas the global economic expansion seems set to continue and growth may lift in 2013 from 2012, the outlook for global real GDP does not appear overly encouraging.

Fiscal challenges remain daunting and the developed world is set for a prolonged period of fiscal austerity. In Europe, where recent real economic activity releases have still been weak, it is imperative that GDP growth returns to positive territory in order for the fiscal maths to add up. Ultimately, the solution to Europe's debt issue is structural economic reform that promotes productivity enhancement (and hence real GDP growth). But, that will take time if it is to be achieved.

Generally, debt levels in developed economies are likely to remain elevated for a number of years. This creates an incentive for governments in these countries to maintain low real interest rates and/or to channel savings towards themselves.

As regards emerging market economies, real GDP growth advanced at close to 5% in 2012 and is expected to continue outpacing growth in developed economies. Still, it has becoming increasingly difficult for the former group to maintain exceptionally strong growth. An important development pointing to likely lower potential growth is the marked slowdown in multifactor productivity growth in the post-recession environment.

Blue Ink Global Circa Fund plc comprising Blue Ink Global Circa Fund

Investment Manager's report (*continued*)

2013 Economic Outlook (*continued*)

On inflation, one long-term risk to the outlook would be any incidence of unsustainable fiscal policy. But, currently, the near term inflation outlook in developed economies looks benign. Core inflation is low and economic growth is modest. Contained inflation and uncomfortably high unemployment rates suggest ultra-loose monetary policy stances are likely to be maintained in developed economies in 2013.

Specifically, in the US, the FOMC statements of late 2012 clearly indicate monetary policy is likely to remain highly accommodative for a lengthy period, while, if sustained, poor real economic activity data may prompt further action from the ECB. Elsewhere, in January 2013, the government of Japan and the Bank of Japan jointly announced a price stability target of 2% for CPI, indicating “the Bank will pursue monetary easing and aim to achieve this target at the earliest possible time”.

And, even though inflation amongst emerging markets may be less benign than in developed countries, their central banks, generally, do not appear primed to tighten monetary policy as yet.

Overall, therefore, current information points to moderate global real GDP growth amidst fiscal consolidation, patient monetary policymakers and maintenance of relatively low real interest rates in 2013.

Sanlam International Investments Limited

24 April 2013

Independent Auditor's report

to the members of
Blue Ink Global Circa Fund plc
comprising Blue Ink Global Circa Fund

We have audited the financial statements of Blue Ink Global Circa Fund plc for the year ended 31 December 2012 which comprise the Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Net Assets attributable to holders of redeemable participating shares, Statement of Cash flows and the related notes 1 to 23. 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. 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 auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 8 the Directors are responsible for the preparation of the financial statements giving a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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 Director's 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 European Union, of the state of the company's affairs as at 31 December 2012 and of its profit for the year then ended; and
- have been properly prepared in accordance with the requirements of the Companies Acts 1963 to 2012.

Independent Auditor's report *(continued)*

to the members of
Blue Ink Global Circa Fund plc
comprising Blue Ink Global Circa Fund

Matters on which we are required to report by the Companies Acts 1963 to 2012

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion proper books of account have been kept by the company.
- The financial statements are in agreement with the books of account.
- In our opinion the information given in the Directors' report is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the provisions in the Companies Acts 1963 to 2012 which require us to report to you if, in our opinion, the disclosures of Directors' remuneration and transactions specified by law are not made.

Gareth Harman

For and on behalf of Ernst & Young

Dublin

Ireland

Date: 24 April 2013

Blue Ink Global Circa Fund plc
comprising Blue Ink Global Circa Fund

Statement of financial position

as at 31 December 2012

(Expressed in US\$)

Assets	Notes	31 December 2012	31 December 2011
Cash and cash equivalents	7	2,957,300	2,719,112
Receivable for securities sold	10	4,477,211	4,703,623
Other receivables and prepaid expenses		660	36,327
Financial assets (at fair value through profit or loss)	9	4,914,404	89,930,430
Total assets		12,349,575	97,389,492
Liabilities			
Management fees payable	11	(93,997)	(243,632)
Custodian fee payable	12	(32,218)	(50,442)
Audit fees payable	12	(19,466)	(31,104)
Accounts payable and accruals		(13,938)	(28,660)
Administration fees payable	12	(12,660)	(35,431)
Operating fees payable	11	(9,403)	(24,370)
Directors' fees payable	13	(5,279)	(20,736)
Performance fee payable	11	-	(212,249)
Total liabilities		(186,961)	(646,624)
Net assets attributable to the holders of redeemable participating shares	4	12,162,614	96,742,868

Details of the net asset value per non-voting redeemable Participating Shares are set out in note 4.

The financial statements set out on pages 16 to 53 were approved by the Board of Directors on 24 April 2013 and signed on its behalf by:

Director

Director

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

Blue Ink Global Circa Fund plc
comprising Blue Ink Global Circa Fund

Statement of comprehensive income

for the year ended 31 December 2012

(Expressed in US\$)

Income	Notes	31 December 2012	31 December 2011
Net gain/(loss) on financial assets (at fair value through profit or loss)	8(a)	4,557,224	(4,797,184)
Net (loss)/gain on foreign currency transactions	8(b)	(106,946)	5,640
Total income/(deficit)		4,450,278	(4,791,544)
Expenses			
Management fees	11	(813,687)	(1,015,509)
Custodian fees	12	(115,453)	(164,272)
Other expenses		(96,348)	(75,268)
Operating fees	11	(81,391)	(101,575)
Administration fees	12	(75,862)	(73,265)
Directors' fees	13	(20,649)	(30,597)
Audit fees	12	(18,050)	(26,599)
Performance fees	11	(88)	(212,249)
Total expenses		(1,221,528)	(1,699,334)
Total comprehensive income/(deficit) for the year		3,228,750	(6,490,878)

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

Blue Ink Global Circa Fund plc
comprising Blue Ink Global Circa Fund

Statement of changes in net assets attributable to the holders of redeemable participating shares

for the year ended 31 December 2012

(Expressed in US\$)

	31 December 2012	31 December 2011
Operating activities		
Change in net assets attributable to the holders of redeemable participating shares from operations	3,228,750	(6,490,878)
Share capital transactions		
Issue of shares during the year	-	24,936
Redemption of shares during the year	(87,809,004)	-
Net (decrease)/increase in net assets attributable to the holders of redeemable participating shares from capital transactions	(87,809,004)	24,936
Net decrease in net assets attributable to the holders of redeemable participating shares during the year	(84,580,254)	(6,465,942)
Net assets attributable to the holders of redeemable participating shares at the beginning of the year	96,742,868	103,208,810
Net assets attributable to the holders of redeemable participating shares at the end of the year	12,162,614	96,742,868

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

Blue Ink Global Circa Fund plc
comprising Blue Ink Global Circa Fund

Statement of cash flows

for the year ended 31 December 2012

(Expressed in US\$)

	Notes	31 December 2012	31 December 2011
Cash flows from operating activities			
Total comprehensive income/(deficit) for the year		3,228,750	(6,490,878)
<i>Adjustments to reconcile total comprehensive income/(deficit) for the year to net cash inflow/(outflow) from operating activities:</i>			
Net (gain)/loss on financial assets at fair value through profit or loss		(4,432,762)	4,797,184
Decrease/(increase) in other receivables		35,668	(36,327)
Decrease in accrued expenses and other payables		(459,663)	(471,322)
Purchases of financial assets		(54,019,988)	(93,693,508)
Sales of financial assets		143,695,187	73,856,194
		<hr/>	<hr/>
Net cash provided by/(used in) operating activities		88,047,192	(22,038,657)
		<hr/>	<hr/>
Cash flows from financing activities			
Proceeds from issuance of shares		-	24,936
Payments on redemption of shares		(87,809,004)	-
		<hr/>	<hr/>
Net cash (used in)/provided by financing activities		(87,809,004)	24,936
		<hr/>	<hr/>
Net increase/(decrease) in cash and cash equivalents		238,188	(22,013,721)
Cash and cash equivalent at the beginning of the year		2,719,112	24,732,833
		<hr/>	<hr/>
Cash and cash equivalents at the end of the year	7	2,957,300	2,719,112
		<hr/> <hr/>	<hr/> <hr/>

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

Blue Ink Global Circa Fund plc comprising Blue Ink Global Circa Fund

Notes

to and forming part of the financial statements for the year ended 31 December 2012

1. General information

Blue Ink Global Circa Fund plc (the “Company”) is registered as an umbrella-type investment company with variable capital under the Companies (Miscellaneous Provisions) Act, 2009 (the “Act”) with registration number 493308. It is a designated company pursuant to section 256 of the Act. Accordingly, the Company and each of the Funds are supervised by the Central Bank of Ireland. The Company has been authorised by the Central Bank for marketing as a Qualified Investment Fund (“QIF”) in accordance with the Financial Regulator’s Notice NU 24.

The Company is structured as an umbrella fund in that different funds (the “Funds”) (which may be open-ended or closed-ended) may be established with the prior approval of the Central Bank of Ireland. There is segregated liability between Funds. At 31 December 2012, the Company had one fund, Blue Ink Global Circa Fund (the “Fund”), an open-ended fund.

The Company was originally incorporated in the British Virgin Islands (“BVI”) on 28 December 2005 (Registration Number 690188) as a company limited by shares under the provisions of the BVI Business Companies Act 2004 as amended. The Company was incorporated as The Circa Fund, Ltd., did not trade, and subsequently changed its name to Octane Circa Fund Ltd on 23 January 2007. The Company re-domiciled to Ireland on 4 January 2011.

The Company approved new constitutional documents and a new Prospectus by resolution on the 2 December 2010 to come into effect upon the re-domiciliation to Ireland. A further new Prospectus was approved dated 27 February 2012.

The Company appointed Sanlam Asset Management (Ireland) Limited (the “Manager”) as the manager of the Fund on the 4 January 2011. The Company had appointed Octane Management Limited as the investment manager. This agreement was terminated and Sanlam International Investments Limited (the “Investment Manager”) was appointed as investment manager and advisor. The Investment Manager is incorporated in the United Kingdom. The investment management agreement signed with Culross Global Investment Management Limited (the “Sub-Investment Manager”) on 4 January 2011 was terminated on 7 September 2012.

The Company had appointed Custom House Fund Services (Luxembourg) S.A. as the administrator. Custom House Fund Services (Luxembourg) S.A. resigned as administrator as of the 4 January 2011. As per a new administration agreement signed 4 January 2011, the Company appointed Custom House Fund Services (Ireland) Limited (the “Administrator”), incorporated in Ireland, as the administrator of the Fund. The Company had appointed HSBC Securities Services (Luxembourg) S.A. as custodian. HSBC Securities Services (Luxembourg) S.A. resigned as custodian as of 4 January 2011. The Company appointed HSBC Institutional Trust Services (Ireland) Limited (the “Custodian”), incorporated in Ireland, as the custodian of the Fund, as per a custodian agreement signed 3 December 2010, which came into effect from the 4 January 2011.

Capitalized terms are defined within the Prospectus unless otherwise defined herein.

Blue Ink Global Circa Fund plc comprising Blue Ink Global Circa Fund

Notes

to and forming part of the financial statements for the year ended 31 December 2012 (*continued*)

1. General information (*continued*)

The investment objective for the Fund was to generate moderate absolute returns with low volatility and little correlation to general equity and bond markets. The Fund invested solely into investment funds with the purpose of achieving long-term capital appreciation. To achieve this objective the Investment Manager invested the assets of the Fund globally across all financial markets using a diverse range of investment vehicles and pursuing a multitheme, multi-manager approach. This approach enabled the Fund to reduce its risk by diversifying their exposure among many managers. Refer to note 17 for amendments to the investment policy of the Fund in 2013.

The Fund's shares ("Class A shares") are listed on the Irish Stock Exchange, effective from the 15 April 2011.

The Fund has no employees.

2.1 Statement of compliance and basis of preparation

Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union issued by the International Accounting Standards Board ("IASB").

Basis of preparation

The financial statements are prepared on a fair value basis for financial assets and financial liabilities at fair value through profit or loss. Other financial assets and financial liabilities are stated at amortised cost or redemption amount (non-voting redeemable Participating Shares). The financial statements are presented in US\$, which is the Fund's functional currency.

2.2 Adoption of new accounting standards

During the year, the Fund adopted the following new and revised accounting standards in the preparation of these financial statements:

Standard:	Narrative:
IAS 12 (amendment)	Income taxes – Limited scope amendment (recovery of underlying assets).
IFRS 1 (amendment)	Replacement of "fixed dates" for certain exemptions with the date of transition to IFRS and additional exemption for entities ceasing to suffer from severe hyperinflation for first time adopters.
IFRS 7 (amendment)	Financial Instruments: Disclosures - amendments enhancing disclosures about transfers of financial assets

The adoption of these new and revised standards did not have a significant impact on the Fund's financial statements. The adoption of these standards did not result in any changes in the measurement of amounts reported for the current or prior financial years.

Blue Ink Global Circa Fund plc

comprising Blue Ink Global Circa Fund

Notes

to and forming part of the financial statements for the year ended 31 December 2012 (*continued*)

2.3 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below:

(a) Financial instruments

(i) Classification

The Company classifies its financial assets and financial liabilities into the following categories in accordance with *Financial Instruments: Recognition and Measurement* ("IAS 39"):

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

Financial assets or financial liabilities are classified as at fair value through profit or loss upon initial recognition. These include investments in investment funds that are held for the purpose of generating long-term capital appreciation. These financial assets or financial liabilities are classified on the basis that they are a component of a group of financial assets which are managed and have their performance evaluated on a fair value basis, in accordance with risk management and investment strategies of the Fund, as set out in the Fund's Prospectus. The financial information about these financial assets is provided internally on that basis to the Investment Manager and to the Board of Directors.

Loans and receivables

Loans and receivables include cash and cash equivalents and other receivables.

Other financial liabilities are financial liabilities, other than those classified as at fair value through profit or loss ("other financial liabilities").

(ii) Recognition

The Fund recognises a financial asset or a financial liability when, and only when, it becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace are recognised on the trade date, i.e., the date that the Fund commits to purchase or sell the investments.

(iii) Measurement and fair value measurement principles

Initial measurement

Financial assets or financial liabilities at fair value through profit or loss are initially recorded in the statement of financial position at fair value. All transaction costs for such instruments are recognised directly in the statement of comprehensive income.

Blue Ink Global Circa Fund plc

comprising Blue Ink Global Circa Fund

Notes

to and forming part of the financial statements for the year ended 31 December 2012 (*continued*)

2.3 Summary of significant accounting policies (*continued*)

(a) Financial instruments (*continued*)

(iii) Measurement and fair value measurement principles (*continued*)

Subsequent measurement

Subsequent to initial recognition, financial assets and financial liabilities at fair value through profit or loss are measured at fair value, with changes in their fair value recognised in “Net gain/(loss) on financial assets (at fair value through profit or loss)” in the statement of comprehensive income. Interest earned and dividend revenue elements of such instruments, if any, are recorded separately in ‘Interest income’ and ‘Dividend income’ respectively.

Loans and receivables are measured at amortised cost using the effective interest rate method, less impairment losses, if any.

Other financial liabilities, are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, as well as through the amortisation process.

Fair value measurement principles

Fair value is the amount for which an asset could be exchanged, between knowledgeable, willing parties in an arm’s length transaction.

Investments in investment funds are initially recorded at fair value on a trade date basis. Subsequently, investments are stated at fair value as of the reporting date, with any resultant movement in unrealised gain or loss recognised in the statement of comprehensive income.

The fair value of investments is based on the unaudited net asset value (“NAV”) per share obtained from the respective administrators of the underlying funds. On occasion, the Board of Directors will permit the use of estimated net asset values. Estimated net asset values will be based on information supplied by the relevant funds. No estimated net asset values were used during the year.

Certain investments within the Fund’s portfolio have been deemed by the Board of Directors of the Fund to be illiquid and not currently capable of being traded at fair market value. The Board of Directors fair valued these investments based on set criteria. This determination reflects the lack of liquidity. The determination by the Board of Directors of the Fund is based on the Board’s best estimate of the fair value of such assets determined in good faith using information derived from the respective fund administrators.

As of 31 December 2012, included within “financial assets (at fair value through profit or loss)” are illiquid investments fair valued by the Board of Directors based on set criteria amounting to US\$128,162 (1.05% of the Fund’s NAV) (2011: US\$252,003) (0.26% of the Fund’s NAV).

An analysis of fair value and financial instruments and further details as to how they are measured are provided in note 15.

Blue Ink Global Circa Fund plc

comprising Blue Ink Global Circa Fund

Notes

to and forming part of the financial statements for the year ended 31 December 2012 (*continued*)

2.3 Summary of significant accounting policies (*continued*)

(a) Financial instruments (*continued*)

(iv) Derecognition

The Fund derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred and the transfer qualifies for derecognition in accordance with IAS 39.

The Fund derecognises a financial liability when the obligation specified in the contract is discharged, cancelled or expired.

(v) Offsetting financial assets and liabilities

Financial assets and liabilities are offset, and the net amounts reported in the statement of financial position, when a current legal enforceable right to offset exists and there is intent to realise the asset and settle the liability simultaneously or on a net basis.

(vi) Impairment

Financial assets that are stated at cost or amortised cost are reviewed at each reporting date to determine whether there is objective evidence of impairment. If any such indication exists, an impairment loss is recognised in the statement of comprehensive income as the difference between the assets carrying amount and the present value of estimated future cash flows discounted at the financial assets original effective interest rate. If in a subsequent period the amount of an impairment loss recognised on a financial asset carried at amortised cost decreases and the decrease can be linked objectively to an event occurring after the write-down, the write-down is reversed through the statement of comprehensive income.

(b) Revenue recognition

Interest income is recognised gross of any recoverable withholding tax in the statement of comprehensive income as the interest accrues (taking into account the effective yield on the asset) unless collectability is in doubt.

Dividend income, if any, is recognised when the right to receive the dividend is established and is recorded gross of any recoverable withholding tax.

(c) Redeemable Participating Shares

All redeemable Participating Shares (refer to note 4) issued by the Fund provide 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 calculated in accordance with IFRS. In accordance with IAS 32, *Financial Instruments: Recognition and Measurement* ("IAS 32"), such instruments meet the definition of puttable instruments.

The Fund has issued one class of redeemable Participating Shares and one class of Subscriber Shares. The redeemable Participating Shares do not meet the criteria of an equity instrument under IAS 32 as the Subscriber Shares are a subordinate share class. Consequently redeemable Participating Shares are classified as a financial liability.

Blue Ink Global Circa Fund plc

comprising Blue Ink Global Circa Fund

Notes

to and forming part of the financial statements for the year ended 31 December 2012 (*continued*)

2.3 Summary of significant accounting policies (*continued*)

(d) Net asset value per Participating Share

The net asset value of each Class/Series of Participating Shares will be expressed as a per share figure and will be determined in respect of each Valuation Date by determining the net asset value of the Fund as calculated in accordance with IFRS, attributable to each Class/Series of Participating Shares, being the value of the assets of the Fund less the liabilities and dividing the net asset value by the number of each Class/Series of Participating Shares outstanding as at the relevant Valuation Date (refer to note 4). All reference to net assets through the financial statements refers to net assets attributable to holders of redeemable participating shares, unless otherwise stated.

(e) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant changes in value and are held for the purpose of meeting short term cash commitments rather than for investment or other purposes. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of any outstanding bank overdrafts. At 31 December 2011, all cash and cash equivalents were held with HSBC Institutional Trust Services (Ireland) Limited and HSBC Securities Services (Luxembourg). At 31 December 2012, all cash and cash equivalents were held with HSBC Institutional Trust Services (Ireland) Limited (see note 7 for details).

(f) Functional and presentation currency

The Fund's functional currency is US\$, which is the currency of the primary economic environment in which it operates. The Fund's performance is evaluated and its liquidity is managed in US\$. Therefore, the US\$ is considered as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The Fund's presentation currency is also US\$.

(g) Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into US\$ at exchange rates ruling on the date of the financial statements. Realised and unrealised gains and losses on foreign currency transactions are charged or credited to the statement of comprehensive income as foreign currency exchange gains or losses and are included within "Net (loss)/gain on foreign currency transactions" except where they relate to financial assets (at fair value through profit or loss) where such amounts are included within "Net gain/(loss) on financial assets (at fair value through profit or loss)".

Non-monetary assets and liabilities are translated into US\$ using exchange rates ruling on the date of the transaction. Transactions during the year, including purchases and sales of securities, income and expense items expressed in currencies other than US\$ are translated at rates of exchange prevailing on the dates of such transactions. Differences arising on translation are included in the statement of comprehensive income.

The US\$/EUR exchange rate at the year-end was 1.3197 (2011: 1.2959).

(h) Fees and commissions

Fees and commissions are recognised on an accrual basis.

Blue Ink Global Circa Fund plc

comprising Blue Ink Global Circa Fund

Notes

to and forming part of the financial statements for the year ended 31 December 2012 (*continued*)

2.4 Standards, interpretations and amendments to published standards that are issued but not yet effective

A number of new standards, amendments to standards and interpretations, that may be relevant to investment funds, have been issued to date and are not yet effective for the financial statements of the Fund for the year ended 31 December 2012. These new standards, amendments to standards and interpretations have not been applied nor early adopted in preparing these financial statements.

These standards and amendments are listed below.

Standard:	Narrative:	Effective date <i>Annual periods beginning on or after</i>
Improvements	May 2012 Annual Improvements to IFRSs	1 January 2013
IAS 27* (reissued)	Reissued as IAS 27, <i>Separate Financial Statements</i> (as amended in 2011)	1 January 2013
IAS 28 (reissued)	Reissued as IAS 28, <i>Investments in Associates and Joint Ventures</i> (as amended in 2011)	1 January 2013
IAS 32 (amendment)	Financial instruments: Presentation – clarifies the requirements for offsetting financial instruments	1 January 2014
IFRS 7 (amendment)	Financial instruments: Disclosures – amendments requiring disclosures to enable users to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities	1 January 2013
IFRS 9	Financial instruments: classification and measurement	1 January 2015
IFRS 10*	Consolidated financial statements	1 January 2013
IFRS 11	Joint arrangements	1 January 2013
IFRS 12*	Disclosure of interests in other entities	1 January 2013
IFRS 13	Fair value measurement	1 January 2013

*Amendments issued in November 2012 in relation to Investment Entities effective for annual periods beginning 1 January 2013

Other than as set out below/overleaf, the Board of Directors anticipate that the adoption of IFRSs that were in issue at the date of authorisation of these financial statements, but not yet effective, will have no material impact on the financial statements of the Fund in the year of initial application

IFRS 9, *Financial Instruments: Classification and Measurement* (“IFRS 9”)

IFRS 9 was issued in November 2009 and represents the first part of a three-part project to replace IAS 39. IFRS 9 introduced new requirements for the classification and measurement of financial assets and liabilities. The standard is effective for annual periods beginning on or after 1 January 2015, with early adoption permitted. IFRS 9 is required to be applied retrospectively.

Blue Ink Global Circa Fund plc

comprising Blue Ink Global Circa Fund

Notes

to and forming part of the financial statements for the year ended 31 December 2012 (*continued*)

2.4 Standards, interpretations and amendments to published standards that are issued but not yet effective (*continued*)

IFRS 9, *Financial Instruments: Classification and Measurement* (“IFRS 9”) (*continued*)

IFRS 9 uses business models and contractual cash flow characteristics to determine whether a financial asset is measured at amortised cost, fair value through profit or loss or fair value through other comprehensive income, replacing the four category classification in IAS 39. The approach is also based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. Most of the requirements for financial liabilities were carried forward unchanged from IAS 39. However, some changes were made to the fair value option for financial liabilities to address the issue of own credit risk.

The impact of IFRS 9 may change and be postponed as a consequence of further developments resulting from the IASB’s financial instruments project. As a result, it is impracticable to quantify the possible impact of IFRS 9 on the financial statements of the Fund.

IFRS 13, *Fair Value Measurement* (“IFRS 13”)

IFRS 13 was issued in May 2011. The standard establishes a single framework for measuring fair value where that is required by other standards. The standard applies to both financial and nonfinancial items measured at fair value. Fair value is defined 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. exit price). Valuation techniques should maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The standard is effective for annual periods beginning on or after 1 January 2013, with early adoption permitted and applies prospectively from the beginning of the annual period in which the standard is adopted. The Board of Directors are currently assessing the impact of IFRS 13 on the financial statements of the Fund.

IFRS 7, (*Amendment*) *Financial Instruments: Disclosures* (“IFRS 7”)

The amendment, issued in December 2011, amended the required disclosures to include information that will enable users of an entity’s financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity’s recognised financial assets and recognised financial liabilities, on the entity’s financial position. This change will be applicable for annual periods beginning on or after 1 January 2013. The Board of Directors is currently assessing the impact of the amendment on the financial statements of the Fund.

IAS 32, (*Amendment*) *Financial Instruments: Presentation* (“IAS 32”)

The amendment, issued in December 2011, clarified the requirements for offsetting financial instruments. The amendment addresses inconsistencies in current practices when applying the offsetting criteria of IAS 32, *Financial Instruments, Presentation*. The amendment will be applicable for annual periods beginning on or after 1 January 2014 and are required to be applied retrospectively. The Board of Directors is currently assessing the impact of the amendment on the financial statements of the Fund.

Blue Ink Global Circa Fund plc

comprising Blue Ink Global Circa Fund

Notes

to and forming part of the financial statements for the year ended 31 December 2012 (*continued*)

3. Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with IFRS as adopted by the European Union requires the Board of Directors to make judgments, estimates and assumptions that affect the reported amounts recognized in the financial statements and accompanying notes. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the assets or liabilities affected in future periods.

Actual results could differ from these estimates, in particular the estimates used for the valuation of financial assets as detailed in note 2.3.

(i) Fair value of financial instruments

As detailed in note 2.3, the fair value of investments in investment funds is determined based on the unaudited net asset values as provided by the underlying administrator. If the Board of Directors are of the view that the fair value provided by the underlying administrator/manager does not represent the fair value, they will fair value such investments based on the information available to them. This determination is a potential area of estimation. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the statement of financial position and the level where the instruments are disclosed in the fair value hierarchy.

IFRS 7 requires disclosures relating to fair value measurements using a three-level fair value hierarchy that reflects the significance of the inputs used in measuring fair values. 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 which is significant to the fair value measurement of the 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 adjustments based on unobservable inputs, then the 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. To assess the significance of a particular input to the entire measurement, the Fund performs a sensitivity analysis.

(ii) Fund of funds

The current market environment as a result of the global financial crisis has a significant impact on the liquidity of the underlying investments of the Fund. The investment portfolio of the Fund consists of underlying funds which may be subject to gates, lock ups, halts to redemptions or side pockets. The valuation of such investments is subject to significant judgement and depends on the availability of market information.

(iii) Taxes

No tax will arise in respect of chargeable events in respect of a shareholder who is an Exempt Irish Investor or who is neither resident nor ordinarily resident in Ireland at the time of the chargeable event, provided that the necessary signed declaration is in place. Dividend income, interest received and capital gains may be subject to non-recoverable withholding tax in the country of origin.

(iv) Going concern

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

Blue Ink Global Circa Fund plc

comprising Blue Ink Global Circa Fund

Notes

to and forming part of the financial statements for the year ended 31 December 2012 (*continued*)

4. Participating and Subscriber Shares

The Company is authorised to issue the following shares:

- i) 2 Subscriber Shares* of one euro (“€”) each with no par value;
- ii) 1,000,000,000,000 shares of no par value, initially designated as unclassified Participating Shares.

*A subscriber share is the initial issued share capital of €2 Shares of no par value, issued at €1 each for the purposes of registering the Company in Ireland.

The Company is structured as an umbrella fund with segregated liability between Funds. Shares of more than one class may be issued in relation to a Fund. Separate accounting records are maintained for all share classes.

At 31 December 2012 and 2011, Class A was the only class of shares in issue.

Participating Shares

The Participating Shares may be divided into as many Series comprising such number of Participating Shares as the Directors may from time to time determine. Only the Participating Shares are issued to investors. All Shares of each Class will rank *pari passu* save as provided for in the relevant Supplement. At 31 December 2012, there was one series of shares in issue (2011: two).

The functional currency of the Fund is US\$. The Participating Shares in any Class may be issued in a different currency as the Directors may determine from time to time.

Holders of the Participating Shares present in person or by proxy are entitled to one vote at meetings of the Shareholders.

Upon a purchase, redemption or other acquisition of Participating Shares, or upon the liquidation of the Fund, each Class or Series of Participating Shares participate on a pro-rata basis with all other shares in the same Class or Series in the capital and the surplus of the Fund relating to such Class or Series of shares only.

The Directors at all times maintain separate accounts and separately identify the assets of the Fund as relate to each Class or Series of Participating Shares in issue and do not hold such assets in any way which would reduce or increase or otherwise vary the rights of the Members of each such Class or Series to the assets so separated for each such Class or Series.

The assets belonging to each Class and or Series are charged with the liabilities of the Fund in respect of such Class and or Series and with such Class and or Series' share of the general liabilities of the Fund, in the latter case in the proportion that the net value of the assets belonging to such Class and or Series bears to the net value of the assets belonging to all Classes and or Series of Participating Shares of the Fund.

Cross class liability

Separate accounting records are maintained for all share classes. Cross class liability may arise where one class of shares becomes insolvent or and is unable to meet its liabilities. In this scenario all the assets of the Fund attributable to other classes may be applied to cover the liabilities of the insolvent class. At 31 December 2012 and 2011, the Fund has one class in existence.

Blue Ink Global Circa Fund plc

comprising Blue Ink Global Circa Fund

Notes

to and forming part of the financial statements for the year ended 31 December 2012 (*continued*)

4. Participating and Subscriber Shares (*continued*)

Capital management

As a result of the ability to issue and redeem shares, the capital of the Fund can vary depending on the demand for redemptions and subscriptions to the Fund. The Fund is not subject to externally imposed capital requirements and has no restrictions on the issue and redemptions of shares.

The Fund's objectives for managing capital are:

- To invest the capital in investments meeting the description, risk exposure and expected return indicated in its Prospectus.
- To maintain sufficient liquidity to meet the expenses of the Fund, and to meet redemption requests as they arise.
- To maintain sufficient size to make the operation of the Fund cost-efficient.

The following table shows the movement in Participating Shares for the years ending 31 December 2012 and 2011:

	Class A	Class B
Number of Participating Shares in issue at 31 December 2010	81,776.270	-
Shares issued	249.361	-
Shares redeemed	-	-
Number of Participating Shares in issue at 31 December 2011	82,025.631	-
Shares issued	-	-
Shares redeemed	(72,197.608)	-
Number of Participating Shares in issue at 31 December 2012	9,828.023	-

Net asset value per Participating Share

The net asset value per Participating Share is calculated by dividing the net assets attributable to Participating Shareholders included in the statement of financial position of each series of shares by the number of Participating Shares in issue for each series of shares at the year end. The initial subscriptions price was set at US\$1,000 per share. Any additional new Series of Class A Shares will be open for subscription at each Dealing Day at an Issue Price of US\$100 per Share.

In order to keep the number of different Series outstanding to a minimum at any time, all profitable Series may be consolidated on the first Dealing Day following the close of each calendar quarter of the relevant Fund. Series will be consolidated on the basis of the respective net asset value per Share of the original Series and that of the particular Series being consolidated.

Date	Class and Series of Shares	Net Asset Value US\$	Net Asset Value per Share	
			Number of Shares	US\$
31 December 2012	Class A, Series 1	12,162,614	9,828.023	1,237.544
31 December 2012	Class A, Dec 11	-	-	-
Total		12,162,614		
31 December 2011	Class A, Series 1	96,718,179	81,776.270	1,182.717
	Class A, Dec 11	24,689	249.361	99.010
Total		96,742,868		
31 December 2010	Class A, Series 1	103,208,810	81,776.270	1,262.088
Total		103,208,810		

Blue Ink Global Circa Fund plc

comprising Blue Ink Global Circa Fund

Notes

to and forming part of the financial statements for the year ended 31 December 2012 (*continued*)

5. Taxation

Under current law and practice, the Company qualifies as an investment undertaking. It is not chargeable to Irish tax on its income or capital gains. However, a tax can arise on the occurrence of a “chargeable event” in the Company. A chargeable event includes any distribution payments to shareholders or any encashment, redemption or transfer of shares. Any tax arising on a chargeable event is a liability of the shareholders, albeit it is paid by the Company (although if the Company fails to deduct the tax or the correct amount of tax it ultimately becomes a liability of the Company).

6. Operating segments

IFRS 8 requires an entity to report financial and descriptive information about its reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components of an entity about which separate financial information is available that is evaluated regularly by the Directors in deciding how to allocate resources and in assessing performance. Generally, financial information is required to be reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments.

Financial information used internally by the Directors for evaluating performance and deciding how to allocate resources does not identify separable geographical or operating segments but rather presents information for the Fund as a whole. For this reason, the Fund reports financial information in its financial statements on the basis of the Fund as a whole and does not report by operating or geographic segment.

7. Cash and cash equivalents

Cash and cash equivalents are represented by:

All amounts expressed in US\$	31 December 2012	31 December 2011
HSBC Institutional Trust Services (Ireland) Limited	2,957,300	2,679,814
HSBC Securities Services (Luxembourg)	-	39,298
	<u>2,957,300</u>	<u>2,719,112</u>

8a. Net gain/(loss) on fair value on financial assets (at fair value through profit or loss)

All amounts expressed in US\$	31 December 2012	31 December 2011
<i>Designated at inception</i>		
Realised gain on financial assets (at fair value through profit or loss)	8,840,442	5,358,588
Unrealised loss on financial assets (at fair value through profit or loss)	(4,283,218)	(10,155,772)
Net gain/(loss) on financial assets (at fair value through profit or loss)	<u>4,557,224</u>	<u>(4,797,184)</u>

Blue Ink Global Circa Fund plc

comprising Blue Ink Global Circa Fund

Notes

to and forming part of the financial statements for the year ended 31 December 2012 (*continued*)

8b. Net (loss)/gain on foreign currency transactions

All amounts expressed in US\$	31 December 2012	31 December 2011
Realised gain on foreign currency	2,974	934
Unrealised (loss)/gain on foreign currency	(109,920)	4,706
Net (loss)/gain on foreign currency transactions	(106,946)	5,640

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

The cost, fair value and percentage of the NAV of the financial assets are as follows:

31 December 2012	Cost	Fair value	Percentage of NAV
All amounts expressed in US\$			
<i>Financial assets (at fair value through profit or loss)</i>			
- Unlisted investment funds	4,678,910	4,914,404	40.40%
31 December 2011	Cost	Fair value	Percentage of NAV
All amounts expressed in US\$			
<i>Financial assets (at fair value through profit or loss)</i>			
- Unlisted investment funds	85,413,155	89,930,430	92.96%

10. Receivable for securities sold

During 2012 and 2011, the Fund redeemed shares from underlying funds that only make full and final payment of the redemptions upon completion of their audit of the fiscal year. On these redemptions the Fund received partial payment. Depending on the underlying funds the partial payment represents generally 90% to 95% of the estimated redemption proceeds. The remaining proceeds will be paid to the Fund during 2013 and 2012 respectively. At 31 December 2012, the receivable for securities sold amounts to US\$682,886 (2011: US\$616,155). The remaining receivable for securities sold in 2012 is made up of three investments sold by the Fund on 31 December 2012 for which they received payment post year end. These amounted to US\$3,794,325 (2011: US\$4,087,468).

11. Management, operating and performance fees

Management fees

The Fund signed a Management agreement with Sanlam Asset Management (Ireland) Limited. The Manager receives from the Fund a management fee equivalent to 1% per annum of the net asset value of the Fund attributable to the Class A shares. The management fee is calculated, accrued and charged on each Valuation Date and is paid quarterly in arrears.

The Manager is also entitled to be reimbursed out of the assets of the Fund for all of its reasonable out-of-pocket expenses (plus VAT thereon, if any) incurred in the performance of its duties to the Fund.

The management fee for year ended 31 December 2012 amounted to US\$813,687 (2011: US\$1,015,509). At the reporting date, management fees payable amounted to US\$93,997 (2011: US\$243,632).

Blue Ink Global Circa Fund plc

comprising Blue Ink Global Circa Fund

Notes

to and forming part of the financial statements for the year ended 31 December 2012 (*continued*)

11. Management, operating and performance fees (*continued*)

Management fees (continued)

The Investment Manager will be paid a management fee by the Manager out of its management fee and shall not be paid out of the assets of the Fund. The investment management agreement between the Manager and the Sub-Investment Manager was terminated on 7 September 2012.

Operating fees

The Manager is entitled to receive an operating fee (“Operating Fee”) at an annual rate of 0.10% of the net asset value of the Fund. For the purposes of calculating the operating fees, the net asset value of the Fund is not reduced by any fees payable or incurred by the Fund or by any distributions or redemption amounts paid during the relevant Valuation Day by the Fund.

The operating fees accrue on each Valuation Day based on the net asset value at the Valuation Point for such Valuation Day and are payable quarterly in arrears.

The operating fee for the year ended 31 December 2012 amounted to US\$81,391 (2011: US\$101,575). At the reporting date, operating fees payable amounted to US\$9,403 (2011: US\$24,370).

Performance fees

The Investment Manager is also entitled to a quarterly performance fee. Per an investment management agreement between the Manager and the Sub-Investment Manager on 4 January 2011, the amount of any such performance fee was divided between the Investment Manager and the Sub-Investment Manager. This agreement with the Sub-Investment Manager was terminated on 7 September 2012. The Sub-Investment Manager was paid by the Investment Manager out of its fees and was not paid out of the assets of the Fund. The performance fee is equal to 15% of New Net Profits (which is the increase in the net asset value per Share (“Share NAV”) as compared to the higher of (i) the Share NAV at subscription, or (ii) the highest Share NAV at which a performance fee was paid against such Shares (the “Prior High NAV” or “High Water Mark” of such Shares).

Performance fees also are due at the time of redemption of a Share if other than the end of a calendar quarter. Shareholders subscribe for Shares at different times, receive separate series with respect to each such subscription, and consequently will have different High Water Marks at each Valuation Date. High Water Marks provide a benchmark so that a Share will not be subject to a performance fee on the recoupment of net losses allocated to that Share after having been subject to a performance fee.

The performance fee is calculated, accrued and charged on each Valuation Date, but is paid on a calendar quarter basis. The performance fee is only payable on the compounded returns of the Series. Therefore, if in any quarter the net asset value of any Series should decrease, the shortfall must be made up in subsequent quarters before any further performance fees are payable. Performance fees paid to the Investment Manager are not refundable despite the subsequent occurrence of a reduction in net asset value of the relevant Series after the end of the quarter to which the performance fee relates.

Performance fees for the year ended 31 December 2012 amount to US\$88 (2011: US\$212,249). At the reporting date, there were no performance fees payable (2011: US\$212,249).

Blue Ink Global Circa Fund plc

comprising Blue Ink Global Circa Fund

Notes

to and forming part of the financial statements for the year ended 31 December 2012 (*continued*)

12. Administration, custodian and audit fees

Administration fees

As compensation for its services to the Fund, the Administrator receives annual fees (plus disbursements) to be paid monthly in arrears within thirty days. The Administrator of the Fund earns a minimum of €42,000 per annum, up to and including fees of 0.10% per annum of net assets.

For the year ended 31 December 2012, the fee due to the Administrator amounted to US\$75,862 (2011: US\$73,265). At the reporting date, administration fees payable amounted to US\$12,660 (2011: US\$35,431).

Custodian fees

The custodian to the Fund earns fees not exceeding 0.12% per annum of the net asset value of the Fund, subject to a minimum monthly fee of €5,500 plus VAT if any, to be paid quarterly in arrears. The custodian is also paid out-of-pocket expenses plus any sub-custodian's fees (which are charged at normal commercial rates) as well as agreed upon transaction charges (which are at normal commercial rates).

During the year ended 31 December 2012, the custodian earned fees of US\$115,453 (2011: US\$164,272) and at the reporting date was owed US\$32,218 (2011: US\$50,442).

Auditor's remuneration

Auditor remuneration amounted to US\$18,050 (2011: US\$26,599). At the reporting date, audit fees payable amounted to US\$19,466 (2011: US\$31,104). The auditor's remuneration related solely to audit fees.

13. Directors' fees

The Directors who are not employees of the Manager or its controlling parties are entitled to receive remuneration for their services as Directors provided however that the aggregate fee of each Director in respect of any twelve month accounting period will not exceed €15,000. The Directors are also entitled to be reimbursed for their reasonable out of pocket expenses incurred in discharging their duties. The Directors' fees for year ended 31 December 2012 amounted to US\$20,649 (2011: US\$30,597). At the reporting date, Directors' fees payable amounted to US\$5,279 (2011: US\$20,736).

Christiaan Swanepoel resigned on 31 December 2011 and Anton Gildenhuis was appointed on 3 January 2012. For the year ended 31 December 2012, Peter Murray's Director's fees amounted to US\$10,324, Paul Dobbyn's Director's fees amounted to US\$10,325 and Andton Gildenhuis waived his fees.

For the year ended 31 December 2011, Peter Murray's Director's fees amounted to US\$11,145, Paul Dobbyn's Director's fees amounted to US\$11,169 and Christiaan Swanepoel's Director's fees amounted to US\$11,145. Also included in the Director's fees is an amount of US\$(2,862) relating to 2010 Director's fees.

Blue Ink Global Circa Fund plc

comprising Blue Ink Global Circa Fund

Notes

to and forming part of the financial statements for the year ended 31 December 2012 (*continued*)

14. Financial risk management objectives and policies

The Fund's activities expose it to various types of risks that are associated with the financial assets and liabilities and markets in which it invests. The Fund is exposed to market risk (including interest rate risk, currency risk and other price risk), credit risk and liquidity risk arising from the financial instruments it holds. The Fund's risk is managed through a careful selection of securities and other financial instruments. The risk management policies employed by the Fund to manage these risks are discussed hereafter.

Before the termination of the investment management agreement between the Manager and the Sub-Investment Manager, both the Fund's Investment Manager and Sub-Investment Manager were responsible for identifying and controlling risks. The Investment Manager is now solely responsible. The Board of Directors supervises the Investment Manager and is ultimately responsible for the overall risk management approach within the Fund.

The Fund's risks are measured using a method that reflects both the expected loss likely to arise in normal circumstances and unexpected losses that are an estimate of the ultimate actual loss based on statistical models. The model makes use of the probabilities derived from historical experience, adjusted to reflect the economic environment.

Monitoring and controlling risks is primarily set up to be performed based on limits established by the Board of Directors. These limits reflect the business strategy and market environment of the Fund as well as the level of the risk that the Fund is willing to accept. In addition, the Fund monitors and measures the overall risk bearing capacity in relation to the aggregate risk exposure across all risk types and activities. During the year ended 31 December 2012, the aim of spreading investment risk has been maintained.

The Fund has investment guidelines that set out its overall business strategies, its tolerance for risk and its general risk management philosophy.

Concentration indicates the relative sensitivity of the Fund's performance to developments affecting a particular industry or geographical location. Concentration of risk arises when a number of financial instruments or contracts are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

Blue Ink Global Circa Fund plc

comprising Blue Ink Global Circa Fund

Notes

to and forming part of the financial statements for the year ended 31 December 2012 *(continued)*

14. Financial risk management objectives and policies *(continued)*

(a) Market risk

Market risk is the risk that the fair value on future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates and foreign exchange rates. The Fund's investments and financial instruments are also susceptible to market price risk arising from factors specific to the individual security and financial instrument or its issuer or factors affecting all traded assets in the market.

Asset allocation is determined by the Fund's Investment Manager, who manages the distribution of the assets to achieve the investment objective. The Investment Manager seeks to identify, research and monitor underlying funds with the objective of forming a judgement as to how he can ensure the Fund best exploits global markets using diverse market approaches. On this basis the Investment Manager has constructed and maintains a portfolio composed of a selection of underlying funds pursuant to the Fund's objectives.

The Investment Manager's selection process focuses on investment strategy and historical performance at the underlying fund level (including the underlying entities) as well as analysis from an overall portfolio level. Risk control procedures are integrated into the manager selection and asset allocation processes. This ensures that the Investment Manager conducts thorough analysis before proposing an investment with an underlying fund, as well as during the life of such investments.

Investing in underlying funds is speculative, prices are volatile, and market movements are difficult to predict. Supply and demand for financial instruments change rapidly and are affected by a variety of factors, including interest rates and general trends in the overall economy or particular industrial or other economic sectors. Government actions, especially those of the Federal Reserve Board, have a profound effect on interest rates which, in turn, affect the price of financial instruments. In addition, a variety of other factors which are inherently difficult to predict, such as domestic and international political developments, governmental trade and fiscal policies, patterns of trade and war or other military conflict can also have significant effects on the markets.

The Fund may have only limited ability to vary its portfolio in response to changing economic, financial and investment conditions. Those risks may be enhanced significantly by the concentration of the Fund's investments.

Even in the absence of adverse events, which could cause significant and immediate loss in value of the Fund's portfolio, trading shares/units of investment funds can quickly lead to large losses. Such trading losses could sharply reduce the net asset value of the Fund and, consequently, the value of the shares.

Blue Ink Global Circa Fund plc

comprising Blue Ink Global Circa Fund

Notes

to and forming part of the financial statements for the year ended 31 December 2012 (*continued*)

14. Financial risk management objectives and policies (*continued*)

(a) Market risk (*continued*)

The portfolio of funds is categorised below by investment strategy and expressed as a percentage of the NAV.

Strategy	2012 % Portfolio	2011 % Portfolio
Long/short equity	-	39.14
Event driven	-	24.19
Global macro	-	20.81
Emerging markets	-	6.65
High yield	-	2.99
Fixed income	97.39	2.36
Mortgage backed security arbitrage	-	1.97
Distressed	-	1.89
Illiquids	2.61	-
Total	100.00	100.00

The performance of the Fund's investments depends on correct assessments of the future course of market price movements and other investments by managers of the underlying funds. There can be no assurance that underlying fund managers will be able to predict accurately these price movements.

The nature of the Fund's exposure to market risk and its objectives, policies and processes for managing market risk have not changed significantly from the prior year. The above analysis does not include exposure of the underlying funds to this risk.

Concentration

The investment objectives of the Fund require a degree of position concentration. Accordingly, at 31 December 2012, the Fund had two positions (2011: three positions) which exceeded 5% of the net asset value.

(b) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Fund may invest in trading instruments denominated in currencies other than US\$. Consequently, the Fund may be exposed to risks that the exchange rate of US\$ relative to other currencies may change in a manner that has an adverse effect on the reported value of that portion of the Fund's assets that are denominated in currencies other than US\$.

Concentration of foreign exchange risk may arise if the Fund has a significant net open position in a single foreign currency, or aggregate net open position in a single foreign currency, or aggregate net open positions in several currencies that tend to move together.

Class A is US\$ denominated. The Fund did not invest in non US\$ denominated currency securities during 2012 and 2011. Its currency risk exposure as of 31 December 2012 is immaterial.

Blue Ink Global Circa Fund plc

comprising Blue Ink Global Circa Fund

Notes

to and forming part of the financial statements for the year ended 31 December 2012 (*continued*)

14. Financial risk and management objectives and policies (*continued*)

(b) Currency risk (*continued*)

The underlying funds, to which the Fund subscribes, may invest in currencies different to the functional currency of the Fund and therefore indirectly exposing the Fund to currency risk. This risk is monitored and managed by the investment managers and investment advisors of the underlying funds.

The above analysis does not include exposure of the underlying funds to currency risk.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The majority of the Company's investments are non-interest bearing and as a result the Company is not subject to significant amounts of risk on the value of its investments due to fluctuations in the prevailing levels of market interest rates.

The Company's interest rate risk is monitored by the investment manager on a regular basis. However, currently this risk is not mitigated through hedging.

The following table details the Company's exposure to interest rate risk. It includes the Company's assets and trading liabilities at fair values, categorised by the earlier of contractual re-pricing or maturity date measured by the carrying value of the assets and liabilities.

As at the 31 December 2012, the Fund's exposure to interest rate risk was as follows:

All amounts stated in US\$	Less than 3 month	3 months to 1 year	No stated maturity	Non- interest bearing	Total
Assets					
<i>Financial assets (at fair value through profit or loss):</i>					
Unlisted investment funds	-	-	-	4,914,404	4,914,404
<i>Loans and receivables</i>					
Cash and cash equivalents	2,957,300	-	-	-	2,957,300
Receivable for securities sold	-	-	-	4,477,211	4,477,211
Prepaid Expenses	660	-	-	-	660
Total Assets	2,957,960	-	-	9,391,615	12,349,575
Liabilities excluding non-voting redeemable participating shares					
<i>Financial liabilities measured at amortised cost:</i>					
Accrued expenses and other payables	-	-	-	186,961	186,961
Total Liabilities	-	-	-	186,961	186,961
Total interest sensitivity gap	2,957,960	-	-		

Blue Ink Global Circa Fund plc

comprising Blue Ink Global Circa Fund

Notes

to and forming part of the financial statements for the year ended 31 December 2012 (*continued*)

14. Financial risk and management objectives and policies (*continued*)

(c) Interest rate risk (*continued*)

As at the 31 December 2011, the Fund's exposure to interest rate risk was as follows:

All amounts stated in US\$	Less than 3 month	3 months to 1 year	No stated maturity	Non-interest bearing	Total
Assets					
<i>Financial assets (at fair value through profit or loss);</i>					
Unlisted investment funds	-	-	-	89,930,430	89,930,430
<i>Loans and receivables</i>					
Cash and cash equivalents	2,719,112	-	-	-	2,719,112
Receivable for securities sold	-	-	-	4,703,623	4,703,623
Prepaid investments	-	-	-	36,327	36,327
Total Assets	2,719,112	-	-	94,670,380	97,389,492
Liabilities excluding non-voting redeemable participating shares					
<i>Financial liabilities measured at amortised cost:</i>					
Accrued expenses and other payables	-	-	-	(646,624)	(646,624)
Total Liabilities	-	-	-	(646,624)	(646,624)
Total interest sensitivity gap	2,719,112	-	-		

Interest rate sensitivity

An increase of 100 basis points in the interest rate as at 31 December 2012 would have increased the net assets attributable to the holders of redeemable participating shares and changes in net assets attributable to the holders of redeemable participating shares by US\$29,580 (2011: US\$27,191). A decrease of 100 basis points would have had an equal but opposite effect.

The above analysis does not include exposure of the underlying funds to interest rate risk.

(d) Other price risk

Other price risk is the risk that value of the instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market.

As a material element 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 investment income.

Price risk is managed by the Fund's Investment Manager by constructing a diversified portfolio of funds which trade instruments on various markets and follow various investment strategies. In addition, price risk may be alleviated within those funds using derivative financial instruments such as options or futures contracts. The Investment Manager monitors the underlying funds along with news flow and economic data, to monitor and assess the overall price risk faced by the Fund.

Blue Ink Global Circa Fund plc

comprising Blue Ink Global Circa Fund

Notes

to and forming part of the financial statements for the year ended 31 December 2012 (*continued*)

14. Financial risk and management objectives and policies (*continued*)

(d) Other price risk (*continued*)

Other price risk sensitivity analysis

Beta is a measure of the Fund's return sensitivity to movements in a specified benchmark index, and is estimated using regression analysis based on historical returns. The Fund forecasts the change in future value of the Fund by multiplying the expected change in the benchmark index with the beta coefficient of the Fund. The Investment Manager has selected the MSCI World Index as the appropriate benchmark for this purpose.

The Investment Manager uses the benchmark index for reference purposes only. The composition of the Fund's portfolio and the correlation to the index is expected to change over time. The sensitivity analysis prepared as at 31 December 2012 and 31 December 2011 is not necessarily indicative of the effect on the Fund's net assets attributed to the holders of redeemable participating shares of future price movements in the level of the index.

Considering a reasonably possible index increase of 5%, the effect on the Fund total comprehensive income and net assets attributable to holders of participating redeemable shares is a percentage increase of 0.64% at 31 December 2012 (2011: 1.81%). A 5% weakening of the index would have resulted in a percentage decrease of 0.32% at 31 December 2012 (2011: 1.35%).

(e) Credit risk

Credit risk represents the maximum financial loss that would be recognised by the Fund at the reporting date if counterparties failed to discharge an obligation. The Fund manages its credit risk by evaluating the creditworthiness of entities with which the Fund has a credit risk exposure.

As at the reporting date, the Fund's maximum exposure to credit risk amounted to the following:

All amounts expressed in US\$	31 December 2012	31 December 2011
Cash and cash equivalents	2,957,300	2,719,112
Other receivables and prepayments	4,477,871	4,739,950
Total	7,435,171	7,459,062

Financial assets which potentially expose the Fund to credit risk consist principally of cash balances and deposits with and receivables from banks. The Fund holds unrestricted cash with the Custodian. Bankruptcy or insolvency of the Custodian may cause the Fund's rights with respect to the cash and/or its investments to be delayed or limited. The Fund regularly monitors its risk by monitoring the credit quality of the Custodian as reported.

The credit rating of the Custodian's parent company HSBC Holding was A+ (2011: A+) as per Standard & Poor's as at 31 December 2012. If the credit quality or the financial position of this entity deteriorates significantly the Investment Manager will deal with another provider.

Credit risk/price risk

Under the terms of the custodian agreement, the Fund's non-cash assets are held separately from the custodian's property and must be identified in the clients' names. The assets cannot be used to discharge, directly or indirectly, liabilities or claims against any other undertaking or entity or any other fund and are not available for such purpose.

Blue Ink Global Circa Fund plc

comprising Blue Ink Global Circa Fund

Notes

to and forming part of the financial statements for the year ended 31 December 2012 (*continued*)

14. Financial risk and management objectives and policies (*continued*)

(e) Credit risk (*continued*)

Credit risk/price risk (continued)

The custodian has established and maintained on its records a separate securities account for the Fund. In the event of the custodian's insolvency, the portion of the Fund's non-cash assets held in the custodian's customer-segregated custodial accounts would be accounted for as an identifiable separate pool of assets and, as such, would not be available for distribution to the custodian's general creditors.

Each underlying fund is individually exposed to various counterparty and credit risks. The credit quality of the underlying funds counterparties is monitored by the underlying managers. Some strategies of the underlying funds are more exposed to credit risk than others due to the strategies they employ and the type of securities they invest in. However, since the Fund maintains a diversified fund portfolio, the Investment Manager considers that credit risk at the underlying funds is well diversified across strategies, counterparties, security types, company ratings, regions etc.

The Investment Manager incorporates an assessment of those risks into their management selection and portfolio construction process, with a view to maintaining an exposure which is consistent with the Fund's objectives and risk targets. This form of credit risk, in essence, constitutes a market or other price risk rather than a credit risk.

Other than outlined above, there were no significant concentrations of credit risk to counterparties.

None of the Fund's financial assets measured at amortised cost were considered to be past due or impaired for the years ending 31 December 2012 and 2011.

(f) Liquidity risk

Liquidity risk is the risk that the Fund may encounter difficulty in raising funds to meet commitments associated with financial liabilities. Liquidity risk may arise from a requirement to pay its liabilities earlier than expected.

The Fund's Prospectus provides for the creation and cancellation of shares and it is therefore exposed to the liquidity risk of meeting shareholder redemptions at any time. As described in note 4 to the financial statements, the Fund's Participating Shares are redeemable at the shareholders' option at any time for cash equal to the proportionate share of the Fund's net asset value. The Fund's redemption policy only allows for redemptions on the last day of each calendar quarter and shareholders must provide 90 calendar days' notice. The Fund is therefore potentially exposed to the liquidity risk of meeting redemption requests.

As at the 31 December 2012, the Fund holds US\$2,957,300 (2011: US\$2,719,112) in cash and cash equivalents which is available if required.

At the 31 December 2012, the Fund's portfolio is made up of cash and cash equivalents (24.32% of the NAV), receivable for securities sold (36.81% of the NAV) and financial assets (at fair value through profit or loss) (40.40% of the NAV).

At the 31 December 2011, the Fund's portfolio is made up of cash and cash equivalents (2.81% of the NAV), receivable for securities sold (4.86% of the NAV) and financial assets (at fair value through profit or loss) (92.96% of the NAV).

Blue Ink Global Circa Fund plc

comprising Blue Ink Global Circa Fund

Notes

to and forming part of the financial statements for the year ended 31 December 2012 (*continued*)

14. Financial risk and management objectives and policies (*continued*)

(f) Liquidity risk (*continued*)

The following tables detail the Fund's liquidity analysis for 31 December 2012 and 31 December 2011, breaking down underlying funds by redemption frequency (from bi-monthly to annually) and notice period (from 1 day to 90 days). The information on "financial assets percentages" refers to the proportion of the portfolio which can be redeemed in the relevant number of days given.

2012		Redemption notice period								
Redemption Frequency		1	7	from 8 to 15	30	45	60	90	N/A	Grand total
Investments fair valued by Board of Directors	Number of underlying investments	-	-	-	-	-	-	-	1	1
	Financial assets %	-	-	-	-	-	-	-	1.63%	1.63%
Bi-Monthly	Number of underlying investments	-	-	-	-	-	-	-	-	-
	Financial assets %	-	-	-	-	-	-	-	-	-
Monthly	Number of underlying investments	1	-	-	-	-	-	-	-	1
	Financial assets %	37.57%	-	-	-	-	-	-	-	37.57%
Quarterly	Number of underlying investments	-	-	-	-	1	1	-	-	2
	Financial assets %	-	-	-	-	19.27%	41.53%	-	-	60.80%
Total	Number of underlying investments	1	-	-	-	1	1	-	1	4
	Financial assets %	37.57%	-	-	-	19.27%	41.53%	-	1.63%	100%
2011		Redemption notice period								
Redemption Frequency		1	7	from 8 to 15	30	45	60	90	N/A	Grand total
Investments fair valued by Board of Directors	Number of underlying investments	-	-	-	-	-	-	-	4	4
	Financial assets %	-	-	-	-	-	-	-	0.62%	0.62%
Bi-Monthly	Number of underlying investments	-	2	-	-	-	-	-	-	2
	Financial assets %	-	1.44%	-	-	-	-	-	-	1.44%
Monthly	Number of underlying investments	1	-	1	10	4	1	2	-	19
	Financial assets %	2.74%	-	2.02%	35.07%	14.41%	1.06%	2.72%	-	58.02%
Quarterly	Number of underlying investments	-	-	-	2	6	6	1	-	15
	Financial assets %	-	-	-	5.64%	15.90%	15.47%	2.91%	-	39.92%
Total	Number of underlying investments	1	2	1	12	10	7	3	4	40
	Financial assets %	2.74%	1.44%	2.02%	40.71%	30.31%	16.53%	5.63%	0.62%	100.00%

The liquidity of the Fund is monitored quarterly by the Sub-Investment Manager to ensure that redemption requests can be met.

The Fund's ability to withdraw monies from or invest monies in underlying funds with such restrictions will be limited and such restrictions will limit the Fund's flexibility to reallocate such assets among underlying funds.

Blue Ink Global Circa Fund plc

comprising Blue Ink Global Circa Fund

Notes

to and forming part of the financial statements for the year ended 31 December 2012 (*continued*)

14. Financial risk and management objectives and policies (*continued*)

(f) Liquidity risk (*continued*)

The Fund may be affected by gates or redemption suspensions, applied by the managers of the underlying funds, which will affect its liquidity.

Underlying funds may have the ability to suspend redemptions from the fund. Investment funds may suspend redemption for a number of reasons, including, liquidity issues in the underlying portfolio and unsustainable redemptions requests from investors. Restrictions on redemptions through the use of pro-rata reductions to investors' redemption amounts due to a high level of overall investor redemption requests are commonly referred to as gates. At 31 December 2012 and 2011, two of the underlying funds have gates (2011: three) and one of the underlying funds have suspended redemptions (2011: none).

Through the course of 2012 the Fund submitted requests to fully redeem from the following investment funds: Pine River Fixed Income Fund Ltd Class B Series 1 and Paulson Credit Opportunities.

Both of these investment funds allow gated redemptions whereby investors may redeem 25% of their holding each calendar quarter.

As at 31 December 2012 the Fund had redeemed 50% of its holdings from both of the Pine River Fixed Income Fund Ltd Class B Series 1 and Paulson Credit Opportunities. The US\$ amounts realised from these redemptions were as follows:

Pine River Fixed Income Fund Class B Series 1	US\$ 1,482,745
Paulson Credit Opportunities	US\$ 2,108,584

The Fund expects to be fully redeemed from both investment funds by 30 June 2013. Please note that there may be an audit holdback of approximately 10% withheld on the Pine River Fixed Income Fund Ltd Class B Series 1 redemption proceeds.

The following table shows the contractual, undiscounted cash flows of the Fund's financial liabilities at 31 December 2012.

All amounts stated in US\$	Less than 1 month	1-3 months	3 months to 1 year	No stated maturity
<i>Financial liabilities:</i>				
Management fee payable	-	93,997	-	-
Performance fee payable	-	-	-	-
Custodian fees	-	32,218	-	-
Operating fee payable	-	9,403	-	-
Administration fee payable	12,660	-	-	-
Audit fee payable	-	19,466	-	-
Directors fees payable	5,279	-	-	-
Accounts payable and accruals	13,938	-	-	-
Net asset value attributable to the holders of redeemable participating shares	-	-	7,248,210	4,914,404*

*This includes investments fair valued by the Board of Directors of US\$128,162. On the 1 January 2013, the Fund sold these investments to Blue Ink Global Diversified Fund for their fair value at 31 December 2012.

Blue Ink Global Circa Fund plc

comprising Blue Ink Global Circa Fund

Notes

to and forming part of the financial statements for the year ended 31 December 2012 (*continued*)

14. Financial risk and management objectives and policies (*continued*)

(f) Liquidity risk (*continued*)

The following table shows the contractual, undiscounted cash flows of the Fund's financial liabilities at 31 December 2011.

All amounts stated in US\$	Less than 1 month	1-3 months	3 months to 1 year	No stated maturity
<i>Financial liabilities:</i>				
Performance fee payable	-	212,249	-	-
Management fee payable	-	243,632	-	-
Administration fee payable	35,431	-	-	-
Directors fees payable	20,736	-	-	-
Operating fee payable	-	24,370	-	-
Custodian fee payable	-	50,442	-	-
Audit fee payable	-	31,104	-	-
Accounts payable and accruals	28,660	-	-	-
Net asset value attributable to the holders of redeemable participating shares	-	-	88,330,449	8,412,419*

*This includes investments fair valued by the Board of Directors of US\$252,003.

The above analysis does not include exposure of the underlying funds to liquidity risk.

Concentration

Concentration of liquidity risk may arise from the repayment terms of financial liabilities, sources of borrowing facilities or reliance on a particular market in which to realise liquid assets. The Fund has no concentration of liquidity risk at the reporting date.

On the 1 February 2011, the Fund entered into an uncommitted multi-currency overdraft facility agreement with the Custodian. Under the terms of the agreement, the Fund has the ability to borrow in the short-term to ensure settlement of its liabilities. The maximum amount available to the Fund from this borrowing facility is limited to US\$10,000,000 or 10% of NVAC (the value of the eligible assets less the aggregate amount of the Fund's outstanding indebtedness) and would be secured by financial assets of the Fund. Drawdown of the facility is conditional upon certain financial conditions which are stated in the agreement. A fee of €5,000 per annum is paid to the Custodian for this facility. Interest shall be charged monthly in arrears on the amount of the facility outstanding from time to time at the aggregate rate of 1.50% per annum. No such borrowings have arisen during the year.

Blue Ink Global Circa Fund plc

comprising Blue Ink Global Circa Fund

Notes

to and forming part of the financial statements for the year ended 31 December 2012 (*continued*)

15. Fair value measurements recognised in the statement of financial position

The tables below provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

31 December 2012	Total	Level 1	Level 2	Level 3
	US\$	US\$	US\$	US\$
<i>Financial assets (at fair value through profit or loss)</i>				
- Unlisted investment funds	4,914,404	-	-	4,914,404
Total financial assets at fair value through profit or loss	4,914,404	-	-	4,914,404

31 December 2011	Total	Level 1	Level 2	Level 3
	US\$	US\$	US\$	US\$
<i>Financial assets (at fair value through profit or loss)</i>				
- Unlisted investment funds	89,930,430	-	81,518,011	8,412,419
Total financial assets at fair value through profit or loss	89,930,430	-	81,518,011	8,412,419

There were no transfers between level 2 and level 3 in the year.

In 2011, there was a transfer of an investment, Brevan Howard Emerging Markets Strats Fund CI A-US from level 2 to level 3. This investment was transferred as it has a redemption gate imposed limiting the Fund's ability to redeem their investment as per the underlying Fund's redemption terms. At 31 December 2011, the investment has a fair value of US\$211,925.

The Fund invests in managed funds which are not quoted in an active market and which may be subject to restrictions on redemptions such as lock up periods, redemption gates and side pockets. Transactions in the shares of such funds do not occur on a regular basis. Investments in those funds are valued based on the Net Assets Value ("NAV") per share published by the administrator of those funds. Such a NAV is adjusted when necessary, to reflect the effect of the time passed since the calculation date, liquidity risk, limitations on redemptions and other factors.

Blue Ink Global Circa Fund plc

comprising Blue Ink Global Circa Fund

Notes

to and forming part of the financial statements for the year ended 31 December 2012 (*continued*)

15. Fair value measurements recognised in the statement of financial position (*continued*)

Depending on the fair value level of an underlying fund's assets and liabilities and on the adjustments needed to the NAV per share published by that fund, the Fund classifies the fair value of that investment as either level 2 or level 3.

The Investment Manager will then consider subscription and redemption rights, including any restrictions on the disposals of the interest in its determination of fair value.

Where an adjustment has been made to the net asset values as provided to account for liquidity concerns e.g. redemption restrictions, side pockets etc., the investments in these unlisted investment funds are included in level 3 of the fair value hierarchy, since the adjustments are partly based on unobservable inputs. At 31 December 2012 and 2011, adjustments have been made to the net assets values as provided and such adjustments were categorised within level 3 of the fair value hierarchy.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. Management's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgement, and considers factors specific to the investment.

	2012	2011
	US\$	US\$
<u>Level 3 reconciliation</u>		
Balance at 1 January 2012 and 2011	8,412,419	9,191,701
Total gains and losses recognised in profit or loss:		
Included within net gain/(loss) on financial assets (at fair value through profit or loss)	1,357,671	(971,154)
Purchases	6,496,938	3,939,682
Sales	(11,352,624)	(4,652,297)
Transfers into level 3	-	904,487
Balance at 31 December 2012 and 2011	4,914,404	8,412,419
Total gains and losses recognised in profit or loss for the period includes profit or loss for assets held at the end of the reporting period	235,495	(450,478)

16. Related parties

During the year, the Fund entered into transactions with related parties. Related parties are considered to be a party that has the ability to control the Fund or exercise significant influence over the Fund in making financial or operational decisions.

The Manager, Investment Manager and Directors are related parties to the Fund.

The Fund is managed and controlled by its Board of Directors, consisting of Peter Murray, Paul Dobbyn and Anton Gildenhuis (*appointed 3 January 2012*).

Blue Ink Global Circa Fund plc

comprising Blue Ink Global Circa Fund

Notes

to and forming part of the financial statements for the year ended 31 December 2012 (*continued*)

16. Related parties (*continued*)

Peter Murray, Paul Dobbyn, and Anton Gildenhuis were also Directors of other Blue Ink Funds during the reporting period. None of the Directors held shares in the Fund at year end.

During the year there was one underlying investment with a US\$Nil value (2011: US\$Nil) sold/transferred by Blue Ink Global Circa Fund to Blue Ink Global Diversified Fund. Blue Ink Global Diversified Fund is one of three Funds within the “Blue Ink” structure, related by management and directorship.

Peter Murray, a Director of the Company, is also a Director of the Manager, Sanlam Asset Management (Ireland) Limited. Amounts paid and payable to the Investment Manager are disclosed in note 11.

Paul Dobbyn, a Director of the Company, is a Partner in Maples and Calder, the legal advisors to the Company. There were no legal fees paid for the year ended 31 December 2012 (2011: US\$1,576). There were no amounts due at the end of the year.

Anton Gildenhuis, appointed as a Director on 3 January 2012, is also an employee of Sanlam Life Insurance Limited, a related party to the Investment Manager and the Manager. He is also a Director of Sanlam Life and Pensions Limited.

Prior to 7 September 2012 Blue Ink Global Circa Fund, the Fund, sold underlying investments to Culross Global Investment Management Limited, the Sub-Investment Manager, amounting to US\$14,313,255. Between 7 September 2012 and the year end the Fund sold underlying investments to the Sub-Investment Manager amounting to US\$3,586,526.

The Fund’s holdings in Culross Managed Account Platform and Culross WYE Tree Segregated Portfolio CL X USD S7 were sold for US\$3,104,531 on 31 October 2012 and US\$3,593,636 on 1 October 2012 respectively. The sub-investment management agreement was terminated on 7 September 2012.

At 31 December 2011, the Fund has invested into two investment funds that are connected to the Sub-Investment Manager. The following table details these investments:

Investment fund	Number of shares	Fair value	Management fee	Performance fee
Culross Managed Account Platform	2,933	3,076,230	1.5%	20%
Culross WYE Tree Segregated Portfolio CL X USD S7	3,000	2,837,907	1.5%	Variable*

*The performance fee for Culross WYE Tree Segregated Portfolio CL X USD S7 is calculated for each series as follows:

Blue Ink Global Circa Fund plc comprising Blue Ink Global Circa Fund

Notes

to and forming part of the financial statements for the year ended 31 December 2012 (*continued*)

16. Related parties (*continued*)

If the Net Performance increase does not exceed the Hurdle Rate of 17%, the following “tiered” incentive fee structure shall apply and the Manager shall receive the sum of the following:

- (i) To the extent that the Net Performance increase does not exceed the Hurdle Rate of 5%;
- (ii) To the extent that the Net Performance increase exceeds the Hurdle Rate of 5% but does not exceed the Hurdle Rate of 10%, a fee equal to (x) 12% multiplied by (y) the Net Performance increase minus 5% (which is subject to the 0% fee described at (i), multiplied by (z) the High Water Mark multiplied by the number of Shares of the series in issue; and
- (iii) To the extent that the Net Performance Increase exceeds the Hurdle Rate of 10% but does not exceed the Hurdle Rate of 17%, a fee equal to (x) 25% multiplied by (y) the Net Performance Increase minus 10% (which is subject to the 12% fee described at (ii), multiplied by (z) the High Water Mark multiplied by the number of Shares of the series in issue.

There are no fee rebate agreements in place with relation to these related party investments.

17. Subsequent events

A decision was taken during 2012 to cease the investment strategy and to wind down the Fund. The advisor to the Blue Ink Global Circa Fund was duly terminated and, with effect from 30th September 2012, the Fund has been managed with the intention of closing and redeeming out of all investments held as at that date. In respect of 2013 and henceforth, Blue Ink Global Circa Fund plc is now a holdings vehicle for the Sanlam Group investing in multiple Sanlam funds with different investment objectives. The only shareholder of the Fund is a Sanlam Group Company.

On 2 January 2013, the Fund issued an updated Supplement to the Company’s prospectus outlining the following amendments to the Fund:

Amendment to the Investment Policy of the Fund

The Fund’s investment policy was amended to reflect the following:

- That the Fund may invest globally across all financial markets in a diverse range of CIS and in excess of 50% of the net asset value in any of the following fund of funds: Sanlam International Multi-Asset I Fund, Sanlam International Multi-Asset II Fund and/or Sanlam International Multi-Asset III Fund (the “Underlying CIS”). These funds are also managed by the Investment Manager;
- That the Fund may also invest in CIS which pursue a fixed income investment strategy; and
- That the Fund may also invest up to 100% of its net asset value in exchange traded funds pursuant to the Fund’s investment objective.

Amendment to the Risk Factors of the Fund

The Fund’s Investment Manager may discharge any applicable management and or performance fees provided for at the Underlying CIS level out of its management fees.

Amendment to the Redemption Dealing Day and Redemption Dealing Deadline of the Fund

The Fund’s redemption dealing day was changed from the last business day of each calendar quarter to the last business day of each calendar month. The Fund’s redemption dealing deadline was changed from ninety calendar days prior to the relevant dealing day to thirty calendar days prior to the relevant dealing day.

Blue Ink Global Circa Fund plc

comprising Blue Ink Global Circa Fund

Notes

to and forming part of the financial statements for the year ended 31 December 2012 (*continued*)

17. Subsequent events (*continued*)

Amendment to the Fees and Expenses of the Fund

The Fund's fees and expenses changes as follows:

- The annual fees of the Investment Manager were reduced to 0.75% from 1% per annum of the net asset value of the Fund attributable to the Class A shares;
- The operational fees payable to the Investment Manager were removed;
- The incentive fees payable to the Investment Manager were removed; and
- The annual management fee charged by the CIS will not exceed 2.5%.

On the 1 January 2013, Harbinger L Series 2 and Harbinger PE series 2 were sold by Blue Ink Global Circa Fund to Blue Ink Global Diversified Fund for their fair value at 31 December 2012 amounting to US\$16,234 and US\$111,928 respectively.

There have been no other events subsequent to the year end that will have an impact on the financial statements for the year ended 31 December 2012.

18. Soft commission arrangements

The Investment Manager may effect transactions through the agency of another person with whom the Investment Manager has an arrangement under which that party will from time to time provide or procure for the Investment Manager goods, services or other benefits such as research and advisory services, computer hardware associated with specialised software or research services and performance measures etc. Under such arrangements, no direct payment is made for such services or benefits, but instead the Investment Manager undertakes to place business with that party.

In such case, the Investment Manager ensures that such benefits provided under the arrangements assist in the provision of investment services to the relevant Fund and the broker/counterparty to the arrangement has agreed to provide best execution to the relevant Fund. During the years ended 31 December 2012 or 31 December 2011, the Investment Manager did not enter into any soft commission arrangements.

19. Commitments and contingencies

There are no commitments or contingencies at the reporting date (2011: Nil).

20. Dividend payable

There were no proposed dividends for the years ended 31 December 2012 or 31 December 2011.

21. Comparative period and review

The current financial statements are for the year ended 31 December 2012. The comparative period portrayed in these accounts is the year ended 31 December 2011.

There has been no reclassification of prior year comparative figures in 2012.

Blue Ink Global Circa Fund plc comprising Blue Ink Global Circa Fund

Notes

to and forming part of the financial statements for the year ended 31 December 2012 (*continued*)

22. Statement of changes in the portfolio

A statement of changes in the portfolio is available to shareholders from the administrator, free of charge, upon request.

23. Approval of financial statements

The Financial Statements of Blue Ink Global Circa plc comprising Blue Ink Global Circa Fund for the year ended 31 December 2012 were authorised for issue in accordance with a resolution of the Board of Directors on 24 April 2013.

Blue Ink Global Circa Fund plc
comprising Blue Ink Global Circa Fund

Schedule of investments

for the year ended 31 December 2012

(Expressed in US\$)

	Number of Shares	Fair Value	% of Net Asset Value
Investment funds – US\$			
Harbinger L Series 2	16	16,234	0.13%
Harbinger PE series 2	1009	111,928	0.92%
Paulson Credit Opportunities	2380	3,269,296	26.88%
Pine River Fixed Income Fund Ltd – Class B – Series 1	538	1,516,946	12.47%
Total investment funds		4,914,404	40.40%
Cash and cash equivalents		2,957,300	24.32%
Other net assets		4,290,910	35.28%
Net asset value		12,162,614	100.00%

Blue Ink Global Circa Fund plc

comprising Blue Ink Global Circa Fund

Schedule of investments

for the year ended 31 December 2011

(Expressed in US\$)

Investment funds – US\$	Number of Shares	Fair Value	% of Net Asset Value
AAM Absolute Return Fund Class A	39,975	6,423,999	6.64%
Alphabridge Fixed Income Fund Non-Voting Series 1	678	1,857,314	1.92%
Amethyst Arbitrage Fund Class B	467	1,013,811	1.05%
Autonomy Global Macro Fund Ltd AB SPV Series 1	969	50,352	0.05%
Autonomy Global Macro Fund Ltd AB SPV Series 2	112	5,830	0.01%
BIA Pacific Fund - USD Class Ordinary Shares	29,335	5,826,534	6.02%
BIA Pacific Macro-Fund USD Share Class	30,660	5,004,620	5.17%
Bluegold Global Fund Inc Class C USD Non New issue	31,014	2,596,620	2.68%
Brevan Howard Emerging Markets Strats Fund Cl A-US	1,660	211,925	0.22%
Capula Tail Risk Fund Limited Class C USD Voting Series 12	10,000	1,068,459	1.10%
Capula Tail Risk Fund Limited Class B USD Series 5	11,000	1,248,795	1.29%
Capula Tail Risk Fund Limited Class C USD Voting Series 6	11,000	1,237,558	1.28%
Chenavari Multi Strategy Credit Fund Ltd Cls M1USD	15,717	1,708,283	1.77%
Chenavari Multi Strategy Fund Limited Class M USD	24,628	2,945,236	3.04%
Culross Managed Account Platform	2,933	3,076,230	3.18%
Culross WYE Tree Segregated Portfolio CL X USD S7	3,000	2,837,907	2.93%
Dymon Asia Macro CL A Series 203	1,500	1,565,205	1.62%
Dymon Asia Macro CL A Series 265	1,500	1,493,190	1.54%
EJF Debt Opportunities Offshore CL A Series 2011-06	15,000	1,350,120	1.40%
EJF Debt Opportunities Offshore CL A Series 2011-11	10,000	1,019,117	1.05%
EJF Debt Opportunities Offshore CL A Series 2011-05	15,000	1,373,034	1.42%
Elizabeth Park Capital Offshore	2,300	2,318,674	2.40%
Forum Global Opportunities Fund CL A: 1- 11/11	2,000	2,024,075	2.09%
Forum Global Opportunities Fund CL A: 1- 12/11	1,000	967,447	1.00%
Granada Europe Fund USD A Class	980	1,688,678	1.75%
Harbinger L Series 2	16	18,686	0.02%
Harbinger PE Series 1	1,009	156,106	0.16%
Hite Hedge Offshore Ltd Class A 0411	3,500	3,641,564	3.76%
Kerrisdale Partners Offshore Series 11-2011 CL 1	1,500	1,601,431	1.66%
Odey European Fund Inc USD Class	4,540	1,166,508	1.21%
OEI MAC INC (USD)	143	198,146	0.20%
Outrider Offshore CL.B Series 1	755	1,780,798	1.84%
Paulson Advantage Plus, Ltd - CMN Shares	7,444	2,103,320	2.17%
Paulson Credit Opportunities	3,173	4,006,625	4.14%
Paulson Enhanced Ltd CL Series 1 R	1,443	1,014,872	1.05%
Pine River Fixed Income Fund Ltd - Class B - Ser 1	1,076	2,249,812	2.33%
Potomac River Cap Fd, Ltd Series 3 CLS L	16	15,228	0.02%
Potomac River Cap Fd, Ltd Series 4 CLS L	10	9,620	0.01%
Round Table Global Macro Fund Class A 10 04/11	3,000	2,687,166	2.78%

Blue Ink Global Circa Fund plc
comprising Blue Ink Global Circa Fund

Schedule of investments *(continued)*
for the year ended 31 December 2011
(Expressed in US\$)

Investment funds – US\$ <i>(continued)</i>	Number of Shares	Fair Value	% of Net Asset Value
RWC Samsara Fund Inc - Class B	25,202	2,888,982	2.99%
Serica Credit Balanced Fund Class A Series 1	32,208	4,533,114	4.69%
TAL China Focus Fund Class A Shares	16,393	1,815,402	1.88%
The Segantii Asia	19,031	3,993,090	4.13%
TT Financial Long	13,183	1,996,901	2.06%
Whitebox Credit Arbitrage Fund Series B-10	1,666	1,667,191	1.72%
Whitebox Credit Arbitrage Fund Series CL B-08-11	67	21,044	0.02%
ZLP Offshore Opportunity Fund CL A Series 11-2011	15,000	1,451,811	1.50%
Total investment funds		89,930,430	92.96%
Equity investments – US\$			
Homeland Renewable Energy	751	-	-
Total equity investments		-	-
Cash and cash equivalents		2,719,112	2.81%
Other net assets		4,093,326	4.23%
Net asset value		96,742,868	100%

NOTICE OF GENERAL MEETING
of
BLUE INK GLOBAL CIRCA FUND PLC

Notice is hereby given that the annual general meeting of Blue Ink Global Circa Fund Plc will be held at the offices of Sanlam Asset Management (Ireland) Limited, Beech House, Beech Hill Road, Dublin 4 on 27 June 2013 at 10.00 am for the following purposes:

- To receive and consider the financial statements for the year ended 31 December 2012 and the reports of the Directors and auditors thereon.
- To appoint Ernst & Young as auditors of the Company.
- To authorise the Directors to fix the remuneration of the auditors.
- And to transact any other business which may properly be brought before the meeting.

By Order of the Board
Sanlam Asset Management (Ireland) Limited

Dated 24 April 2013

Registered Office:
Beech House, Beech Hill Road, Dublin 4.

A member entitled to attend and vote may appoint a proxy to attend, speak and vote on his behalf. A proxy need not be a member of the Company.

PROXY FORM

BLUE INK GLOBAL CIRCA FUND PLC

I/We.....

.....

Please insert your name in block capitals

.....

.....

Please insert your name in block capitals

being a Shareholder in Blue Ink Global Circa Fund Plc hereby appoint

.....

.....

Please insert the name of someone who can attend on your behalf or else leave this space blank – see notes below

or failing him/her the Chairman of the Meeting or failing him/her Gerardine Kelly

to vote on my/our behalf at the Meeting of the shareholders of the Company to be held on 27 June 2013 at 10.00 am and at any adjournment thereof. I/We instruct my/our proxy to vote in the manner indicated below in respect of each of the Resolutions. Failing any specific instruction, the proxy will vote at his/her complete discretion.

IN FAVOUR OF / AGAINST
Please tick appropriate box

- | | | |
|--|--------------------------|--------------------------|
| 1. To receive and consider the financial statements for the year ended 31 December 2012 and the reports of the Directors and auditors thereon. | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. To appoint Ernst & Young as auditors of the Company. | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. To authorise the Directors to fix the remuneration of the auditors. | <input type="checkbox"/> | <input type="checkbox"/> |

Signature

Date

PROXY FORM *(continued)*

BLUE INK GLOBAL CIRCA FUND PLC

Notes:

A Shareholder entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote instead of him/her. If you wish to appoint as your proxy some person other than the Chairman of the meeting or Gerardine Kelly, insert in block capitals the full name of the person of your choice in the space provided. A proxy need not be a Shareholder of the Company.

The proxy will exercise his/her discretion as to how he/she votes or whether he/she abstains from voting on the resolutions referred to above if no instruction is given of the resolutions, and on any business or resolution considered at the Meeting other than the resolutions to above.

This proxy form (and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof) must be deposited at the registered office of the Company, Beech House, Beech Hill Road, Dublin 4, Ireland attention Gerardine Kelly (or fax to: 353 1 205 3521) no later than the time appointed for the meeting. If the appointer is a corporation, this proxy form must be executed under the seal or under the hand of some officer or attorney duly authorised on its behalf. In the case of joint holders, any one holder may sign. The completion and return of the proxy form will not preclude Shareholders from attending and voting at the Meeting should they decide to do so.
