

**Blue Ink Global Medium Hub Fund plc
comprising Blue Ink Global Medium Hub Fund**

**Financial Statements
for the year ended 31 December 2012**

Blue Ink Global Medium Hub Fund plc comprising Blue Ink Global Medium Hub 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	3-6
Director's responsibilities statement	7
Custodian's report	8
Investment Manager's report	9
Independent Auditor's report	10-11
Statement of financial position	12
Statement of comprehensive income	13
Statement of changes in net assets attributable to the holders of redeemable participating shares	14
Statement of cash flows	15
Notes to and forming part of the financial statements	16-42
Schedule of investments	43-44

Blue Ink Global Medium Hub Fund plc comprising Blue Ink Global Medium Hub Fund

Directors, officers and other information

The Company	Blue Ink Global Medium Hub Fund plc
The Fund	Blue Ink Global Medium Hub Fund
Company Registration Number	493309*
Board of Directors	Peter Murray (<i>independent**</i>) Paul Dobbyn (<i>independent***</i>) Anton Gildenhuis (<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	Sanlam International Investments Limited 52/54 Brook Street London W1K 5DS United Kingdom
Legal Advisors (<i>as to Irish law</i>)	Maples and Calder 75 St. Stephen's Green Dublin 2 Ireland

* 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 Medium Hub Fund plc
comprising Blue Ink Global Medium Hub Fund

Directors, officers and other information (*continued*)

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

* *The Fund's shares ("Class A shares") were de-listed from the Irish Stock Exchange with effect from 8 August 2012.*

Blue Ink Global Medium Hub Fund plc comprising Blue Ink Global Medium Hub Fund

Director's report

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

Review of the business and future developments

Blue Ink Global Medium Hub 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 493309, 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 Medium Hub Fund (the "Fund"), an open-ended fund.

The Company was originally incorporated in the British Virgin Islands on 31 March 2006 (Registration Number: 1019325) as a company limited by shares under the provisions of the BVI Business Companies Act 2004 as amended. The Company was incorporated as Octane Omega Fund, Ltd., did not trade, and subsequently changed its name to Octane Medium Hub Fund Ltd on 18 December 2006. The Company re-domiciled to Ireland on 4 January 2011.

In December 2011 the Directors, having considered all available information, concluded that it was in the best interest of the Company that the Fund be wound down in an orderly manner. This decision was formally agreed by Directors resolution dated 15 February 2012. The Fund's investments were disposed of in January 2012 and all remaining Participating Shares were redeemed on 3 January 2012. Redemption payments were made throughout the year from investment disposal proceeds received.

Principle risks and uncertainties

The principal risks of the Company were the same as those of the Fund, with the exception that the Company was also potentially exposed to cross liability risks. In 2012, this risk was considered non-existent by the Directors as there is only one Fund in existence.

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

The Board considered the principal risk sources to be;

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

For further information on financial risk and management objectives and policies please see note 16.

Dividends

The Directors did not propose the payment of a dividend.

Blue Ink Global Medium Hub Fund plc comprising Blue Ink Global Medium Hub Fund

Director's report (*continued*)

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

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. The Company does not apply additional requirements to those required by the above. 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 Medium Hub Fund plc comprising Blue Ink Global Medium Hub 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 Acts, 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 consists of two non-executive directors.

Blue Ink Global Medium Hub Fund plc comprising Blue Ink Global Medium Hub 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 were 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 12 and 13 respectively.

Subsequent events

There were no redemption payments made post year end. The receivable for securities sold amount of US\$352,377 was paid to the Fund on 8 March 2013 (refer to note 10 for details). The Directors intend to appoint a liquidator subsequent to the approval of the financial statements, and on the completion of the final audit.

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, in order to carry out the final audit of the Company.

By order of the Board of Directors,

Director

Director

Date: 24 April 2013

Blue Ink Global Medium Hub Fund plc comprising Blue Ink Global Medium Hub 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 Medium Hub Fund plc comprising Blue Ink Global Medium Hub Fund

Custodian's report

Report of the Custodian to the Shareholders

We have enquired into the conduct of the Blue Ink Global Medium Hub 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 Medium Hub Fund plc
comprising Blue Ink Global Medium Hub Fund

Investment Manager's report

Fund Outlook

At the end of 2011, all investments in the Fund were liquidated with the intention of closing the Fund in 2012.

In December 2011, the Directors, having considered all available information, concluded that it was in the best interest of the Company that the Fund be wound down in an orderly manner. This decision was formally agreed by Directors resolution dated 15 February 2012. The Fund's investments were disposed of in January 2012 and all remaining Participating Shares were redeemed on 3 January 2012. Redemption payments were made throughout the year from investment disposal proceeds received.

Sanlam International Investments Limited

24 April 2013

Independent Auditor's report

to the members of
Blue Ink Global Medium Hub Fund plc
comprising Blue Ink Global Medium Hub Fund

We have audited the financial statements of Blue Ink Global Medium Hub 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 24. 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. These financial statements have been prepared on a termination basis.

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 7 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 Medium Hub Fund plc
comprising Blue Ink Global Medium Hub 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 Medium Hub Fund plc
comprising Blue Ink Global Medium Hub 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	206,912	4,103,848
Receivable for securities sold	10	352,377	15,345,991
Amounts due from related party	18	-	1,788,384
Financial assets (at fair value through profit or loss)	9	-	19,288,800
Total assets		559,289	40,527,023
Liabilities			
Amounts due to shareholders		(367,777)	-
Amounts due to related party	18	(100,606)	-
Accounts payable and accruals		(57,913)	(90,126)
Audit fees payable	12	(23,755)	(51,192)
Administration fees payable	12	(9,238)	(51,618)
Management fees payable	11	-	(126,247)
Custodian fees payable	12	-	(50,997)
Operating fees payable	11	-	(50,518)
Directors' fees payable	13	-	(41,472)
Total liabilities		(559,289)	(462,170)
Net assets attributable to the holders of redeemable participating shares	4	-	40,064,853

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 12 to 44 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 Medium Hub Fund plc
comprising Blue Ink Global Medium Hub 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)	393,685	(304,914)
Net (loss)/gain on foreign currency transactions	8(b)	(4,170)	74,027
Other income		10,931	-
Total income/(expense)		<u>400,446</u>	<u>(230,887)</u>
Expenses			
Other expenses	14	(35,509)	(393,784)
Audit fees	12	(6,685)	(57,313)
Administration fees	12	-	(91,168)
Operating fees	11	-	(82,979)
Management fees	11	-	(1,036,991)
Directors' fees	13	-	(48,717)
Interest on Bank draft		-	(445)
Custodian fees including a reversal of prior year accruals	12	9,525	(148,104)
Total expenses		<u>(32,669)</u>	<u>(1,859,501)</u>
Total comprehensive income/(deficit) for the year		<u>367,777</u>	<u>(2,090,388)</u>

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

Blue Ink Global Medium Hub Fund plc
comprising Blue Ink Global Medium Hub 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		
Total comprehensive income/(deficit) for the year	367,777	(2,090,388)
Share capital transactions		
Redemption of shares during the year	(40,432,630)	(120,508,512)
Net decrease in net assets attributable to the holders of redeemable participating shares from capital transactions	(40,432,630)	(120,508,512)
Net decrease in net assets attributable to the holders of redeemable participating shares during the year	(40,064,853)	(122,598,900)
Net assets attributable to the holders of redeemable participating shares at the beginning of the year	40,064,853	162,663,753
Net assets attributable to the holders of redeemable participating shares at the end of the year	-	40,064,853

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

Blue Ink Global Medium Hub Fund plc
comprising Blue Ink Global Medium Hub 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		367,777	(2,090,388)
<i>Adjustments to reconcile total comprehensive income/(deficit) for the year to net cash inflow from operating activities:</i>			
Net (gain)/loss on financial assets (at fair value through profit or loss)		(393,685)	304,914
Decrease in fee rebates receivable		-	637,398
Decrease in accrued expenses and other payables		(270,657)	(713,254)
Purchases of financial assets		-	(92,214,808)
Sales of financial assets		36,464,482	211,523,966
		<hr/>	<hr/>
Net cash provided by operating activities		36,167,917	117,447,828
		<hr/>	<hr/>
Cash flows from financing activities			
Payments on redemption of shares		(40,064,853)	(120,508,512)
		<hr/>	<hr/>
Net cash used in financing activities		(40,064,853)	(120,508,512)
		<hr/>	<hr/>
Net decrease in cash and cash equivalents		(3,896,936)	(3,060,684)
Cash and cash equivalent at the beginning of the year		4,103,848	7,164,532
		<hr/>	<hr/>
Cash and cash equivalents at the end of the year	7	206,912	4,103,848
		<hr/>	<hr/>
Cash flows from operating activities include:			
Interest paid		-	720
		<hr/>	<hr/>

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

Blue Ink Global Medium Hub Fund plc comprising Blue Ink Global Medium Hub Fund

Notes

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

1. General information

Blue Ink Global Medium Hub 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 493309. It was a designated company pursuant to section 256 of the Act. Accordingly, the Company and each of the Funds were supervised by the Central Bank of Ireland. The Company is 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 was 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 was segregated liability between Funds. At 31 December 2012, the Company had one fund, Blue Ink Global Medium Hub Fund (the “Fund”), an open-ended fund.

The Company was originally incorporated in the British Virgin Islands (“BVI”) on 31 March 2006 (Registration Number: 1019325), as a company limited by shares under the provisions of the BVI Business Companies Act 2004 as amended. The Company was incorporated as Octane Omega Fund, Ltd., did not trade, and subsequently changed its name to Octane Medium Hub Fund Ltd on 18 December 2006. 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.

In December 2011, the Directors, having considered all available information, concluded that it was in the best interest of the Company that the Fund be wound down in an orderly manner. This decision was formally agreed by Directors resolution dated 15 February 2012. The Fund’s investments were disposed of in January 2012 and all remaining Participating Shares were redeemed on 3 January 2012. Redemption payments were made throughout the year from investment disposal proceeds received.

The Company appointed Sanlam Asset Management (Ireland) Limited (the “Manager”) as the manager of the Fund on the 4 January 2011. Sanlam International Investments Limited was appointed as investment manager (the “Investment Manager”). The Investment Manager is incorporated in the United Kingdom.

Pursuant to an 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 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 Medium Hub Fund plc comprising Blue Ink Global Medium Hub 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.

The Fund's shares ("Class A shares") were listed on the Irish Stock Exchange from the 15 April 2011 until delisting on 8 August 2012.

The Fund had 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 have been prepared on a termination basis where all assets are classified as current and are stated at estimated recoverable amounts and all liabilities are classified as falling due within one year with full provision made for estimated costs of termination to be borne by the Fund. The financial statements are presented in US\$, which is the Fund's functional currency.

As explained in note 1, in December 2011 the Directors, having considered all available information, concluded that it was in the best interest of the Company that the Fund be wound down in an orderly manner. This decision was formally agreed by Directors resolution dated 15 February 2012. The Fund's investments were disposed of in January 2012 and all remaining Participating Shares were redeemed on 3 January 2012. Redemption payments were made throughout the year from investment disposal proceeds received.

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 Medium Hub Fund plc comprising Blue Ink Global Medium Hub 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 IAS 39, *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 was provided internally on that basis to the Investment Manager and to the Board of Directors. At 31 December 2012, the Fund did not hold any financial assets or liabilities classified at fair value through profit or loss upon initial recognition.

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 Medium Hub Fund plc comprising Blue Ink Global Medium Hub 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 were derecognised, as well as through the amortisation process.

Fair value measurement principles

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

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

The fair value of the investment funds was based on the unaudited net asset value (“NAV”) per share obtained from the respective administrators of the underlying funds. On occasion, the Directors could permit the use of estimated net asset values. Estimated net asset values were based on information supplied by the relevant funds. No estimated net asset values were used during the year or prior year. At 31 December 2012, the Fund did not hold any investment funds.

An analysis of fair value and financial instruments and further details as to how they were measured are provided in note 17.

(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.

Blue Ink Global Medium Hub Fund plc

comprising Blue Ink Global Medium Hub 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*)

(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 existed 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 was objective evidence of impairment. If any such indication existed, 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 could 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 was recognised gross of any recoverable withholding tax in the statement of comprehensive income as the interest accrued (taking into account the effective yield on the asset) unless collectability was in doubt.

Dividend income, if any, was recognised when the right to receive the dividend was established and was 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 issued one class of redeemable Participating Shares and one class of Subscriber Shares. The redeemable Participating Shares did not meet the criteria of an equity instrument under IAS 32 as the Subscriber Shares are a subordinate share class. Consequently redeemable Participating Shares were classified as a financial liability.

(d) Net asset value per Participating Share

The net asset value of each Class/Series of Participating Shares is expressed as a per share figure and is 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 redeemable participating shareholders, unless otherwise stated.

Blue Ink Global Medium Hub Fund plc comprising Blue Ink Global Medium Hub 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*)

(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 were 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 consisted 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 was evaluated and its liquidity was 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 were 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.

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 overleaf.

Blue Ink Global Medium Hub Fund plc

comprising Blue Ink Global Medium Hub 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*)

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

Of the new and amended standards that have been issued but are not yet effective, none are expected to be relevant to the Fund's operations and financial statements as these financial statements represent the termination set.

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 recognised in the financial statements and accompanying notes. However, uncertainty about these assumptions and estimates can result in outcomes that could require a material adjustment to the carrying amount of the assets or liabilities affected in future periods.

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

In the process of applying the Fund's accounting policies, the Directors made the following judgments, which have the most significant effect on the amounts recognised in the financial statements.

(i) 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.

Blue Ink Global Medium Hub Fund plc comprising Blue Ink Global Medium Hub 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 (*continued*)

(ii) *Going concern*

In December 2011, the Directors, having considered all available information, concluded that it was in the best interest of the Company that the Fund be wound down in an orderly manner. This decision was formally agreed by Directors resolution dated 15 February 2012. The Fund's investments were disposed of in January 2012 and all remaining Participating Shares were redeemed on 3 January 2012.

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, there were no Participating Shares in issue. At 31 December 2011, Class A was the only class of shares in issue.

Participating Shares

The Participating Shares were divided into as many Class and Series comprising such number of Participating Shares as the Directors determined from time to time. Only the Participating Shares were issued to investors. All Shares of each Class will rank *pari passu* save as provided for in the relevant Supplement.

The functional currency of the Fund was US\$. The Participating Shares in any Class could be issued in a different currency as the Directors determined 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.

The Directors at all times maintained separate accounts and separately identified the assets of the Fund as related to each Class or Series of Participating Shares in issue and did 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 were 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 bore to the net value of the assets belonging to all Classes and or Series of Participating Shares of the Fund.

Blue Ink Global Medium Hub Fund plc

comprising Blue Ink Global Medium Hub Fund

Notes

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

4. Participating and Subscriber Shares (*continued*)

Upon liquidation of the Company the assets available for distribution and which are attributable to a Class or Series are allocated to the shareholders of the respective Class or Series in proportion to the number of shares held in the Class or Series to the total number of shares of the Class or Series in issue at the date of commencement of wind-up.

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 was not subject to externally imposed capital requirements and had no restrictions on the issue and redemptions of shares.

The Fund's objectives for managing capital was:

- 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 C	Class E
Number of Participating Shares in issue at 31 December 2010	179,914.843	186.298	315.330
Shares issued	-	-	-
Shares redeemed	(133,368.780)	(186.298)	(315.330)
Number of Participating Shares in issue at 31 December 2011	46,546.063	-	-
Shares issued	-	-	-
Shares redeemed	(46,546.063)	-	-
Number of Participating Shares in issue at 31 December 2012	-	-	-

Net asset value per Participating Share

The net asset value per Participating Share was 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.

Blue Ink Global Medium Hub Fund plc

comprising Blue Ink Global Medium Hub Fund

Notes

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

4. Participating and Subscriber Shares (*continued*)

Net asset value per Participating Share (*continued*)

In order to keep the number of different Series outstanding to a minimum at any time, all profitable Series could 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\$	Number of Shares	Net Asset Value per Share US\$
31 December 2012	Class A, Series 1	-	-	-
Total		<u>-</u>	<u>-</u>	<u>-</u>
31 December 2011	Class A, Series 1	40,064,853	46,546.063	860.757
Total		<u>40,064,853</u>		
31 December 2010	Class A, Series 1	162,150,380	179,914.843	901.261
31 December 2010	Class C, Series 1	196,163	186.298	1,052.953
31 December 2010	Class E, Series 1	317,210	315.330	1,005.962
Total		<u>162,663,753</u>		

5. Taxation

Under current law and practice, the Company qualified 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 was 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 did not identify separable geographical or operating segments but rather presented 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.

Blue Ink Global Medium Hub Fund plc

comprising Blue Ink Global Medium Hub Fund

Notes

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

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	206,912	4,039,782
HSBC Securities Services (Luxembourg)	-	64,066
	<u>206,912</u>	<u>4,103,848</u>

8a. Net gain/(loss) 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)	54,446	2,186,714
Unrealised gain/(loss) on financial assets (at fair value through profit or loss)	339,239	(2,491,628)
Net gain/(loss) on financial assets (at fair value through profit or loss)	<u>393,685</u>	<u>(304,914)</u>

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

All amounts expressed in US\$	31 December 2012	31 December 2011
Realised gain on foreign currency	-	70,167
Unrealised (loss)/gain on foreign currency	(4,170)	3,860
Net (loss)/gain on foreign currency transactions	<u>(4,170)</u>	<u>74,027</u>

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

At 31 December 2012, the Fund did not hold any financial assets or liabilities at fair value through profit or loss. At 31 December 2011, the cost, fair value and percentage of the NAV of the financial assets at fair value through profit or loss are as follows:

31 December 2011	Cost	Fair value	Percentage of NAV
All amounts expressed in US\$			
Financial assets (at fair value through the profit or loss)			
- Unlisted investment funds	19,431,936	19,288,800	48.14%

Blue Ink Global Medium Hub Fund plc comprising Blue Ink Global Medium Hub Fund

Notes

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

10. Receivable for securities sold

As part of the proceeds from the disposal of an investment fund, Octane Reliant Fund 1 Limited (“Octane Reliant”), the Fund was assigned an interest in an underlying investment of Octane Reliant. During the year ended 31 December 2012, a payment from this underlying investment was received by Octane Reliant and an amount of US\$352,377 was due to the Fund relating to this transaction. This amount was paid to the Fund on 8 March 2013.

During the year ended 31 December 2011, the Fund redeemed shares from underlying funds that only made 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. At 31 December 2011, the receivable for securities sold amounted to US\$15,345,991 and they were paid to the Fund during 2012.

11. Management, operating and performance fees

Management fees

The Fund signed a Management agreement with Sanlam Asset Management (Ireland) Limited. Pursuant to the Management agreement the Manager is entitled to receive from the Fund a management fee equivalent to 1.25% per annum of the net asset value of the Fund attributable to the Class A shares and 0.75% per annum of the net asset value of the Fund attributable to the Class B shares. The management fee was calculated, accrued and charged on each Valuation Date and was paid quarterly in arrears.

The Manager was 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.

Following the decision to wind down the Fund, no management fees were charged for the year ended 31 December 2012. At 31 December 2012, there were no management fees payable. The management fee for year ended 31 December 2011 amounted to US\$1,036,991. At 31 December 2011, management fees payable amounted to US\$126,247.

The Investment Manager was paid a management fee by the Manager out of its management fee and was not paid out of the assets of the Fund.

Operating fees

Pursuant to the Management agreement 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 was 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 operational fees accrued on each Valuation Day based on the net asset value at the Valuation Point for such Valuation Day and were payable quarterly in arrears.

Following the decision to wind down the Fund, no operating fees were charged for the year ended 31 December 2012. At 31 December 2012, there were no operating fees payable. The operating fee for year ended 31 December 2011 amounted to US\$82,979. At 31 December 2011, operating fees payable amounted to US\$50,518.

Blue Ink Global Medium Hub Fund plc

comprising Blue Ink Global Medium Hub 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*)

Performance fees

The Investment Manager was also entitled to a half-yearly performance fee. The performance fee was equal to 15% of the difference between the percentage movement in the net asset value per Series of Class A Shares or 20% of the difference between the percentage movement in the net asset value per Series of Class B Shares as applicable, and the percentage movement in the Index during the Performance Period multiplied by the average of the net asset value of the Fund attributable to the relevant Series of Shares as at each Valuation Point during the Performance Period prior to any accrual for performance fees but after accruing for all other fees and expenses.

Where the relevant Series of Shares underperformed the Index during a Performance Period, the Investment Manager did not repay any amounts of performance fee paid out of the assets of the Fund attributable to the relevant Series of Shares in respect of previous Performance Periods but no further performance fees would have been charged until such time as any underperformance was recaptured by the relevant Series of Shares.

The performance fee was calculated by the Administrator, subject to verification by the Custodian and accrued in the net asset value per Series of Shares calculated in respect of each Dealing Day based on the performance to date of the relevant Series of Shares during that Performance Period.

There were no performance fees charged to the Fund during the years ended 31 December 2012 or 2011.

12. Administration, custodian and audit fees

Administration fees

As compensation for its services to the Fund, the Administrator was entitled to receive a maximum annual fee (plus disbursements) of 0.10% to be paid quarterly in arrears. The Administrator's fee was subject to a minimum annual fee of €42,000 per annum.

For the year ended 31 December 2012, there was no administration fee charged by the Administrator (2011: US\$91,168). At the reporting date administration fees payable amounted to US\$9,238 (2011: US\$51,618).

Custodian fees

The Custodian to the Fund earned 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 was also paid out-of-pocket expenses plus any sub-custodian's fees (which were charged at normal commercial rates) as well as agreed upon transaction charges (which were at normal commercial rates).

During the year ended 31 December 2012 an amount of US\$9,525 was credited to the Fund to reverse an over accrual of custodian fees occurred in previous periods. During the year ended 31 December 2011, custodian fees amounting to US\$148,104 were charged to the Fund. At the reporting date, custodian fees payable amounted to US\$ Nil (2011: US\$50,997).

Auditor's remuneration

Auditor remuneration amounted to US\$6,685 (2011: US\$57,313). At the reporting date, audit fees payable amounted to US\$23,755 (2011: US\$51,192). The auditor's remuneration related to audit fees.

Blue Ink Global Medium Hub Fund plc

comprising Blue Ink Global Medium Hub Fund

Notes

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

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 that the aggregate fee of each Director in respect of any twelve month accounting period does not exceed €15,000. The Directors are also entitled to be reimbursed for their reasonable out of pocket expenses incurred in discharging their duties.

No Directors' fees were charged to the Fund for the year ended 31 December 2012 (2011: US\$ 48,717). Peter Murray and Paul Dobbyn Directors' fees for 2012, each amounting to US\$10,621, were included in the amount charged for Directors' fees in 2011.

For the year ended 31 December 2011, Peter Murray's Directors fee amounted to US\$20,649, Paul Dobbyn's Directors fee amounted to US\$20,649 and Christiaan Swanepoel's Directors fee amounted to US\$10,281. Also included in Director's fees for the year ended 31 December 2011 is an amount of US\$ (2,862) relating to 2010.

14. Organisation expenses and other expenses

The re-domiciliation expenses of the Company were borne by the Company. These expenses are charged to the Fund on such terms and in such manner as the Directors may at their discretion determine.

Brokerage commissions and transaction charges are charged in connection with the Fund's trading activities and are paid out of the Fund's assets. Brokerage commissions and transaction charges for the year amounted to US\$31,599 (2011: US\$234,292)

These expenses are included within the other expenses caption in the statement of comprehensive income.

15. Termination Expenses

On 15 February 2012, the Board of Directors formally ratified their decision taken in December 2011 to wind down the Fund as at 31 December 2012. The Participating Shares were redeemed on 3 January 2012. The Fund accrued €20,000 termination expenses which are included in other expenses.

Blue Ink Global Medium Hub Fund plc

comprising Blue Ink Global Medium Hub Fund

Notes

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

16. Financial risk management objectives and policies

The Fund's activities exposed it to various types of risks that were associated with the financial assets and liabilities and markets in which it invested.

The Fund was 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 held. However, as stated, the Fund is in the process of being liquidated and holds no financial assets or liabilities classified at fair value through profit or loss at 31 December 2012. Therefore, the Fund had minimal exposure to such risks at 31 December 2012.

The risk management policies employed by the Fund to manage these risks prior to the decision to close the Fund are discussed below.

The Fund's risk was managed through a careful selection of securities and other financial instruments.

The Fund's Investment Manager was responsible for identifying and controlling risks. The Board of Directors supervised the Investment Manager and were ultimately responsible for the overall risk management approach within the Fund.

The Fund's risks were measured using a method that reflected 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 made use of the probabilities derived from historical experience, adjusted to reflect the economic environment.

Monitoring and controlling risks was primarily set up to be performed based on limits established by the Board of Directors. These limits reflected the business strategy and market environment of the Fund as well as the level of the risk that the Fund was willing to accept. In addition, the Fund monitored and measured the overall risk bearing capacity in relation to the aggregate risk exposure across all risk types and activities.

The Fund had 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 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 Medium Hub Fund plc comprising Blue Ink Global Medium Hub Fund

Notes

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

16. 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 had minimal exposure to such risk at 31 December 2012.

At 31 December 2011, the Fund's investments and financial instruments were 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 was determined by the Fund's Investment Manager, who managed the distribution of the assets to achieve the investment objective. The Investment Manager sought to identify, research and monitor underlying funds with the objective of forming a judgement as to how they could ensure the Fund best exploited global markets using diverse market approaches. On this basis the Investment Manager constructed and maintained a portfolio composed of a selection of underlying funds pursuant to the Fund's objectives.

The Investment Manager's selection process focused 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 were integrated into the manager selection and asset allocation processes. This ensured that the Investment Manager conducted 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 had only limited ability to vary its portfolio in response to changing economic, financial and investment conditions. Those risks could have been 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 Medium Hub Fund plc

comprising Blue Ink Global Medium Hub Fund

Notes

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

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

(a) Market risk (*continued*)

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

Strategy	2012 % Portfolio	2011 % Portfolio
Cash	-	38.07
Long/short equity	-	31.88
Multi-strategy	-	11.63
CTA	-	7.48
Global macro	-	5.97
Event driven	-	2.49
Hedge fund replication	-	2.48
Mortgage backed security arbitrage	-	-
Fixed income	-	-
Total	-	100.00

The performance of the Fund's investments depended on correct assessments of the future course of market price movements and other investments by managers of the underlying funds.

Concentration

The investment objectives of the Fund required a degree of position concentration. As the Sub-Fund closed on 31 December 2012, the Fund had no positions at the reporting date (2011: 2 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 could change in a manner that had an adverse effect on the reported value of that portion of the Fund's assets that were denominated in currencies other than US\$.

Concentration of foreign exchange risk could arise if the Fund had 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 tended to move together.

At 31 December 2012, approximately 18% of the Fund's assets and liabilities, as a percentage of the residual balance available to shareholders, is denominated in Euro. However, given the decision to close the Fund and settle all outstanding balances within a short time period this risk is not deemed material.

At 31 December 2011, the Fund did not invest in any non US\$ denominated currency securities and the Fund's currency risk exposure was immaterial.

Blue Ink Global Medium Hub Fund plc

comprising Blue Ink Global Medium Hub Fund

Notes

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

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

(b) Currency risk (*continued*)

The underlying funds, to which the Fund subscribed, could invest in currencies different to the functional currency of the Fund and therefore indirectly exposing the Fund to currency risk. This risk was 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.

At 31 December 2012, the Fund was subject to a degree of interest rate risk with respect to cash balances. However given the decision to close the Fund and settle all outstanding balances within a short time period this risk is not deemed material.

At 31 December 2011, the majority of the Fund's investments were non-interest bearing and as a result the Fund was 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 Fund's interest rate risk was monitored by the investment manager on a regular basis.

The following table details the Fund's exposure to interest rate risk. It includes the Fund'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>Loans and receivables</i>					
Cash and cash equivalents	206,912	-	-	-	206,912
Receivable for securities sold	-	-	-	352,377	352,377
Total Assets	206,912	-	-	352,377	559,289
Liabilities					
<i>Financial liabilities measured at amortised cost:</i>					
Accrued expenses and other payables	-	-	-	559,289	559,289
Total Liabilities	-	-	-	559,289	559,289
Total interest sensitivity gap	206,912	-	-		

Blue Ink Global Medium Hub Fund plc

comprising Blue Ink Global Medium Hub Fund

Notes

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

16. 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	-	-	-	19,288,800	19,288,800
<i>Loans and receivables</i>					
Cash and cash equivalents	4,103,848	-	-	-	4,103,848
Receivable for securities sold	-	-	-	15,345,991	15,345,991
Debtors receivable	-	-	-	1,788,384	1,788,384
Total Assets	4,103,848	-	-	36,423,175	40,527,023
Liabilities excluding non-voting redeemable participating shares					
<i>Financial liabilities measured at amortised cost:</i>					
Accrued expenses and other payables	-	-	-	(462,170)	(462,170)
Total Liabilities	-	-	-	(462,170)	(462,170)
Total interest sensitivity gap	4,103,848	-	-		

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\$2,069 (2011: US\$41,038). 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. At 31 December 2012, the Fund is not exposed to other price risk.

At 31 December 2011, as a material element of the Fund's financial instruments were carried at fair value with fair value changes recognised in the statement of comprehensive income, all changes in market conditions directly affected investment income.

Price risk was managed by the Fund's Investment Manager by constructing a diversified portfolio of funds which traded instruments on various markets and followed various investment strategies. In addition, price risk could be alleviated within those funds using derivative financial instruments such as options or futures contracts. The Investment Manager monitored the underlying funds (to the extent possible) along with news flow and economic data, to monitor and assess the overall price risk faced by the Fund.

Blue Ink Global Medium Hub Fund plc

comprising Blue Ink Global Medium Hub Fund

Notes

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

16. 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 forecasted the change in the future value of the Fund by multiplying the expected change in the benchmark index with the beta coefficient of the Fund. The Investment Manager selected the MSCI World Index as the appropriate benchmark for this purpose.

The Investment Manager used the benchmark index for reference purposes only. The composition of the Fund's portfolio and the correlation to the index was expected to change over time. No sensitivity analysis was prepared at the reporting date as the Fund had disposed of its portfolio of investments. The sensitivity analysis prepared as at 31 December 2011 was 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.

At 31 December 2011, 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 was a percentage increase of 1.70%. A 5% weakening of the index would have resulted in a percentage decrease of 1.22% at 31 December 2011.

(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 managed 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	206,912	4,103,848
Other receivables and prepayments	352,377	17,134,375
Total	559,289	21,238,223

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 deteriorated significantly the Investment Manager would have deal with another provider.

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

Blue Ink Global Medium Hub Fund plc

comprising Blue Ink Global Medium Hub Fund

Notes

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

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

(e) Credit risk (*continued*)

Credit risk/price risk

During 2012 the Fund disposed of its remaining investments in the underlying funds and does not hold any non-cash assets at 31 December 2012.

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

The custodian 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 not have been accounted for as an identifiable separate pool of assets and, as such, would not have been available for distribution to the custodian's general creditors.

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

The Investment Manager incorporated an assessment of those risks into their management selection and portfolio construction process, with a view to maintaining an exposure which was 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.

(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 provided for the creation and cancellation of shares and it was 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 were 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 allowed for redemptions on the last day of each calendar quarter and shareholders had to provide 90 calendar days' notice. The Fund was therefore potentially exposed to the liquidity risk of meeting redemption requests.

Blue Ink Global Medium Hub Fund plc

comprising Blue Ink Global Medium Hub Fund

Notes

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

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

(f) Liquidity risk (*continued*)

As at the 31 December 2012, there was no liquidity risk in meeting redemption requests as all Participating Shares of the Fund had been redeemed. As discussed previously the Fund is in the process of being wound down and the remaining outstanding creditors will receive settlement in due course.

At the 31 December 2012, the Fund's portfolio was made up of cash and cash equivalents (56.26% of the residual balance due to Shareholders) and receivable for securities sold (95.81% of the residual balance due to Shareholders).

At the 31 December 2011, the Fund's portfolio is made up of cash and cash equivalents (10.24% of the NAV), receivable for securities sold (38.30% of the NAV), debtors receivable (4.46% of the NAV) and financial assets (at fair value through profit or loss) (48.14% of the NAV).

The following table details the Fund's liquidity analysis for 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.

2011 Redemption Frequency		Redemption notice period					Grand total
		<15	16-30	31-45	46-60	61-90	
Annually	Number of underlying investments	-	-	-	-	-	-
	Financial assets %	-	-	-	-	-	-
Quarterly	Number of underlying investments	-	-	2	1	1	4
	Financial assets %	-	-	5.98%	2.48%	8.41%	16.87%
Monthly	Number of underlying investments	1	8	2	-	1	12
	Financial assets %	4.51%	22.97%	11.04%	-	4.06%	42.58%
Weekly	Number of underlying investments	-	-	-	-	-	-
	Financial assets %	-	-	-	-	-	-
Daily	Number of underlying investments	2	-	-	-	-	2
	Financial assets %	40.55%	-	-	-	-	40.55%
Total							
	Number of underlying Investments	3	8	4	1	2	18
	Financial assets %	45.06%	22.97%	17.02%	2.48%	12.47%	100.00%

The liquidity of the Fund was monitored quarterly by the Investment Manager to ensure that redemption requests could be met.

The Fund's ability to withdraw monies from or invest monies in underlying funds with such restrictions was limited and such restrictions limited the Fund's flexibility to reallocate such assets among underlying funds. The Fund could have been affected by gates or redemption suspensions, applied by the managers of the underlying funds, which could have affected its liquidity.

Blue Ink Global Medium Hub Fund plc

comprising Blue Ink Global Medium Hub Fund

Notes

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

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

(f) Liquidity risk (*continued*)

The underlying funds had the ability to suspend redemptions from the fund. Investment funds can 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 2011, none of the underlying funds had gates or suspended redemptions.

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	-	-	-	-
Custodian fees	-	-	-	-
Operating fee payable	-	-	-	-
Administration fee payable	-	9,238	-	-
Audit fee payable	-	23,755	-	-
Directors fees payable	-	-	-	-
Accounts payable and accruals	-	57,913	-	-
Amounts due to related parties	-	100,606	-	-
Amounts due to shareholders	-	-	-	367,777
Net asset value attributable to holders of redeemable participating shareholders	-	-	-	-

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	More than 1 year
<i>Financial liabilities:</i>	-	-	-	-
Management fee payable	-	126,247	-	-
Custodian fees	-	50,997	-	-
Operating fee payable	-	50,518	-	-
Administration fee payable	-	51,618	-	-
Audit fee payable	-	51,192	-	-
Directors fees payable	41,472	-	-	-
Accounts payable and accruals	90,126	-	-	-
Net asset value attributable to holders of redeemable participating shareholders	-	-	40,064,853	-

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

Blue Ink Global Medium Hub Fund plc

comprising Blue Ink Global Medium Hub Fund

Notes

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

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

(f) Liquidity risk (*continued*)

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 had 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 had 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 was 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 was conditional upon certain financial conditions which were stated in the agreement. A fee of €5,000 per annum was paid to the Custodian for this facility. Interest would 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 arose during the year or prior year.

17. 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 from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 those involving 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 those with inputs for the asset or liability that are not based on observable market data (unobservable inputs).

At 31 December 2012, the Fund did not hold any financial assets or liabilities classified at fair value through profit or loss.

31 December 2011	Total US\$	Level 1 US\$	Level 2 US\$	Level 3 US\$
<i>Financial assets (at fair value through profit or loss)</i>				
- Unlisted investment funds	19,288,800	-	19,288,800	-
Total financial assets at fair value through profit or loss	19,288,800	-	19,288,800	-

Blue Ink Global Medium Hub Fund plc comprising Blue Ink Global Medium Hub Fund

Notes

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

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

In certain cases, the inputs used to measure fair value could fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy was 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 required judgement, and considered factors specific to the investment.

There were no transfers between the levels during 2012 or 2011.

Valuation methods

The Fund invested in managed funds which are not quoted in an active market and which may have been subject to restrictions on redemptions such as lock up periods, redemption gates and side pockets. Transactions in the shares of such funds did not occur on a regular basis. Investments in those funds were valued based on the Net Assets Value ("NAV") per share published by the administrator of those funds. Such a NAV was adjusted when necessary, to reflect the effect of the time passed since the calculation date, liquidity risk, limitations on redemptions and other factors. 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 classified the fair value of that investment as either level 2 or level 3.

The Investment Manager then considered 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 were included in level 3 of the fair value hierarchy, since the adjustments were partly based on unobservable inputs. At 31 December 2011, no adjustments had been made to the net assets values as provided.

18. 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.

Blue Ink Global Medium Hub Fund plc

comprising Blue Ink Global Medium Hub Fund

Notes

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

18. Related parties *(continued)*

The Fund was managed and controlled by its Board of Directors, Peter Murray, Paul Dobbyn and Anton Gildenhuis.

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. Transactions between the Fund and other Blue Ink Funds can be found below.

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. Legal fees for the year ended 31 December 2012 amounted to US\$4,749 (2011: US\$25,240). An amount of US\$6,480 was also credited to the fund as a result of a reduction in the estimated legal costs accrued for the wind-up of the Company. At the reporting date, legal fees payable amounted to US\$13,197 (2011: US\$19,440). These payables relate to the estimated wind-up costs of the Fund.

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 the Manager. He is also a Director of Sanlam Life and Pensions Limited.

At 31 December 2012, an amount of US\$100,606 (2011: US\$Nil) is owed by the Fund to Blue Ink Global Diversified Fund. This amount due to Blue Ink Global Diversified Fund relates to a reallocation of redemption proceeds received from the disposal of an underlying investment of the Fund.

At 31 December 2012, an amount of US\$Nil (2011: US\$1,788,384) is owed by Blue Ink Global Diversified Fund to the Fund.

During the year there were transfers/sales of underlying investments amounting to US\$9,285,193 (2011: US\$31,294,071) sold by Blue Ink Global Medium Hub Fund to Blue Ink Global Diversified Fund.

The Blue Ink Global Medium Hub Fund and the Blue Ink Global Diversified Fund are both Funds within the "Blue Ink" structure, related by management and directorship.

19. Subsequent events

There were no redemption payments made post year end. The receivable for securities sold amount of US\$352,377 was paid to the Fund on 8 March 2013 (refer to note 10 for details). The Directors intend to appoint a liquidator subsequent to the approval of the financial statements, and on the completion of the final audit.

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.

Blue Ink Global Medium Hub Fund plc comprising Blue Ink Global Medium Hub Fund

Notes

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

20. Soft commission arrangements

The Investment Manager could effect transactions through the agency of another person with whom the Investment Manager had an arrangement under which that party would 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 was made for such services or benefits, but instead the Investment Manager undertook to place business with that party.

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

21. Dividend payable

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

22. Commitments and contingencies

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

23. 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.

24. Approval of financial statements

The Financial Statements of Blue Ink Global Medium Hub plc comprising Blue Ink Global Medium Hub 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 Medium Hub Fund plc
comprising Blue Ink Global Medium Hub Fund

Schedule of investments
for the year ended 31 December 2012

Due to the decision to wind down the Fund there were no investment held by the Fund as at 31 December 2012.

Blue Ink Global Medium Hub Fund plc
comprising Blue Ink Global Medium Hub Fund

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

	Number of Shares	Fair Value	% of Net Asset Value
Investment funds – US\$			
Argonaut Global Macro Fund Ltd. Class B Ser 11-10	14,828	1,289,962	3.22%
Coatue Offshore Fund CI B Tranche C6R Ser 12/09	24,916	3,078,617	7.68%
Davidson Kempner Intl (BVI) Ltd T4 Class C 01FEB11	10,000	998,463	2.49%
GLC Diversified A-1	19,547	1,195,647	2.98%
Libra Europe Fund Limited A USD Class	4,108	518,181	1.29%
Libra Europe Fund Limited Class Y USD	4,919	476,727	1.19%
Maga Smaller Companies Fund Limited, Class B USD	15,833	1,631,155	4.07%
Millennium Intern., Ltd. CI DD Sub CI I Ser 01A	399	532,352	1.33%
Millennium Intl Ltd - Cl. FF Sub Cl. III - S01A	2,292	2,861,169	7.14%
Otter Creek International Fund Class A Series 2/11	927	928,098	2.32%
QFR Victoria Fund, Ltd. Class C Series 02/11	1,048	1,111,024	2.77%
The Alphagen Octanis Fund Ltd. Class A	7,601	1,487,423	3.71%
Trafalgar Trading Fund Inc. - Class A4	11,813	1,365,390	3.41%
Winton Futures Fund - Lead Series	2,133	1,814,592	4.54%
Total investment funds		19,288,800	48.14%
Cash and cash equivalents		4,103,848	10.24%
Other net assets		16,672,205	41.62%
Net asset value		40,064,853	100.00%

NOTICE OF GENERAL MEETING

of

BLUE INK GLOBAL MEDIUM HUB FUND

Notice is hereby given that the annual general meeting of Blue Ink Global Medium Fund will be held at the offices of Sanlam Asset Management (Ireland) Limited, Beech House, Beech Hill Road, Dublin 4 on 27 June 2013 at 10.15 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 MEDIUM HUB FUND

I/We.....
.....

Please insert your name in block capitals

.....
.....

Please insert your name in block capitals

being a Shareholder in Blue Ink Global Medium Hub Fund 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 10.15 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 MEDIUM HUB FUND

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.
