

**AAM Alpha Funds plc**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 30 April 2018**

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<b>Contents</b>	<b>Page</b>
Organisation	1
Background to the Company	2
Investment Manager's Report	4
Directors' Report	7
Annual Depositary Report to Shareholders	10
Independent Auditors' Report	11
Statement of Comprehensive Income	14
Statement of Financial Position	16
Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares	18
Notes to the Financial Statements	20
Schedule of Investments	42
Schedule of Portfolio Changes (Unaudited)	46
Appendix I: Additional information AIFM (Unaudited)	47
Appendix II: Securities Financing Transactions Regulation (Unaudited)	50

**Organisation****Directors of the Company**

Dermot Butler\* (Canadian)  
Peter Blessing\* (Irish)  
Roberto Accornero (Italian) (Resigned 11 December 2017)  
Fabrizio De Tomasi (Italian) (Appointed 16 June 2017)  
Claudio De Ranieri (Italian) (Appointed 13 December 2017)  
\* *Non-executive and Independent Director*

**Registered Office of the Company**

Until 27 May 2018:  
The Anchorage  
17/19 Sir John Rogerson's Quay  
Dublin 2  
Ireland

**Secretary**

Until 30 June 2017:  
Intertrust Management Ireland Limited  
1st-2<sup>nd</sup> floors  
1-2 Victoria Buildings  
Haddington Road  
Dublin 4  
Ireland

**Administrator, Registrar and Transfer Agent**

Northern Trust International  
Fund Administration Services (Ireland) Limited  
Georges Court  
54-62 Townsend Street  
Dublin 2  
Ireland

**Sponsor**

Albemarle Asset Management Limited  
7 Old Park Lane, 2<sup>nd</sup> Floor  
London  
W1K 1QR  
United Kingdom

**Independent Auditors**

Deloitte Ireland LLP  
Chartered Accountants & Statutory Audit Firm  
Deloitte & Touche House  
Earlsfort Terrace  
Dublin 2  
Ireland

**Registered No: 452912****Registered Office of the Company**

Effective from 28 May 2018:  
5<sup>th</sup> Floor, The Exchange  
George's Dock  
IFSC, Dublin 1  
Ireland

**Secretary**

Effective from 1 July 2017:  
Walkers Corporate Services (Ireland) Limited  
The Anchorage  
17/19 Sir John Rogerson's Quay  
Dublin 2  
Ireland

**Investment Manager**

Albemarle Asset Management Limited  
7 Old Park Lane, 2<sup>nd</sup> Floor  
London  
W1K 1QR  
United Kingdom

**Depository**

Northern Trust Fiduciary Services (Ireland) Limited  
Georges Court  
54-62 Townsend Street  
Dublin 2  
Ireland

**Legal Advisor**

Walkers Ireland  
The Anchorage  
17/19 Sir John Rogerson's Quay  
Dublin 2  
Ireland

## Background to the Company

### Description

AAM Alpha Funds plc (the "Company") is an umbrella investment company with segregated liability between sub-funds and variable capital incorporated in Ireland on 5 February 2008 under registration number 452912. The Company has been authorised by the Central Bank of Ireland (the "Central Bank") as a designated investment company pursuant to the Companies Act 2014 (including amendments by the Companies (Accounting) Act 2017, hereinafter "Companies Act 2014" (the "Act")). With effect from 23 July 2014 the Company was registered by the Central Bank as an Alternative Investment Fund ("AIF") pursuant to the European Union Alternative Investment Fund Managers Regulations 2013 ("AIFM Regulations"). Therefore from 23 July 2014 onwards, the Company is an AIF in accordance with the AIF Rulebook issued by the Central Bank. The Company is authorised by the Central Bank to market its shares solely to Qualifying Investors.

The Company is an umbrella fund, which may comprise different sub-funds, each with one or more classes of shares. Different classes of shares may be issued from time to time with prior notification to and clearance of the Central Bank. Each share will represent a beneficial interest in the sub-fund in respect of which it is issued. A separate sub-fund with separate records and accounts will be maintained and assets in such sub funds will be invested in accordance with the investment objectives applicable to such a sub-fund.

During the financial year ended 30 April 2018 the Company had one active sub-fund: White Rhino Fund (during the financial year 30 April 2017: two active sub-funds, each a "Fund", collectively the "Funds"). The White Rhino Fund, which was approved on 5 February 2008 and launched on 7 March 2008.

The Ausonio Fund migrated to Vixit Umbrella ICAV on 13 May 2016. This fund is no longer part of this Umbrella.

The Shares of the Funds may be divided into different classes to accommodate different currencies and/or charges and/or dividend and/or fee arrangements. A separate pool of assets is not maintained for each class.

At 30 April 2018, White Rhino Fund comprised of A Class Shares. See the Supplement of the Fund for further details. The creation of further classes must be notified to, and cleared in advance with, the Central Bank.

### Investment Objective and Policy

The investment objectives and policies for each Fund are formulated by the Company at the time of creation of each Fund. The investment objectives for the existing Fund is set out below:

#### *White Rhino Fund*

The primary objective of the White Rhino Fund is to achieve superior long-term capital appreciation.

The Fund seeks to achieve its investment objective by investing in a wide variety of equities, equity-related securities, fixed income securities and derivative instruments. Investment strategies include relative value, arbitrage and directional trades.

While the Fund intends to focus on investment in companies which the Investment Manager deems eligible in the Italian equity market, the Fund is also permitted to invest in a wide range of equities and equity related securities on a global basis. Such equities and equity related securities may include, but are not limited to, common stocks, preferred stocks, convertible debt obligations, convertible preferred stocks, limited liability companies, stock purchase rights, stock options, rights, renounceable letters of allotment and debentures or other securities convertible into equities.

The Fund may also invest in a wide range of fixed income securities including, but not limited to, bonds, notes and other debt securities, including mortgage and other asset backed securities. The securities may include fixed or floating rate bonds and notes, debentures, commercial paper, loan interests, certificates of deposit, convertible securities and other specially structured securities. The debt instruments may be short, medium and long term and may include investment grade, sub-investment grade and non-rated debt investments. No more than 30% of the Net Asset Value of the Fund may be invested in sub-investment grade investments.

The debt instruments and equity securities may or may not be listed or dealt-in on organised or over the counter markets or exchanges. No more than 30% of the Fund's Net Asset Value may be invested in instruments or securities that are not listed or dealt in on organised or over the counter markets or exchanges.

### Investment Management

The AAM Alpha Funds plc is a Qualified Investor Alternative Investment Fund ("QIAIF"). The Company delegated the investment management process to Albermale Asset Management Limited ("the Alternative Investment Fund Manager (AIFM)").

**Background to the Company (Continued)****Investment Management (Continued)**

Albemarle Asset Management Limited serves as Investment Manager pursuant to an investment management agreement dated 25 February 2008 which was amended and restated by the agreement dated 23 December 2013.

**Net Asset Value**

The Net Asset Value attributable to each share class is calculated as at the last business day of each month by the Administrator to the nearest two decimal points.

The Net Asset Value of each share class is calculated by ascertaining the value of the assets of each Fund and deducting from such amount the liabilities of that Fund (including all fees and expenses payable and/or accrued and/or estimated to be payable by each Fund to the Investment Manager, the Depositary and the Administrator), and dividing the resultant figure by the number of shares in issue as of the relevant Dealing Day\*. The Net Asset Value per Share will be available to shareholders on request.

**Issue and Redemption of Shares**

The Directors are given authority to affect the issue of shares of any class or series and to create new classes on such terms as they may from time to time determine and on prior notice to and clearance in advance by, and in accordance with the requirements to the Central Bank. Issue of Shares will be made with effect from a Dealing Day.

The minimum subscription amount for the Company is €100,000. Details in respect of the minimum subscription amount for each Fund and/or class are set out in the relevant Supplement of the Portfolio for each Fund.

Applicants will be obliged to certify that they are Qualifying Investors and that they are aware of the risks of investing in the shares and of the fact that inherent in such investment is the potential to lose the entire sum invested.

**Published Information**

Details of the most recent price of shares in the Fund may be obtained from the Administrator. These prices are also published at least as frequently as the Fund deals on the Bloomberg system.

The above details are in summary form only and must be read in conjunction with the detailed information contained in the Prospectus of the Company.

\* Any day on which the shares of the fund are sold and redeemed, this occurs on the last Business Day of each month.

## Investment Manager's Report

### Market Review

The last 12 months had been a complex period for investors. 2017 had been a generally good year for equities (S&P500 +5%, EuroStoxx50 +6%) as the positive economic environment and the persistently low interest rates supported stocks. The impact of renewed geopolitical tensions (North Korea, Middle East) and political uncertainties (elections in several European countries, Trump's own problems) had only short-lived effects on financial markets. The two main key drivers for the markets - well anticipated by investors - had been a synchronized economic growth and diverging Central Bank policies (with the US Federal Reserve raising rates 3 times during the year while the European Central Bank continued its Quantitative Easing plan). On the fixed-income side, the situation remained rather stable throughout the year with European government bond yield still at very low level (German 10-year Bund substantially stable at around 0.3% yield) and only marginally above the historic lows reached in 2016, and US 10-year Treasuries mainly trading within the 2.2-2.5% yield range for the entire year. The main "surprise" had been on the other side the strong appreciation of the Euro against nearly all the other currencies, and in particular against the US Dollar (the EURUSD rate started the year at 1.05 and closed it at 1.20), despite the continued ultra-accommodative monetary policy implemented by the European Central Bank. At the beginning of 2018 equity markets in both Europe and US registered very strong gains, but by the end of January investors - at this point accustomed to low volatility and lucrative "buy-the-dip" strategies - received a sudden wake-up call when the main European and US equity markets posted a 10% correction last seen in 2016. The main reason behind this correction seemed to be some fears that US Federal reserve could increase rates faster than expected. That was associated with some temporary softening in macroeconomic data and some uncertainties on the political landscape (North Korea, Russia, and Trump proposed import duties). After the losses registered in February and March 2018, equity markets bounced back strongly in April as investors turned again more positive on equities as the declines started to look excessive in the light of still strong economic backdrop, positive indications coming from corporate earnings and unchanged policy pattern from Central Banks. On the fixed income side, the 10-year US Treasury reached in April the 3.0% mark, an important psychological level last seen in 2011 and 2013.

Looking at the next 12 months, the Investment Manager continues to prefer equities compared to fixed income investments, even if with some level of caution. On the equity side, the Investment Manager foresees opportunities mainly thanks to the positive economic outlook, growing corporate earnings and still very low interest rates, despite the fact that valuations are above historical average. That said, high valuations coupled with several external risks and renewed volatility leave the door open to corrections. On the fixed income side, the Investment Manager sees little opportunities with a general unappealing risk/reward profile, as the current scenario of stable-to-rising rates and some first signs of inflation in selected countries (e.g. US, Germany) is clearly negative for bonds. The Manager believes that looking at the mid-term, one of the main sources of volatility for financial market could be linked to Central Banks' unwinding of the ultra-accommodative monetary policies implemented over the last decade.

Investment Manager’s Report (Continued)

Market Review (Continued)



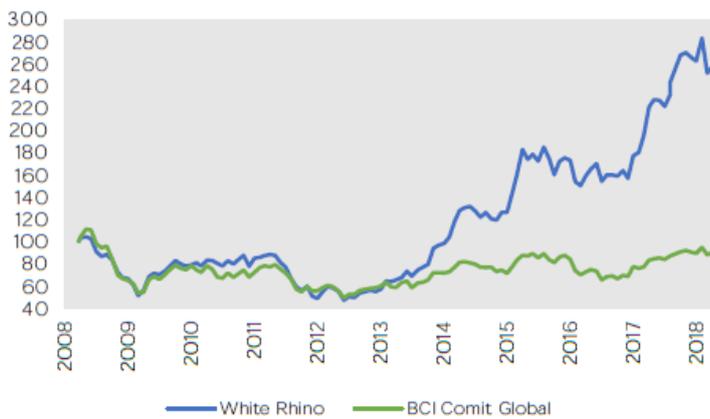
About Albemarle Asset Management

Albemarle Asset Management was founded in London in 2003. The company provides both individual and collective management services for private and institutional investors, financial and capital management consultancy, and managed investment solutions. Our services cover global financial markets and our expertise enables us to offer diverse set of investment instruments and strategies.

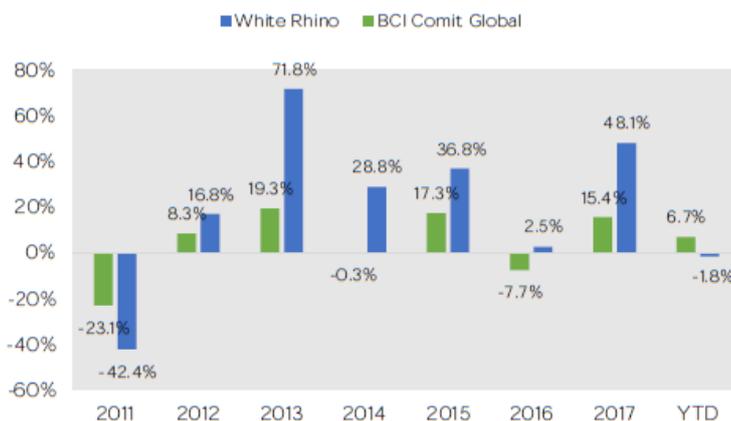
Performance

	YTD	1M	3YR	5YR	Inception
Fund	-1.76%	0.26%	48.22%	282.18%	157.93%
BCI Comit	6.71%	5.86%	9.39%	50.71%	-4.67%
	Best Month	Worst Month	CAGR		
Fund	21.20%	-15.30%	9.68%		
BCI Comit	20.42%	-17.00%	-0.47%		

Chart Performance



Returns



Fund Objective

AAM Alpha White Rhino is an Alternative Investment Fund incorporated in Ireland with an absolute return investment approach. The objective of the sub-fund is to achieve medium-long term outperformance compared to the benchmark.

Fund Information

Company	AAM Alpha Funds Plc
Investment Manager	Albemarle Asset Management Ltd
Bloomberg	AAAWRNO ID
ISIN	IE00B4W71478
Inception	20/03/2008
Currency	EUR
Fund Manager	Albemarle Asset Management Ltd
Management Fees	1.00% p.a.
Performance Fees	20% outperformance of Euribor 3M
Cut-off subs	T-2 bus days before 2:30 pm
Cut-off reds	T-85 bus days before 2:30 pm
NAV	Monthly
Settlement date for sub.	T+2 Irish Business Days
Settlement date for red.	T+5 Irish Business Days
Domicile	Ireland
Auditors	Deloitte Ireland LLP
Depository	Northern Trust Fiduciary Services (Ireland) Ltd
Category	QIAIF
AUM	€ 39.10 Million

Award



Best Performance Macro under \$500m

Important Information

The information contained within this document is for the use of Institutional and Professional Investors only

\* Data source: Bloomberg

Investment Manager’s Report (Continued)

Market Review (Continued)



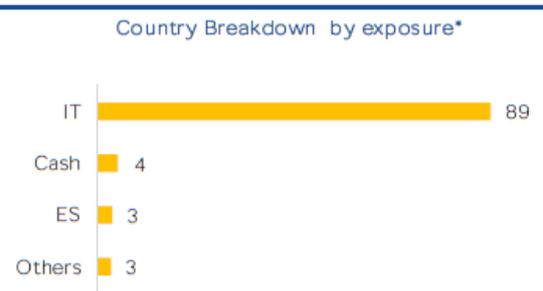
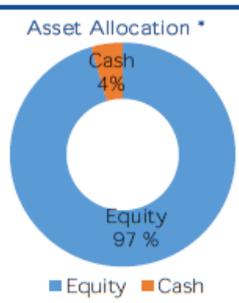
AAM Alpha White Rhino Class A  
April 2018

\* Please note data is at month-end



Top Holdings \*

Cementir	13.01%
Fiat Chrysler Automobiles	10.79%
Arnoldo Mondadori	8.88%
Saes Getters	8.13%
Esprinet	7.53%
<b>Total</b>	<b>48.34%</b>



\* Equity exposure + equity future exposure = 105%

**Albemarle Asset Management Limited**  
May 2018

## Directors' Report

The Directors present their Annual Report and Audited Financial Statements of the Company for the financial year ended 30 April 2018.

### Directors' Responsibilities Statement

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with the Companies Act 2014.

Irish company law requires the Directors to prepare Financial Statements for each financial year. Under the law, the Directors have elected to prepare the Financial Statements in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"), issued by the Financial Reporting Council ("relevant financial reporting framework"). Under company law, the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company as at the financial year end date and of the profit or loss of the Company for the financial year and otherwise comply with the Companies Act 2014 (including amendments by the Companies (Accounting) Act 2017, hereinafter "Companies Act 2014" (the "Act")).

In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies for the Company Financial Statements and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the Financial Statements have been prepared in accordance with the applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; 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 ensuring that the Company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Company, enable at any time the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy, enable them to ensure that the Financial Statements and Directors' Report comply with the Companies Act 2014 and enable the financial statements to be audited. 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.

### Principal Activities

The Company has been approved by the Central Bank of Ireland as an investment company pursuant to the Companies Act 2014.

The Investment Manager's Report contains a review of the factors which contributed to the performance for the financial year. Please see the Investment Manager's Report for further details. The Directors do not anticipate any further changes in the structure or investment objective.

### Principal Risks and Uncertainties

The Company's principal risks and uncertainties relate to the use of financial instruments. The main risks arising from the Company's financial instruments are market, credit and liquidity risks as discussed in note 2 of the Notes to the Financial Statements.

### Significant Events During the Financial Year

On 16 June 2017, Fabrizio De Tomasi was appointed as a Director of the Company. Mr. De Tomasi is both Executive Director of the Investment Manager and Director of the Company.

On 11 December 2017, Roberto Accornero resigned as a Director of the Company. Mr. Accornero was both Executive Director of the Investment Manager and Director of the Company.

On 13 December 2017, Claudio De Ranieri was appointed as a Director of the Company. Mr. Ranieri is Portfolio Manager at the Investment Manager and Director of the Company.

Effective from 1 July 2017, Walkers Corporate Services (Ireland) Limited replaced Intertrust Management Ireland Limited as secretary of the Company.

There have been no other events during the financial year, which, in the opinion of the Directors of the Company may have an impact on the Financial Statements for the financial year ended 30 April 2018.

**Directors' Report (Continued)****Significant Events After the Financial Year End**

On 28 May 2018, the address of the Registered Office of the Company was updated to:

5th Floor, The Exchange  
George's Dock  
IFSC, Dublin 1  
Ireland.

There have been no other events after the Statement of Financial Position date, which, in the opinion of the Directors of the Company may have an impact on the Financial Statements for the financial year ended 30 April 2018.

**Results**

The profit for the financial year amounted to EUR 4,469,451 (2017: profit EUR 8,700,602).

**Dividends**

The Directors do not recommend the payment of a dividend (2017: Nil).

**Directors and Secretary**

The following Directors held office during the financial year under review:

Peter Blessing\* (Irish)  
Dermot Butler\* (Irish)  
Roberto Accornero (Italian) (Resigned 11 December 2017)  
Fabrizio De Tomasi (Italian) (Appointed 16 June 2017)  
Claudio De Ranieri (Italian) (Appointed 13 December 2017)

\*Non-executive and Independent Director.

**Going Concern**

After making all reasonable enquiries and having regard to the nature of the Company and its investments, the Directors are satisfied based on information available to them at the present time, that it is appropriate to adopt the going concern basis in preparing the Financial Statements and, after due consideration, the Directors consider that the Company is able to continue in the foreseeable future.

**Directors' Interests in Shares and Contracts**

None of the Directors or Secretary who held office at the financial year end had any interests in the Shares of the Company at that date or at any time during the financial year.

**Transactions Involving Directors**

Fabrizio De Tomasi and Roberto Accornero (until his resignation on 11 December 2017) are the Executive Directors of the Investment Manager and Directors of the Company, Claudio De Ranieri was both Portfolio Manager to the Investment Manager and Director of the Company, and thus had an interest in fees paid to the Investment Manager, as disclosed in note 14 to the financial statements.

There are no other contracts or arrangements of any significance in relation to the business of the Company in which the Directors or Company Secretary had any interest as defined in the Companies Act 2014, at any time during the financial year.

**Transactions with Connected Parties**

In accordance with the Central Bank's AIF Rulebook, any transaction carried out with the Company by a depositary, investment manager and/or associate of these ("connected parties") are carried out as if negotiated at arm's length and are in the best interests of the shareholders.

The Directors of the Company are satisfied that there are arrangements in place (evidenced by written procedures) to ensure that this requirement is applied to all transactions with connected parties, and that all transactions with connected parties during the financial year complied with this requirement.

**Directors' Report (Continued)****Accounting Records**

The Directors believe that they have complied with the requirements of Sections 281 to 285 of the Companies Act 2014 with regard to the keeping of adequate accounting records by employing a service provider with appropriate expertise and by providing adequate resources to the financial function.

Those accounting records are maintained at the offices of the independent administrator to the Company,

Northern Trust International Fund Administration Services (Ireland) Limited  
Georges Court  
54-62 Townsend Street  
Dublin 2  
Ireland

**Auditors**

Deloitte Ireland LLP, Chartered Accountants and Statutory Audit Firm, have expressed their willingness to continue in office in accordance with Section 383 of the Companies Act 2014.

**Statement on Relevant Audit Information**

So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware. The Directors have taken all the steps that should have been taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

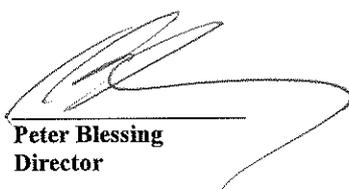
This confirmation should be interpreted in accordance with the provisions of Section 330 of the Companies Act 2014.

**Corporate Governance**

The Directors of the Fund adopted the Irish Funds Code of Corporate Governance (the "IF Code") as of 4 February 2013. In the Board's view the Company is compliant with the relevant provisions of the Code.

**On Behalf of the Board of Directors**

**Dermot Butler**  
Director



**Peter Blessing**  
Director

27 August 2018

**Annual Depositary Report to Shareholders**

We, Northern Trust Fiduciary Services (Ireland) Limited, appointed Depositary to AAM Alpha Funds plc (“the Company”) provide this report solely in favour of the shareholders of the Company for the financial year ended 30 April 2018 (“Annual Accounting Period”). This report is provided in accordance with current Depositary obligation under the Central Bank of Ireland AIF Rule Book, Chapter 5 (iii). We do not, in the provision of this report, accept nor assume responsibility for any other purpose or person to whom this report is shown.

In accordance with our Depositary obligation under the AIF Rule Book, we have enquired into the conduct of the AIFM for this Annual Accounting Period and we hereby report thereon to the shareholders of the Company as follows;

We are of the opinion that the Company has been managed by the AIFM during the financial year, in all material respects:

- i) in accordance with the limitations imposed on the investment and borrowing powers of the Company by the constitutional document and by the Central Bank of Ireland under the powers granted to the Central Bank of Ireland by the investment fund legislation; and
- ii) otherwise in accordance with the provisions of the constitutional document and the investment fund legislation.



**For and on behalf of Northern Trust Fiduciary Services (Ireland) Limited**

**27 August 2018**

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AAM ALPHA FUNDS PLC

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### OPINION ON THE FINANCIAL STATEMENTS OF AAM ALPHA FUNDS PLC (THE 'COMPANY')

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 30 April 2018 and of the profit for the financial year then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework and, in particular, with the requirements of the Companies Act 2014.

The financial statements we have audited comprise:

- the Statement of Comprehensive Income;
- the Statement of Financial Position
- the Statement of Changes in Net Assets attributable to holders of Redeemable Participating Shares; and,
- the related notes 1 to 22, including a summary of significant accounting policies as set out in note 1.

The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2014 and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council ("the relevant financial reporting framework").

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are described below in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which ISAs (Ireland) require us to report to you where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AAM ALPHA FUNDS PLC**

### **Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (Ireland), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the entity (or where relevant, the group) to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that the auditor identifies during the audit.

This report is made solely to the company's members, as a body, in accordance with Section 391 of the Companies Act 2014. 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.

### **Report on other legal and regulatory requirements**

#### **Opinion on other matters prescribed by the Companies Act 2014**

Based solely on the work undertaken in the course of the audit, we report that:

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.
- In our opinion the information given in the directors' report is consistent with the financial statements and the directors' report has been prepared in accordance with the Companies Act 2014.

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## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AAM ALPHA FUNDS PLC**

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

Based on the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the provisions in the Companies Act 2014 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.



Brian Jackson  
For and on behalf of Deloitte Ireland LLP  
Chartered Accountants and Statutory Audit Firm  
Deloitte & Touche House, Earlsfort Terrace, Dublin 2

Date: 29<sup>th</sup> August 2018

**Statement of Comprehensive Income****For the Financial Year Ended 30 April 2018**

	<b>Notes</b>	<b>White Rhino Fund EUR</b>
<b>Income</b>		
Operating income	4	499,671
Net gains on financial assets and liabilities at fair value through profit or loss - held for trading	5	<u>4,636,896</u>
<b>Net investment income</b>		5,136,567
Operating expenses	6	<u>(582,035)</u>
<b>Net operating income</b>		4,554,532
<b>Finance costs</b>		
Interest expense		<u>(17,375)</u>
<b>Profit for the financial year before tax</b>		4,537,157
Non-reclaimable withholding tax		<u>(67,706)</u>
<b>Profit for the financial year after tax</b>		<u>4,469,451</u>
<b>Increase in Net Assets Attributable to Holders of Redeemable Participating Shares</b>		<b><u>4,469,451</u></b>

There are no recognised gains or losses arising in the year other than the increase in Net Assets Attributable to Holders of Redeemable Participating Shares of the Company. In arriving at the results for the year all amounts relate to continuing operations.

White Rhino Fund is the only Fund in the Company and therefore the above details of the Fund are also those of the Company for the year ended 30 April 2018.

The accompanying notes form an integral part of the Financial Statements.

**Statement of Comprehensive Income (Continued)**

For the Financial Year Ended 30 April 2017

	Notes	Total Company EUR	White Rhino Fund EUR	Ausonio Fund* USD
<b>Income</b>				
Operating income	4	348,939	347,270	1,908
Net gains/(losses) on financial assets and liabilities at fair value through profit or loss - held for trading	5	8,843,483	9,537,142	(792,982)
<b>Net investment income/(loss)</b>		<u>9,192,422</u>	<u>9,884,412</u>	<u>(791,074)</u>
Operating expenses	6	(418,996)	(399,118)	(22,724)
<b>Net operating income/(expense)</b>		<u>8,773,426</u>	<u>9,485,294</u>	<u>(813,798)</u>
<b>Finance costs</b>				
Interest expense		(24,757)	(24,757)	–
<b>Profit/(loss) for the financial year before tax</b>		<u>8,748,669</u>	<u>9,460,537</u>	<u>(813,798)</u>
Non-reclaimable withholding tax		(48,067)	(48,067)	–
<b>Profit/(loss) for the financial year after tax</b>		<u>8,700,602</u>	<u>9,412,470</u>	<u>(813,798)</u>
<b>Increase/(decrease) in Net Assets Attributable to Holders of Redeemable Participating Shares</b>		<u><b>8,700,602</b></u>	<u><b>9,412,470</b></u>	<u><b>(813,798)</b></u>

\* The Ausonio Fund migrated to Vixit Umbrella ICAV on 13 May 2016.

There are no recognised gains or losses arising in the year other than the decrease in Net Assets Attributable to Holders of Redeemable Participating Shares of the Company. In arriving at the results for the year, all amounts above relate to continuing operations except for the Ausonio Fund which migrated to the Vixit Umbrella ICAV on 13 May 2016.

The accompanying notes form an integral part of the Financial Statements.

**Statement of Financial Position**

As at 30 April 2018

	Notes	White Rhino Fund EUR
<b>Assets</b>		
Cash and cash equivalents	7	1,795,458
Debtors (amounts falling due within one year)	8	113,926
Financial assets at fair value through profit or loss - held for trading	3	<u>37,232,223</u>
<b>Total Assets</b>		<u>39,141,607</u>
<b>Liabilities</b>		
Financial liabilities at fair value through profit or loss - held for trading	3	(4,197)
Creditors (amounts falling due within one year)	9	<u>(101,870)</u>
<b>Total liabilities (excluding net assets attributable to holders of redeemable participating shares)</b>		<u>(106,067)</u>
<b>Net Assets Attributable to Holders of Redeemable Participating Shares</b>	10,11	<u><b>39,035,540</b></u>

White Rhino Fund is the only Fund in the Company and therefore the above details of the Fund are also those of the Company as at 30 April 2018.

The accompanying notes form an integral part of the Financial Statements.

On Behalf of the Board of Directors



**Dermot Butler**  
Director



**Peter Blessing**  
Director

27 August 2018

**Statement of Financial Position (Continued)**

As at 30 April 2017

	Notes	Total Company EUR	White Rhino Fund EUR	Ausonio Fund* USD
<b>Assets</b>				
Cash and cash equivalents	7	7,058,109	7,058,109	–
Debtors (amounts falling due within one year)	8	573,172	573,172	–
Financial assets at fair value through profit or loss - held for trading	3	26,878,324	26,878,324	–
<b>Total Assets</b>		<u>34,509,605</u>	<u>34,509,605</u>	–
<b>Liabilities</b>				
Financial liabilities at fair value through profit or loss - held for trading	3	(56,363)	(56,363)	–
Creditors (amounts falling due within one year)	9	(87,153)	(87,153)	–
<b>Total liabilities (excluding net assets attributable to holders of redeemable participating shares)</b>		<u>(143,516)</u>	<u>(143,516)</u>	–
<b>Net Assets Attributable to Holders of Redeemable Participating Shares</b>	10,11	<u><b>34,366,089</b></u>	<u><b>34,366,089</b></u>	–

\* The Ausonio Fund migrated to Vixit Umbrella ICAV on 13 May 2016.

The accompanying notes form an integral part of the Financial Statements.

**Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares****For the Financial Year Ended 30 April 2018**

	<b>White Rhino Fund EUR</b>
<b>Net Assets Attributable to Holders of Redeemable Participating Shares at the beginning of the financial year</b>	<u>34,366,089</u>
Increase in net assets for the year attributable to holders of redeemable participating shares resulting from operations	<u>4,469,451</u>
Proceeds from redeemable participating shares subscribed	198,593
Payments for redeemable participating shares redeemed	–
Net income equalisation	<u>1,407</u>
Increase in net assets attributable to holders of redeemable participating shares resulting from capital transactions for the year	<u>200,000</u>
<b>Net increase in net assets for the financial year attributable to holders of redeemable participating shares resulting from operations and capital transactions</b>	<u>4,669,451</u>
<b>Net Assets Attributable to Holders of Redeemable Participating Shares at end of the financial year</b>	<u><u>39,035,540</u></u>

White Rhino Fund is the only Fund in the Company and therefore the above details of the Fund are also those of the Company for the financial year ended 30 April 2018.

The accompanying notes form an integral part of the Financial Statements.

**Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares (Continued)**

For the Financial Year Ended 30 April 2017

	Notes	Total Company EUR	White Rhino Fund EUR	Ausonio Fund* USD
<b>Net Assets Attributable to Holders of Redeemable Participating Shares at the beginning of the financial year</b>		40,112,278	24,953,619	17,361,982
Notional exchange adjustment	1	28,699	–	–
Increase/(decrease) in net assets for the year attributable to holders of redeemable participating shares resulting from operations		8,700,602	9,412,470	(813,798)
Payments for redeemable participating shares redeemed		(14,475,490)	–	(16,548,184)
Decrease in net assets attributable to holders of redeemable participating shares resulting from capital transactions for the year		(14,475,490)	–	(16,548,184)
<b>Net (decrease)/increase in net assets for the financial year attributable to holders of redeemable participating shares resulting from operations and capital transactions</b>		(5,774,888)	9,412,470	(17,361,982)
<b>Net Assets Attributable to Holders of Redeemable Participating Shares at end of the financial year</b>		<b>34,366,089</b>	<b>34,366,089</b>	<b>–</b>

\* The Ausonio Fund migrated to Vixit Umbrella ICAV on 13 May 2016.

The accompanying notes form an integral part of the Financial Statements.

**Notes to the Financial Statements****For the Financial Year Ended 30 April 2018****1. Significant Accounting Policies****a) Basis of Preparation**

In preparing the financial statements for the financial year ended 30 April 2018, AAM Alpha Funds plc (“the Company”) has applied Financial Reporting Standard 102, “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (“FRS 102”), issued by the Financial Reporting Council and Irish statute comprising the Companies Act 2014 (including amendments by the Companies (Accounting) Act 2017, hereinafter “Companies Act 2014” (the “Act”)).

The Financial Statements have been prepared under the historical cost convention as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss.

The format and certain wordings of the Financial Statements has been adapted from those contained in the Companies Act 2014 and FRS 102 so that, in the opinion of the Directors, they more appropriately reflect the nature of the Company’s business as an Investment Fund.

The Company meets all the conditions set out in FRS 102, Section 7, and consequently has availed of the exemption available for certain Funds not to prepare a Statement of Cash Flows.

For the purposes of aggregating the Financial Statements of the Ausonio Fund during the year ended 30 April 2017, into the Financial Statements of the Company, this Fund's Statement of Comprehensive Income and Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares was retranslated into Euro at the average US Dollar exchange rate from 30 April 2016 to 13 May 2016. The Statement of Financial Position was translated into Euro at the financial year end US Dollar exchange rate. This method of translation had no effect on the Net Asset Value of the individual Fund; however fluctuations in foreign exchange rates during the financial year give rise to a notional currency rate movement impact which is reflected in the Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares of the Company. A foreign exchange adjustment arising on consolidation of EUR 28,699 is included in the Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares for the year 30 April 2017. This is not applicable in the current financial year ended, 30 April 2018.

**Fair Value Measurement**

According to FRS 102, in accounting for its financial instruments a reporting entity is required to apply either a) the full requirements of FRS 102 relating to Basic Financial Instruments and Other Financial Instruments, b) the recognition and measurement provisions of IAS 39 Financial Instruments: Recognition and only the disclosure requirements of FRS 102 relating to Basic Financial Instruments and Other Financial Instruments, or c) the recognition and measurement provisions of IFRS 9 Financial Instruments and only the disclosure requirements of FRS 102 relating to Basic Financial Instruments and Other Financial Instruments.

The Company has chosen to implement the recognition and measurement provisions of IAS 39 Financial Instruments: Recognition and only the disclosure requirements of FRS 102 relating to Basic Financial Instruments and Other Financial Instruments.

**Valuation Point**

The valuation point used to value the securities for the purpose of the Financial Statements is that of 30 April 2018.

**b) Investments****(i) Classification and Recognition**

Financial assets that are classified as loans and receivables include deposits and accounts receivable. Financial liabilities that are not at fair value through profit or loss include accounts payable and financial liabilities arising on Redeemable Participating Shares.

Investments are designated as financial assets or liabilities at fair value through profit or loss.

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

**Notes to the Financial Statements (Continued)****For the Financial Year Ended 30 April 2018****1. Significant Accounting Policies (Continued)****b) Investments (Continued)****(i) Classification and Recognition (Continued)**

- Financial instruments held for trading: these include forward foreign currency contracts, futures and liabilities from short sales of financial instruments included as financial assets and financial liabilities at fair value through profit or loss on the Statement of Financial Position. All derivatives in a net receivable position (positive fair value), as well as options purchased, are reported as financial assets held for trading. All derivatives in a net payable position (negative fair value), as well as options written, are reported as financial liabilities held for trading.
- Financial instruments designated at fair value through profit or loss upon initial recognition: these include financial assets that are not held for trading purposes but are managed on a fair value basis.

The Company recognises financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument, and all significant rights and access to the benefits from the assets, and the exposure to the risks inherent in those benefits, are transferred to the Company. The Company derecognises financial assets and financial liabilities when all such benefits and risks are transferred from the Company.

A regular way purchase of financial assets is recognised using trade date accounting. From this date, any gains or losses, arising from changes in fair value of the financial assets or financial liabilities, are recorded in the Statement of Comprehensive Income.

**(ii) Measurement**

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

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

Financial assets classified as loans and receivables are carried at amortised cost using the effective interest method. Redeemable participating shares are puttable instruments and are classified as financial liabilities as they are not the most subordinate instruments. Financial liabilities, arising from the redeemable participating shares issued by the Company, are carried at the redemption amount representing the investors' right to a residual interest in the Company's assets. Financial liabilities, other than those at fair value through profit or loss and redeemable participating shares, are measured at amortised cost using the effective interest rate.

**(iii) Derecognition**

Financial assets are derecognised when the rights to receive cashflows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership.

**(iv) Fair Value Measurement Principles**

The fair value of financial instruments is based on their quoted market prices at the Statement of Financial Position date without any deduction for estimated future selling costs.

If a quoted market price is not available on a recognised stock exchange or from a broker/dealer for non-exchange traded financial instruments, the fair value of the instrument is estimated using valuation techniques, including use of recent arm's length market transactions, reference to the current fair value of another instrument that is substantially the same, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtainable in actual market transactions.

Fair values for unquoted equity investments are estimated, if possible, using applicable price/earnings ratios for similar listed companies adjusted to reflect the specific circumstances of the issuer.

**Notes to the Financial Statements (Continued)****For the Financial Year Ended 30 April 2018****1. Significant Accounting Policies (Continued)****b) Investments (Continued)****(iv) Fair Value Measurement Principles (Continued)**

The fair value of derivatives, that are not exchange traded, is estimated at the amount that the Company would receive or pay to terminate the contract at the Statement of Financial Position date, taking into account current market conditions (volatility, appropriate yield curve) and the current credit-worthiness of the counterparties. Realised gains and losses on investment disposals are calculated using the average cost method.

The Funds utilise various methods to measure the fair value of their investments. FRS 102 establishes a hierarchy that prioritises the inputs to valuation methods.

A financial instrument is regarded as quoted in an active market if the quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The Funds use a variety of methods and make assumptions that are based on market conditions existing at the financial year end date.

**(v) Offsetting Financial Instruments**

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position where there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. No balances have been offset during the financial year.

**(vi) Cash and Cash Equivalents**

Cash comprises current deposits with banks with maturities of less than 3 months. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. Margin cash is held by the counterparty Banca IMI.

**c) Income**

Dividends, gross of foreign withholding taxes, where applicable, are included as income when the security is declared to be ex-dividend. Bank interest income is accounted for on an accrual basis. Interest income on fixed and floating rate securities is accounted for on an effective yield basis.

**d) Fees and Charges**

In accordance with the Prospectus, management fees, administration fees, depositary fees, sub-custody fees and other operating expenses are charged to the Statement of Comprehensive Income on an accrual basis.

**e) Derivative Instruments**

Changes in the value of future contracts and forward foreign currency contracts are recognised as gains and losses by marking to market on a daily basis to reflect the value of the contracts at the end of each day's trading. They are valued at the settlement price established each day on which they are traded, and the Company's investment therein, representing change in unrealised gain or loss on the contracts, is included in the Statement of Comprehensive Income.

Over-the-counter derivatives are valued by the respective counterparties on a regular basis using their own internal valuation models. Secondary pricing is obtained by the Directors where available.

**f) Debtors (Amounts Falling Due Within One Year)**

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Debtors are recognised initially at fair value plus transaction costs that are directly attributable to their acquisition origination.

**Notes to the Financial Statements (Continued)****For the Financial Year Ended 30 April 2018****1. Significant Accounting Policies (Continued)****g) Creditors (Amounts Falling Due Within One Year)**

Creditors are recognised initially at fair value plus transaction costs and subsequently stated at amortised cost using the effective interest method. The difference between the proceeds and the amount payable is recognised over the period of the creditor using the effective interest method.

**h) Redeemable Participating Shares**

Redeemable Participating Shares are redeemable at the Shareholder's option and are classified as financial liabilities as they are not the most subordinate instruments. Any distributions on these shares are recognised in the Statement of Comprehensive Income as finance costs.

**i) Gains and Losses on Investments**

Realised gains or losses on disposal of investments during the financial year and changes in unrealised gains and losses on valuation of investments held at the financial year end are dealt with in the Statement of Comprehensive Income. All gains and losses are calculated based on average cost with the exception of futures contracts which are valued on a first in first out basis.

**j) Taxation**

Dividend and interest income received by the Company may be subject to withholding tax imposed in the country of origin. Investment income is recorded gross of such taxes.

**k) Going Concern**

The Directors believe that it is appropriate to continue to adopt the going concern basis in preparing the Financial Statements, and there is a reasonable expectation that the Company has and will maintain adequate resources to continue in operation for the foreseeable future.

**l) Income Equalisation**

Income equalisation is a process by which accrued income included in the price of shares purchased and redeemed during the accounting period is reported to Shareholders. The subscription price of Shares is deemed to include an equalisation payment calculated by reference to the accrued income of the relevant Fund and the first distribution in respect of any Share will include a payment of income usually equal to or greater than the amount of such equalization payment. The redemption price of each Share will also include an equalisation payment in respect of the accrued income of the relevant Fund up to the date of redemption. Income equalisation is classified as finance costs in the Statement of Comprehensive Income.

**m) Functional Currency and Foreign Exchange**

The functional currency of the Company is Euro. The Directors have determined that this reflects the Company's primary economic environment, as the majority of the Company's Net Assets Attributable to Holders of Redeemable Participating Shares are denominated in Euro.

Assets and liabilities denominated in currencies other than the functional currency of the Company have been translated at the rate of exchange ruling at 30 April 2018.

Transactions in foreign currencies are translated into Euro at the exchange rate ruling at the date of the transaction. Gains and losses on foreign exchange transactions are recognised in the Statement of Comprehensive Income in determining the result for the financial year.

The functional currency of the White Rhino Fund is Euro and the functional currency of the Ausonio Fund was US Dollar.

**Notes to the Financial Statements (Continued)****For the Financial Year Ended 30 April 2018****1. Significant Accounting Policies (Continued)****m) Functional Currency and Foreign Exchange (Continued)**

The following exchange rates were used to convert investments, assets and liabilities to the functional currency of the Company:

	<b>Exchange Rate to EUR As at 30 April 2018</b>	<b>Exchange Rate to EUR As at 30 April 2017</b>
British Pound Sterling	0.8772	0.8417
Danish Kroner	7.4506	7.4372
Hong Kong Dollar	9.4823	8.4698
Singapore Dollar	1.5997	1.5221
South African Rand	15.0829	14.5749
United States Dollar	1.2082	1.0890

The average US Dollar to Euro exchange rate for aggregating the notional exchange gain/loss on 30 April 2017 was 0.8747. As the Ausonio Fund migrated to Vixit Umbrella ICAV on 13 May 2016, the current year US Dollar to Euro exchange rate is not applicable.

**n) Transaction Costs**

Transaction costs are costs incurred to acquire financial assets or liabilities at fair value through profit or loss. They include fees and commissions paid to agents, advisors, brokers and dealers. Transaction costs, when incurred, are included as part of the cost of such purchases.

Transaction costs are included in realised and unrealised gain/loss on investments. See note 12 on page 37 for further information.

**2. Financial Risk Management****Strategy in using Financial Instruments**

During the financial year under review, the Company consisted of one Fund (30 April 2017: two Funds). The overall objective of the Fund is to achieve superior long-term capital appreciation. Day-to-day risk management is undertaken by the Investment Manager, as detailed in the following sections. Risk management issues are reported separately to the Directors by the Administrator and Depositary monthly.

The Fund is subject to a number of investment restrictions imposed by external regulators or self-imposed by the Prospectus and Memorandum and Articles of Association. These restrictions are intended to reduce the risks associated with the Funds financial instruments. Compliance by the Fund with these investment restrictions is monitored weekly and reported to the Directors monthly by the Depositary. During the financial years ended 30 April 2018 and 30 April 2017, the Funds' were compliant with these restrictions.

The Investment Manager also reports quarterly to the Directors on whether the Fund has been operated in accordance with the investment guidelines as defined in the Prospectus as well as any self-imposed limitations.

These policies for managing risk have been applied consistently throughout the financial year.

**Market Risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: price risk, currency risk and interest rate risk.

The Investment Manager moderates market risk through a careful selection of securities and other financial instruments within specified limits. The maximum risk resulting from financial instruments is determined by the fair value of the financial instruments, possible losses from derivatives can be unlimited. The Funds overall market positions are monitored on a daily basis by the Company's Investment Manager and are reviewed on a regular basis by the Board of Directors.

**Notes to the Financial Statements (Continued)****For the Financial Year Ended 30 April 2018****2. Financial Risk Management (Continued)****Market Risk (Continued)**

At 30 April 2018, the Company's market risk is affected by three main components:

- a) changes in actual market prices ("market price risk");
- b) foreign currency movements ("foreign currency risk"); and,
- c) interest rate movements ("interest rate risk").

**a) Market Price Risk**

The Company's equity and futures investments are susceptible to market price risk arising from uncertainties about future prices of the instruments.

The Company manages the market price risks inherent in the investment portfolio by ensuring full and timely access to relevant information from the Investment Manager. The Board meets quarterly and at each meeting reviews investment performance and overall market positions. They monitor the Investment Manager's compliance with the Company's objectives. There were no material changes to the Company's policies and processes for managing market risk and the methods and assumptions used to measure risk during the financial year.

Details of the nature of the Fund's investment portfolio at the Statement of Financial Position date are disclosed in the Schedule of Investments on pages 42 to 45.

**Market Price Risk – Sensitivity Analysis**

If the actual market price of equities, corporate bonds, investment funds and futures contracts had increased by 10%, at 30 April 2018 and 30 April 2017, with all other variables held constant, this would have increased Net Assets Attributable to Holders of Redeemable Participating Shares of the Funds by the amounts shown below. Conversely, if equity prices and futures contracts had decreased by 10%, at 30 April 2018 and 30 April 2017, this would have decreased Net Assets Attributable to Holders of Redeemable Participating Shares of the Funds by an equal amount, all other variables held constant.

	<b>30 April 2018</b>	<b>30 April 2017</b>
White Rhino Fund	EUR 3,412,173	EUR 2,335,018

The Ausonio Fund migrated to Vixit Umbrella ICAV on 13 May 2016.

**b) Foreign Currency Risk**

Foreign 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. Certain of the Funds assets, liabilities and income are denominated in currencies other than Euro. The Fund is, therefore, exposed to currency risk as the value of the securities denominated in other currencies will fluctuate due to changes in exchange rates. Income denominated in foreign currencies is converted to Euro for White Rhino Fund on the transaction date.

In accordance with Company's policy, the Investment Manager monitors the Funds currency position on a daily basis and the Board of Directors review it on a regular basis. There were no material changes to the Company's policies and processes for currency risk and the methods used to measure risk during the financial year.

**Notes to the Financial Statements (Continued)****For the Financial Year Ended 30 April 2018****2. Financial Risk Management (Continued)****Market Risk (Continued)****b) Foreign Currency Risk (Continued)****As at 30 April 2018**

<b>White Rhino Fund (all expressed in EUR)</b>	<b>GBP</b>	<b>USD</b>	<b>Total EUR</b>
<b>Financial assets</b>			
Cash and cash equivalents	415,050	194,720	609,770
Debtors (amounts falling due within one year)	–	15	15
<b>Gross Exposure</b>	<b>415,050</b>	<b>194,735</b>	<b>609,785</b>
<b>Net Exposure</b>	<b>415,050</b>	<b>194,735</b>	<b>609,785</b>

**As at 30 April 2017**

<b>White Rhino Fund (all expressed in EUR)</b>	<b>DKK</b>	<b>GBP</b>	<b>USD</b>	<b>Total EUR</b>
<b>Financial assets</b>				
Cash and cash equivalents	65	432,252	166,467	598,784
Debtors (amounts falling due within one year)	–	–	29	29
<b>Gross Exposure</b>	<b>65</b>	<b>432,252</b>	<b>166,496</b>	<b>598,813</b>
<b>Financial Liabilities</b>				
Financial liabilities at fair value through profit and loss - held for trading	–	(22,271)	(34,092)	(56,363)
<b>Gross Exposure</b>	<b>–</b>	<b>(22,271)</b>	<b>(34,092)</b>	<b>(56,363)</b>
<b>Net Exposure</b>	<b>65</b>	<b>409,981</b>	<b>132,404</b>	<b>542,450</b>

The Ausonio Fund migrated to Vixit Umbrella ICAV on 13 May 2016 and so the Fund had no exposure to foreign currency risk at the reporting date.

**Foreign Currency Risk – Sensitivity Analysis**

At 30 April 2018 and 30 April 2017, had the functional currency of the White Rhino Fund appreciated in value by 10% in relation to all currencies above, with all other variables held constant, Net Assets Attributable to Holders of Redeemable Participating Shares and the change in Net Assets Attributable to Holders of Redeemable Participating Shares, per the Statement of Comprehensive Income, would have changed by the amounts shown below.

<b>White Rhino Fund</b>	<b>30 April 2018</b>	<b>30 April 2017</b>
<b>Currency</b>	<b>EUR</b>	<b>EUR</b>
DKK	–	(7)
GBP	(41,505)	(40,998)
USD	(19,474)	(13,240)
<b>Total</b>	<b>(60,979)</b>	<b>(54,245)</b>

A 10% depreciation in value of the Euro, against the above currencies, would have resulted in an equal but opposite effect on the Financial Statements by the amounts shown above, on the basis that all other variables remain constant.

**c) Interest Rate Risk**

Interest rate risk is defined in FRS 102 as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

**Notes to the Financial Statements (Continued)****For the Financial Year Ended 30 April 2018****2. Financial Risk Management (Continued)****Market Risk (Continued)****c) Interest Rate Risk (Continued)**

The White Rhino Fund holds debt securities which are exposed to fair value interest rate risk where the value of these securities may fluctuate as a result of a change in market interest rates. The Investment Manager may from time to time enter into derivative contracts on behalf of the Fund that seek to mitigate the effect of these movements.

All other financial assets and financial liabilities held by the Fund, with the exception of cash and cash equivalents are not directly exposed to interest rate risk. The Fund is exposed to interest rate risk on the interest earned on its cash and bank balances. This exposure is not considered to be significant.

Interest rate risk is managed, in part, by the security selection process of the Investment Manager which includes predictions of future events and their impact on interest rates, diversification and duration. In accordance with Company policy, the Investment Manager monitors the Funds' overall interest sensitivity on a daily basis. The Directors rely on the Investment Manager to keep them informed of any material event. There were no material changes to the Company's policies and processes for managing interest rate risk and the methods used to measure risk during the financial year.

No sensitivity analysis has been presented as the interest rate risk for the White Rhino Fund is not considered to be significant.

**Global Exposure**

In respect of the AAM Alpha Funds plc, the Investment Manager uses the Commitment Approach to evaluate the global exposure of the Funds. The Commitment Approach is a standard methodology used to calculate the gross notional exposure and global exposure (net leverage/gearing) arising from a portfolio's derivatives. The global exposure is the absolute value of the notional exposure of each individual derivative after applying any hedging and netting benefits of longs and shorts.

At 30 April 2018, the global exposure for White Rhino Fund was equivalent to 7.92% of Net Asset Value. (30 April 2017: 10.27%).

**Credit Risk**

Credit risk is defined in FRS 102 as the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The White Rhino Fund is exposed to credit risk on its investments, cash and securities lending arrangements. This risk is limited in respect of investments as the majority of Fund's financial assets are equity securities. The Fund has exposure to bonds, but its exposure to credit risk is minimal as it only holds one bond at 30 April 2018. The Fund limits its exposure to counterparties to derivative instruments in accordance with the investment restrictions set out in the Company's prospectus.

Transactions in securities are generally settled or paid for on delivery, or cleared through the appropriate clearing system for the market on which the securities are traded. The risk of default is not considered to be material, as delivery of securities sold is only made once the Fund's depository has received confirmation of payment. Payment is also only made on a purchase once confirmation of delivery of the securities has been received by the depository. The trade will fail if either party fails to deliver the required confirmations.

Northern Trust Fiduciary Services (Ireland) Limited ("NTFSIL") is the appointed Depository of the Company, responsible for the safe-keeping of assets. NTFSIL has appointed The Northern Trust Company ("TNTC") as its global sub-custodian. Both NTFSIL and TNTC are wholly owned subsidiaries of Northern Trust Corporation ("NTC"). As at year-end date 30 April 2018, NTC had a long term credit rating from Standard & Poor's of A+ (30 April 2017: A+).

TNTC (as global sub-custodian of NTFSIL) does not appoint external sub-custodians within the U.S., the U.K., Ireland and Canada. However, in all other markets, TNTC appoints local external sub-custodians.

NTFSIL, in the discharge of its depository duties, verifies the Fund's ownership of Other Assets, (as defined under Other Assets, Art 21 (8)(b) of Directive 2011/61/EU), by assessing whether the Fund holds the ownership based on information or documents provided by the Fund or where available, on external evidence.

**Notes to the Financial Statements (Continued)****For the Financial Year Ended 30 April 2018****2. Financial Risk Management (Continued)****Credit Risk (Continued)**

TNTC, in the discharge of its delegated depository duties, holds in custody (i) all financial instruments that may be registered in a financial instruments account opened on the books of TNTC and (ii) all financial instruments that can be physically delivered to TNTC. TNTC ensures all financial instruments (held in a financial instruments account on the books of TNTC) are held in segregated accounts in the name of the Fund, clearly identifiable as belonging to the Fund, and distinct and separately from the proprietary assets of TNTC, NTFSIL and NTC.

In addition TNTC, as banker, holds cash of the Fund on deposit. Such cash is held on the Statement of Financial Position of TNTC. In the event of insolvency of TNTC, in accordance with standard banking practice, the Fund will rank as an unsecured creditor of TNTC in respect of any cash deposits.

Insolvency of NTFSIL and or one of its agents or affiliates may cause the Fund's rights with respect to its assets to be delayed.

The Responsible Party manages risk by monitoring the credit quality and financial position of the Depository and such risk is further managed by the Depository monitoring the credit quality and financial positions of sub-custodian appointments.

Risk is managed by monitoring the credit quality and financial positions of the Depository the Company uses. Northern Trust acts as its own sub-custodian in the U.S., the U.K., Ireland and Canada. In all other markets Northern Trust appoints a local sub-custodian. Northern Trust continually reviews its sub-custodian network to ensure clients have access to the most efficient, creditworthy and cost-effective provider in each market.

The Company's main credit risk concentration is spread between bonds and futures contracts. The carrying amounts of financial assets best represent the maximum credit risk exposure at the Statement of Financial Position date.

There were no significant concentrations of credit risk to counterparties for White Rhino Fund at 30 April 2018 (30 April 2017: same).

The counterparty on open derivative contracts, and its associated S&P rating at financial year end 30 April 2018 was as follows: Banca IMI: BBB (30 April 2017: BBB-).

The Company has a securities lending agreement with TNTC who act as agent. To manage the credit risk associated with the securities lending arrangement, the agent has entered into a securities lending agreement on behalf of the Company, with each borrower on terms that the borrower shall deliver to the Escrow agent, concurrently with or prior to the delivery of the loaned securities, collateral having a market value at the time of delivery of at least equal to or in excess of 102%, where the collateral currency equals the security currency or 105% of the market value of the loaned securities in all other cases. Note 17 contains details of the securities lending agreement.

**Notes to the Financial Statements (Continued)****For the Financial Year Ended 30 April 2018****2. Financial Risk Management (Continued)****Credit Risk (Continued)**

The Funds' financial assets exposed to credit risk were concentrated in the following types of instruments:

**As at 30 April 2018**

	<b>White Rhino Fund %</b>
Warrants	0.08
Corporate Bonds	–
Future Contracts	0.03
	<u><b>0.11</b></u>

**As at 30 April 2017**

	<b>White Rhino Fund %</b>
Corporate Bonds	0.01
Future Contracts	(0.21)
	<u><b>(0.20)</b></u>

The Ausonio Fund migrated to Vixit Umbrella ICAV on 13 May 2016 and so the Fund had no exposure to credit risk as at the reporting date.

Cash and cash equivalents are held with TNTC and margin cash is held by the counterparty Banco IMI.

There were no past due or impaired assets held by the Fund at 30 April 2018.

In accordance with Company policy, the Investment Manager monitors the Funds credit risk exposure on a daily basis. The Directors rely on the Investment Manager to keep them informed of any material event. There were no material changes to the Company's policies and processes for managing credit risk and the methods used to measure risk during the financial year.

**Concentration Risk**

As at 30 April 2018, the White Rhino Fund had a 13.00% exposure to Cementir Holding SpA but the Fund ultimately achieves diversification via the other underlying investments held in the White Rhino Fund.

The Ausonio Fund migrated to Vixit Umbrella ICAV on 13 May 2016.

**Liquidity Risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or other financial assets.

The Fund is exposed to monthly cash redemptions of redeemable participating shares. The deadline for the White Rhino Fund is 85 days prior to the relevant Dealing Day. The Fund generally retains a certain portion of its assets in cash, which is available to satisfy redemptions.

In accordance with Company policy, the Investment Manager monitors the Funds liquidity position on a daily basis. The Directors rely on the Investment Manager to keep them informed of any material event. There were no material changes to the Company's policies and processes for liquidity risk and the methods used to measure risk during the financial year.

**Notes to the Financial Statements (Continued)****For the Financial Year Ended 30 April 2018****2. Financial Risk Management (Continued)****Liquidity Risk (Continued)**

The following tables analyse the Funds' financial liabilities into relevant maturity groupings based on the remaining period at the Statement of Financial Position date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Balances due within twelve months equal their carrying balances as the impact of discounting is not significant. All amounts are stated in the base currency of the Funds.

<b>As at 30 April 2018</b>	<b>Less than one month EUR</b>	<b>More than one month EUR</b>	<b>Total EUR</b>
<b>White Rhino Fund</b>			
Financial liabilities at fair value through profit or loss - held for trading	–	4,197	4,197
Creditors (amounts falling due within one year)	101,870	–	101,870
Redeemable participating shares	–	39,035,540	39,035,540
<b>Total financial liabilities</b>	<b>101,870</b>	<b>39,039,737</b>	<b>39,141,607</b>

<b>As at 30 April 2017</b>	<b>Less than one month EUR</b>	<b>More than one month EUR</b>	<b>Total EUR</b>
<b>White Rhino Fund</b>			
Financial liabilities at fair value through profit or loss - held for trading	–	56,363	56,363
Creditors (amounts falling due within one year)	87,153	–	87,153
Redeemable participating shares	–	34,366,089	34,366,089
<b>Total financial liabilities</b>	<b>87,153</b>	<b>34,422,452</b>	<b>34,509,605</b>

The Ausonio Fund migrated to Vixit Umbrella ICAV on 13 May 2016 and so the Fund had no exposure to liquidity risk at the reporting date.

**3. Fair Value Measurements**

FRS 102 requires the Company to classify financial instruments measured at fair value into the following hierarchy:

- 1) Instruments fair valued using a quoted price for an identical asset or liability in an active market. Quoted in an active market in this context means quoted prices are readily and regularly available and those prices represent actual and regularly occurring market transactions on an arm's length basis.
- 2) Instruments for which a quoted price is unavailable and which have been fair valued using the price of a recent transaction for an identical asset or liability provided there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place.
- 3) Instruments for which fair value has been estimated using a valuation technique.

**Notes to the Financial Statements (Continued)****For the Financial Year Ended 30 April 2018****3. Fair Value Measurements (Continued)**

The following table analyses within the fair value hierarchy the Funds financial assets and liabilities at 30 April 2018:

<b>White Rhino Fund</b>	<b>Level 1 EUR</b>	<b>Level 2 EUR</b>	<b>Level 3 EUR</b>	<b>Total EUR</b>
<b>Assets</b>				
<b>Financial Assets at Fair Value through Profit and Loss - Held for Trading</b>				
Equities	36,106,524	–	–	36,106,524
Warrants	–	30,271	–	30,271
Corporate Bonds	–	2,000	–	2,000
Exchange Traded Funds	1,078,169	–	–	1,078,169
Futures Contracts	15,259	–	–	15,259
<b>Total Assets</b>	<b><u>37,199,952</u></b>	<b><u>32,271</u></b>	<b><u>–</u></b>	<b><u>37,232,223</u></b>
<b>Liabilities</b>				
<b>Financial Liabilities at Fair Value through Profit and Loss - Held for Trading</b>				
Futures Contracts	(4,197)	–	–	(4,197)
<b>Total Liabilities</b>	<b><u>(4,197)</u></b>	<b><u>–</u></b>	<b><u>–</u></b>	<b><u>(4,197)</u></b>

The following table analyses within the fair value hierarchy the Funds' financial assets and liabilities at 30 April 2017.

<b>White Rhino Fund</b>	<b>Level 1 EUR</b>	<b>Level 2 EUR</b>	<b>Level 3 EUR</b>	<b>Total EUR</b>
<b>Assets</b>				
<b>Financial Assets at Fair Value through Profit and Loss - Held for Trading</b>				
Equities	25,652,464	–	–	25,652,464
Corporate Bonds	–	2,000	–	2,000
Exchange Traded Funds	1,223,860	–	–	1,223,860
<b>Total Assets</b>	<b><u>26,876,324</u></b>	<b><u>2,000</u></b>	<b><u>–</u></b>	<b><u>26,878,324</u></b>
<b>Liabilities</b>				
<b>Financial Liabilities at Fair Value through Profit and Loss - Held for Trading</b>				
Futures Contracts	(56,363)	–	–	(56,363)
<b>Total Liabilities</b>	<b><u>(56,363)</u></b>	<b><u>–</u></b>	<b><u>–</u></b>	<b><u>(56,363)</u></b>

The Ausonio Fund migrated to Vixit Umbrella ICAV on 13 May 2016.

There were no transfers between level 1 and level 2 during the financial year ended 30 April 2018 or 30 April 2017.

There were no level 3 securities held during the financial year ended 30 April 2018 or 30 April 2017.

## Notes to the Financial Statements (Continued)

## For the Financial Year Ended 30 April 2018

## 4. Operating Income

## For the Financial Year Ended 30 April 2018

	<b>White Rhino Fund EUR</b>
Dividend income	470,219
Deposit interest	232
Securities lending income	29,220
	<b><u>499,671</u></b>

## For the Financial Year Ended 30 April 2017

	<b>Total Company EUR</b>	<b>White Rhino Fund EUR</b>	<b>Ausonio Fund* USD</b>
Dividend income	337,405	337,405	–
Deposit interest	1,745	76	1,908
Securities lending income	9,789	9,789	–
	<b><u>348,939</u></b>	<b><u>347,270</u></b>	<b><u>1,908</u></b>

\* The Ausonio Fund migrated to Vixit Umbrella ICAV on 13 May 2016.

## 5. Net Gains/(Losses) on Financial Assets and Liabilities at Fair Value Through Profit or Loss

## For the Financial Year Ended 30 April 2018

	<b>White Rhino Fund EUR</b>
Realised gains on sale of investments	4,537,493
Realised losses on spot/forward currency contracts	(21,202)
Realised gains on futures contracts	155,380
Realised gains on options	7,970
Net currency losses	(8,118)
Net change in unrealised depreciation on investments	(102,053)
Net change in unrealised appreciation on futures contracts	67,426
	<b><u>4,636,896</u></b>

## For the Financial Year Ended 30 April 2017

	<b>Total Company EUR</b>	<b>White Rhino Fund EUR</b>	<b>Ausonio Fund* USD</b>
Realised gains on sale of investments	5,142,346	4,580,926	641,807
Realised losses on spot/forward currency contracts	(24,315)	(24,315)	–
Realised gains on futures contracts	339,958	339,958	–
Net currency losses	(9,301)	(9,295)	(7)
Net change in unrealised appreciation/(depreciation) on investments	3,446,380	4,701,453	(1,434,782)
Net change in unrealised depreciation on futures contracts	(51,585)	(51,585)	–
	<b><u>8,843,483</u></b>	<b><u>9,537,142</u></b>	<b><u>(792,982)</u></b>

\* The Ausonio Fund migrated to Vixit Umbrella ICAV on 13 May 2016.

## Notes to the Financial Statements (Continued)

## For the Financial Year Ended 30 April 2018

## 6. Operating Expenses

## For the Financial Year Ended 30 April 2018

	<b>White Rhino Fund EUR</b>
Administration fees	42,230
Audit fees	12,000
Central bank levy	4,231
Depository fees	31,716
Directors' fees	23,333
Financial reporting fee	6,536
General expenses	37,401
Investment management fees	386,434
Legal fees	26,000
Corporate secretarial fee	12,103
Transfer agency fee	51
	<b>582,035</b>

## For the Financial Year Ended 30 April 2017

	<b>Total Company EUR</b>	<b>White Rhino Fund EUR</b>	<b>Ausonio Fund* USD</b>
Administration fees	43,377	41,885	1,706
Audit fees	12,000	12,000	–
Central bank levy	3,004	2,333	767
Depository fees	43,649	43,003	739
Directors' fees	10,323	10,028	337
Financial reporting fee	6,571	6,420	173
General expenses	13,048	2,533	12,019
Investment management fees	272,524	266,074	7,374
Legal fees	9,243	9,788	(623)
Corporate secretarial fee	5,186	5,003	209
Transfer agency fee	71	51	23
	<b>418,996</b>	<b>399,118</b>	<b>22,724</b>

\* The Ausonio Fund migrated to Vixit Umbrella ICAV on 13 May 2016.

## 7. Cash and Cash Equivalents

## As at 30 April 2018

	<b>White Rhino Fund EUR</b>
The Northern Trust Company	1,781,751
Banca IMI†	13,707
	<b>1,795,458</b>

## As at 30 April 2017

	<b>Total Company EUR</b>	<b>White Rhino Fund EUR</b>	<b>Ausonio Fund* USD</b>
The Northern Trust Company	6,946,594	6,946,594	–
Banca IMI†	111,515	111,515	–
	<b>7,058,109</b>	<b>7,058,109</b>	–

\* The Ausonio Fund migrated to Vixit Umbrella ICAV on 13 May 2016.

† Cash held with Banca IMI relates to futures margin cash.

**Notes to the Financial Statements (Continued)****For the Financial Year Ended 30 April 2018****8. Debtors (Amounts Falling Due Within One Year)****As at 30 April 2018**

	<b>White Rhino Fund EUR</b>
Deposit interest receivable	14
Dividend income	82,104
Prepaid expenses	3,251
Reclaims receivable	28,557
	<u>113,926</u>

**As at 30 April 2017**

	<b>Total Company EUR</b>	<b>White Rhino Fund EUR</b>	<b>Ausonio Fund* USD</b>
Dividend income	1,419	1,419	–
Prepaid expenses	1,750	1,750	–
Reclaims receivable	28,240	28,240	–
Sale of securities awaiting settlement	529,763	529,763	–
Other receivables	12,000	12,000	–
	<u>573,172</u>	<u>573,172</u>	–

\* The Ausonio Fund migrated to Vixit Umbrella ICAV on 13 May 2016.

**9. Creditors (Amounts Falling Due Within One Year)****As at 30 April 2018**

	<b>White Rhino Fund EUR</b>
Administration fees	2,762
Audit fees	14,834
Central bank levy	1,224
Depositary fees	3,853
Directors' fees	6,667
Financial reporting fee	456
General expenses	913
Investment management fees	34,781
Legal fees	5,171
Corporate secretarial fees	2,460
Interest payable	528
Purchase of securities awaiting settlement	28,214
Transfer agency fees	7
	<u>101,870</u>

**Notes to the Financial Statements (Continued)****For the Financial Year Ended 30 April 2018****9. Creditors (Amounts Falling Due Within One Year) (Continued)****As at 30 April 2017**

	<b>Total Company EUR</b>	<b>White Rhino Fund EUR</b>	<b>Ausonio Fund* USD</b>
Administration fees	6,789	6,789	–
Audit fees	12,000	12,000	–
Central bank levy	665	665	–
Depository fees	12,692	12,692	–
Directors' fees	13,333	13,333	–
Financial reporting fee	1,078	1,078	–
General expenses	1,166	1,166	–
Investment management fees	26,323	26,323	–
Legal fees	6,900	6,900	–
Corporate secretarial fees	4,158	4,158	–
Interest payable	2,031	2,031	–
Transfer agency fees	18	18	–
	<b>87,153</b>	<b>87,153</b>	<b>–</b>

\* The Ausonio Fund migrated to Vixit Umbrella ICAV on 13 May 2016.

**10. Share Capital**

The Authorised Share Capital of the Company is 500,000,000,002 Shares of no par value initially divided into 2 Subscriber Shares of no par value and 500,000,000,000 Redeemable Participating Shares of no par value.

The Subscriber Shares were issued and are held by Albemarle Asset Management Limited and Matteo Riggino.

**Subscriber Shares**

The Subscriber Shares entitle holders to attend and vote at general meetings of the Company but do not entitle the holders to participate in the profits or assets of the Company except for a return of capital on a winding-up. Following the expiration of the initial offer of Shares in the Funds, the Subscriber Shares may at the option of the Directors either be redesignated as Shares at the Offer Price or repurchased. The Subscriber Shares shall have one vote for each Subscriber Share held.

**Redeemable Participating Shares**

The Shares issued by the Company are freely transferable and entitled to participate equally in the profits and dividends of the relevant Fund and in its assets upon liquidation. The Shares, which are of no par value and which must be fully paid upon issue, carry no preferential or pre-emptive rights and are entitled to one vote each at all meetings of the relevant class of Shareholders.

In accordance with the objectives listed in the Directors' Report and in the risk management policies in note 2 to the financial statements, the Company strives to invest the subscriptions of redeemable participating shares in appropriate investments, while maintaining sufficient liquidity to meet shareholder redemptions. The Company also invests in short-term commercial paper and debt and disposes of listed securities, when necessary, to meet liquidity needs.

**For the Financial Year Ended 30 April 2018**

	<b>White Rhino Fund</b>
<b>Number of Participating Class A Shares Issued and Fully Paid</b>	
Balance at beginning of the financial year	150,828
Issued during the financial year	783
Total number of shares in issue at end of the financial year	<b>151,611</b>

**Notes to the Financial Statements (Continued)****For the Financial Year Ended 30 April 2018****10. Share Capital (Continued)****Redeemable Participating Shares (Continued)****For the Financial Year Ended 30 April 2017****Number of Participating Class A Shares Issued and Fully Paid**

	<b>White Rhino Fund</b>	<b>Ausonio Fund*</b>
Balance at beginning of the financial year	150,828	83,086
Redeemed during the financial year	–	(83,086)
Total number of shares in issue at end of the financial year	<b>150,828</b>	<b>–</b>

\* The Ausonio Fund migrated to Vixit Umbrella ICAV on 13 May 2016.

**11. Net Asset Value****As at 30 April 2018**

	<b>White Rhino Fund EUR</b>
Net Asset Value Class A Shares	39,035,540
Net Asset Value per Share Class A Shares	257.47

**As at 30 April 2017**

	<b>White Rhino Fund EUR</b>	<b>Ausonio Fund* USD</b>
Net Asset Value Class A Shares	34,366,089	–
Net Asset Value per Share Class A Shares	227.85	–

\* The Ausonio Fund migrated to Vixit Umbrella ICAV on 13 May 2016.

**As at 30 April 2016**

	<b>White Rhino Fund EUR</b>	<b>Ausonio Fund USD</b>
Net Asset Value Class A Shares	24,953,619	17,361,982
Net Asset Value per Share Class A Shares	165.44	208.96

**12. Fees**

The Investment Manager is entitled to receive Management and Performance fees out of the Net Asset Value of the Funds:

**Investment Management Fees**

The Company will pay the Investment Manager an investment management fee, out of the assets of the Fund, at the following percentage per annum of the Net Asset Value of the Fund for the Class A Shares, accruing daily and payable monthly in arrears on the last Business Day of each month. The Company will also reimburse the Investment Manager for its reasonable out-of-pocket expenses.

White Rhino Fund	1.00%
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**Performance Fees**

The Company will pay the Investment Manager a performance fee, out of the assets of the Fund, accruing monthly and payable quarterly in arrears and calculated by the Administrator as at the last Business Day in each calendar quarter, which will be verified by the Depositary.

**Notes to the Financial Statements (Continued)****For the Financial Year Ended 30 April 2018****12. Fees (Continued)****Performance Fees (Continued)****White Rhino Fund**

No performance fee is payable with respect to the Class A Shares.

Performance fees for the Company in total, during the financial year, amounted to EUR Nil (30 April 2017: EUR Nil of performance fees write back), of which EUR Nil (30 April 2017: EUR Nil) was payable at the financial year end.

**Depositary Fees**

The Depositary is entitled to receive out of the assets of each Fund, a monthly fee, accrued daily and payable monthly in arrears, based on the number of transactions and the Net Asset Value of each Fund, up to a maximum fee of 0.0375% of the Net Asset Value of the Company per annum. Depositary fee is subject to a minimum annual fee of EUR 15,000.

In addition to such remuneration, the Depositary is entitled to be repaid all of its reasonable disbursements, including the fees and expenses of any Sub-Custodian (which shall be at normal commercial rates) and transaction charges (which shall also be at normal commercial rates) levied by the Sub-Custodian and which shall be payable by each of the Funds.

Depositary fees for the Company, during the financial year, amounted to EUR 31,716 (30 April 2017: EUR 43,649), of which EUR 3,853 (30 April 2017: EUR 12,692) was payable at the financial year end.

**Administration Fees**

The Administrator is entitled to receive out of the assets of each Fund, a monthly fee, accrued daily and payable monthly in arrears, up to a maximum of 0.07% of the Net Asset Value of the Company subject to a minimum annual fee of EUR 42,000 per Fund. This minimum fee may be waived by the Administrator for such period or periods of time as may be agreed between the Company and the Administrator from time to time. An account opening fee per shareholder, a maintenance fee per shareholder account, per annum, a fee per transaction noted on the register and a fee for Financial Statements preparation are also payable by the Funds. These fees will be at normal commercial rates. The Administrator is also entitled to be reimbursed by the Funds for all of its reasonable disbursements and out of pocket expenses.

Administration fees for the Company, during the financial year, amounted to EUR 42,230 (30 April 2017: EUR 43,377), of which EUR 2,762 (30 April 2017: EUR 6,789) was payable at the financial year end.

**Directors' Fees**

The Directors who are not partners, officers or employees of the Sponsor, the Investment Manager, the Depositary or the Administrator, will be entitled to remuneration by the Company for their services as Directors provided however that the aggregate emoluments of each Director in respect of any twelve month accounting period shall not exceed EUR 75,000 or such higher amount as may be approved by the Company in a general meeting. In addition, the Directors will also be entitled to be reimbursed for their reasonable and vouched out of pocket expenses incurred in discharging their duties as Directors.

Directors' fees during the financial year amounted to EUR 23,333 (30 April 2017: EUR 10,323), of which EUR 6,667 (30 April 2017: EUR 13,333) was payable at financial year end.

**Transaction Costs**

Transaction costs included in realised and unrealised gain/loss on investments are as follows:

	<b>30 April 2018</b>	<b>30 April 2017</b>
	<b>EUR</b>	<b>EUR</b>
White Rhino Fund	32,402	70,616

The Ausonio Fund migrated to Vixit Umbrella ICAV on 13 May 2016.

**Notes to the Financial Statements (Continued)****For the Financial Year Ended 30 April 2018****13. Efficient Portfolio Management**

The Investment Manager may utilise derivatives and other techniques and instruments (including, but not limited to, options, swaps, futures and forward foreign currency contracts) with the intention of providing protection against risk of gaining exposure to certain markets, sectors or securities, or of increasing the return on the Assets of the Portfolio. Such derivatives and other techniques and instruments will only be used for efficient portfolio management purposes in accordance with the conditions and limits laid down by the Central Bank of Ireland. The Investment Manager may also, when facilities become available in the relevant markets, lend the Portfolio securities and/or purchase securities subject to repurchase agreement.

During the financial year, the Investment Manager has used financial derivative instruments in the portfolio for the purpose of efficient portfolio management. This includes futures contracts.

Open financial derivative instrument contracts at the financial year end are disclosed in the relevant Schedule of Investments, including the relevant broker/counterparty, the underlying securities, currencies or indices, and the market value or unrealised gain/loss on the contract at the financial year end.

**14. Related Party Transactions**

FRS 102 requires an entity to include in its Financial Statements the disclosures necessary to draw attention to the possibility that its financial position and profit or loss have been affected by the existence of related parties and by transactions and outstanding balances with such parties. All transactions with connected parties have been carried out at arm's length and in the best interest of shareholders.

During the financial year, Fabrizio De Tomasi and Roberto Accornero (until his resignation on 11 December 2017) were both Executive Directors of the Investment Manager and Directors of the Company; Claudio De Ranieri was Portfolio Manager at the Investment Manager and Director of the Company. Investment Managers' fees during the twelve months to 30 April 2018 amounted to EUR 386,434 (30 April 2017: EUR 272,524), of which EUR 34,781 (30 April 2017: EUR 26,323) was payable at the financial year end. Directors' fees during the twelve months to 30 April 2018 amounted to EUR 23,333 (30 April 2017: EUR 10,323), of which EUR 6,667 (30 April 2017: EUR 13,333) was payable at the financial year end.

The Investment Manager is also entitled to a performance fee. Performance fees for the Company in total, during the financial year, amounted to EUR Nil (30 April 2017: EUR Nil of performance fees write back), of which EUR Nil (30 April 2017: EUR Nil) was payable at the financial year end.

The Subscriber Shares were issued and are held by Albemarle Asset Management Limited and Matteo Rigginiello, who hold 1 Subscriber Share each. Matteo Rigginiello (until his resignation on 9 September 2014) was Executive Directors of the Investment Manager and Director of the Company.

**15. Taxation**

The Company qualifies as an investment undertaking as defined in Section 739B of Taxes Consolidation Act 1997.

The Company is not liable for tax in respect of its income and gains, other than on the occurrence of a chargeable event. A chargeable event includes any distribution or any redemption or transfer of Shares.

A chargeable event does not include:

- (i) Any transactions in relation to Redeemable Participating Shares held in a recognised clearing system as designated by order of the Revenue Commissioners of Ireland; or,
- (ii) An exchange of Redeemable Participating Shares representing one Fund for another Fund of the Company; or,
- (iii) An exchange of Redeemable Participating Shares arising on a qualifying amalgamation or reconstruction of the Company with another fund.

A chargeable event will not occur in respect of Redeemable Participating Shareholders who are neither resident nor ordinarily resident in Ireland and who have provided the Company with a relevant declaration to that effect. There were no chargeable events during the financial year.

**Notes to the Financial Statements (Continued)****For the Financial Year Ended 30 April 2018****15. Taxation (Continued)**

In the absence of an appropriate declaration, the Company will be liable for Irish tax on the occurrence of a chargeable event and the Company reserves its right to withhold such taxes from payments to relevant shareholders.

Capital gains, dividends and interest received may be subject to withholding taxes imposed by the country of origin and such taxes may not be recoverable by the Company or its Shareholders. A chargeable event includes any distribution payment to shareholders or any encashment, redemption or transfer of shares or an ending of a relevant period.

**16. Auditors' Remuneration**

The remuneration for the audit of the Company's financial statements the statutory audit firm, including reimbursement for all out of pocket expenses, in respect of the financial year ended is as follows:

	<b>30 April 2018</b>	<b>30 April 2017</b>
	<b>EUR</b>	<b>EUR</b>
Statutory audit of company account excluding VAT	12,000	12,000
	<u><b>12,000</b></u>	<u><b>12,000</b></u>

There were no fees paid to the audit firm for the other assurance services, tax advisory services and other non-audit services.

**17. Securities Lending**

Securities lending is the market practice whereby securities are temporarily transferred by one party (the lender) to another (the borrower). The borrower is obliged to return the securities to the lender, either on demand, or at the end of an agreed term. For the period of the loan the lender is secured by acceptable assets delivered by the borrower to the lender as collateral.

Securities used in the stock lending program were held at fair value and were recorded on the Global Securities Lending System of Northern Trust Fiduciary Services (Ireland) Limited.

**For the Financial Year Ended 30 April 2018**

	<b>White Rhino Fund EUR</b>
Income earned during the financial year	29,220
Value of securities on loan at the financial year end	6,316,933
Value of collateral held by the Fund at the financial year end in respect of securities on loan	6,767,741
Gross earnings	57,776
Direct and indirect costs	23,108

The following borrowers were participants in the securities lending program at 30 April 2018:

**White Rhino Fund**

- Deutsche Bank Ag, London Branch
- J.P Morgan Securities Plc
- Merrill Lynch international
- Morgan Stanley & Company International Plc
- Societe Generale, Paris Branch
- UBS AG, London Branch

**Notes to the Financial Statements (Continued)****For the Financial Year Ended 30 April 2018****17. Securities Lending (Continued)****For the Financial Year Ended 30 April 2017**

	<b>Total Company EUR</b>	<b>White Rhino Fund EUR</b>	<b>Ausonio Fund* USD</b>
Income earned during the financial year	9,789	9,789	–
Value of securities on loan at the financial year end	1,953,209	1,953,209	–
Value of collateral held by the Fund at the financial year end in respect of securities on loan	2,347,620	2,347,620	–
Gross earnings	16,108	16,108	–
Direct and indirect costs	6,442	6,442	–

\* Ausonio Fund migrated to an ICAV on 13 May 2016.

The following borrowers were participants in the securities lending program at 30 April 2017:

**White Rhino Fund**

- Citigroup Global Markets Ltd
- J.P Morgan Securities Plc
- Morgan Stanley & Company International Plc

There were no borrowers participating in the securities Ausonio Fund lending program as at 30 April 2017.

**18. Soft Commission Arrangements**

From the beginning of 2011, Albemarle has commenced “Commissions Sharing Agreements” (“CSA”) with brokers to receive their equity research in return for broker execution commissions. The market research fees paid were 5 basis points of the brokerage commission of 15 basis points. The total commission paid for the White Rhino Fund for the twelve months 30 April 2018 was EUR 31,270 (30 April 2017: EUR 64,798).

**19. Segregated Liability**

The Company is an open-ended umbrella investment company with segregated liability between Funds. Whilst each Fund will accordingly be treated as bearing its own liabilities, Irish law does recognise that there may not be complete segregation of liability between Funds in all circumstances. At 30 April 2018 there is only one active sub-fund: White Rhino Fund.

**20. Significant Events During the Financial Year**

On 16 June 2017, Fabrizio De Tomasi was appointed as a Director of the Company. Mr. De Tomasi is both Executive Director of the Investment Manager and Director of the Company.

On 11 December 2017, Roberto Accornero resigned as a Director of the Company. Mr. Accornero was both Executive Director of the Investment Manager and Director of the Company.

On 13 December 2017, Claudio De Ranieri was appointed as a Director of the Company. Mr. Ranieri is Portfolio Manager at the Investment Manager and Director of the Company.

Effective from 1 July 2017, Walkers Corporate Services (Ireland) Limited replaced Intertrust Management Ireland Limited as secretary of the Company.

There have been no other events during the financial year, which, in the opinion of the Directors of the Company may have an impact on the Financial Statements for the financial year ended 30 April 2018.

**Notes to the Financial Statements (Continued)**

**For the Financial Year Ended 30 April 2018**

**21. Significant Events After the Financial Year End**

On 28 May 2018 the address of the Registered Office of the Company was updated to:

5th Floor, The Exchange  
George's Dock  
IFSC, Dublin 1  
Ireland

There have been no other events after the Statement of Financial Position date, which, in the opinion of the Directors of the Company may have an impact on the Financial Statements for the financial year ended 30 April 2018.

**22. Approval of Financial Statements**

The Financial Statements were approved and authorised for issue by the Board on 27 August 2018.

## Schedule of Investments

## White Rhino Fund

As at 30 April 2018

Holdings	Financial Assets at Fair Value Through Profit or Loss	Fair Value EUR	% of Net Assets
	<b>Transferable Securities: 92.58% (2017: 74.65%)</b>		
	<b>Equities: 92.50% (2017: 74.64%)</b>		
	<b>Germany 0.19% (2017: 0.85%)</b>		
	<b>Machinery-Diversified</b>		
2,249	GEA Group AG	72,935	0.19
	<b>Total Germany</b>	<b>72,935</b>	<b>0.19</b>
	<b>Italy 77.81% (2017: 71.55%)</b>		
	<b>Aerospace/Defense</b>		
19,200	Leonardo-Finmeccanica SpA	184,589	0.47
	<b>Apparel</b>		
938,126	Aeffe SpA	2,774,508	7.11
369,351	CSP International Fashion Group SpA	367,135	0.94
25,103	Piquadro SpA	47,068	0.12
	<b>Auto Parts &amp; Equipment</b>		
282,302	Carraro SpA	884,311	2.27
	<b>Banks</b>		
21,300	UniCredit SpA	382,825	0.98
	<b>Beverages</b>		
37,700	Massimo Zanetti Beverage Group SpA	272,760	0.70
	<b>Building Materials</b>		
27,517	Buzzi Unicem SpA	576,619	1.48
732,912	Cementir Holding SpA	5,075,415	13.00
	<b>Chemicals</b>		
250,000	Isagro SpA Pref	306,250	0.78
	<b>Distribution/Wholesale</b>		
670,576	Esprinet SpA	2,932,094	7.51
	<b>Diversified Financial Services</b>		
12,400	Azimut Holding SpA	216,194	0.55
	<b>Electrical Components &amp; Equipment</b>		
69,400	Cembre SpA	1,736,735	4.45

**Schedule of Investments (Continued)****White Rhino Fund (Continued)**

As at 30 April 2018

<b>Holdings</b>	<b>Financial Assets at Fair Value Through Profit or Loss</b>	<b>Fair Value EUR</b>	<b>% of Net Assets</b>
	<b>Equities: 92.50% (2017: 74.64%) (Continued)</b>		
	<b>Italy 77.81% (2017: 71.55%) (Continued)</b>		
	<b>Engineering &amp; Construction</b>		
271,947	Caltagirone SpA	795,445	2.04
	<b>Food</b>		
49,330	La Doria SpA	598,866	1.53
	<b>Home Furnishings</b>		
92,900	Elica	212,044	0.54
	<b>Internet</b>		
122,191	ePrice SpA	230,574	0.59
	<b>Machinery-Construction &amp; Mining</b>		
60,999	Danieli & C Officine Meccaniche SpA	965,004	2.47
37,260	Danieli & C Officine Meccaniche SpA Class C	848,597	2.18
	<b>Machinery-Diversified</b>		
40,000	Gefran SpA	346,200	0.88
137,991	SAES Getters SpA	3,094,448	7.93
	<b>Media</b>		
2,135,101	Arnoldo Mondadori Editore SpA	3,473,809	8.90
100,000	Rizzoli Corriere Della Sera Mediagroup SpA	117,000	0.30
	<b>Oil &amp; Gas Services</b>		
177,205	Saipem SpA	562,094	1.44
	<b>Retail</b>		
150,000	Fila SpA	2,623,500	6.72
212,772	OVS SpA	751,298	1.93
	<b>Total Italy</b>	<b>30,375,382</b>	<b>77.81</b>
	<b>Luxembourg 0.48% (2017: 0.00%)</b>		
	<b>Transportation</b>		
931,427	d'Amico International Shipping SA	187,916	0.48
	<b>Total Luxembourg</b>	<b>187,916</b>	<b>0.48</b>

## Schedule of Investments (Continued)

## White Rhino Fund (Continued)

As at 30 April 2018

Holdings	Financial Assets at Fair Value Through Profit or Loss	Fair Value EUR	% of Net Assets
	<b>Equities: 92.50% (2017: 74.64%) (Continued)</b>		
	<b>Netherlands 10.80% (2017: 1.72%)</b>		
	<b>Auto Manufacturers</b>		
226,916	Fiat Chrysler Automobiles NV	4,214,057	10.80
	<b>Total Netherlands</b>	<b>4,214,057</b>	<b>10.80</b>
	<b>Spain 3.22% (2017: 0.52%)</b>		
	<b>Iron/Steel</b>		
107,785	Acerinox SA	1,256,234	3.22
	<b>Total Spain</b>	<b>1,256,234</b>	<b>3.22</b>
	<b>Total Equities</b>	<b>36,106,524</b>	<b>92.50</b>
	<b>Warrants: 0.08% (2017: 0.00%)</b>		
	<b>Luxembourg 0.08% (2017: 0.00%)</b>		
931,427	d'Amico International Shipping SA 30/06/2022	30,271	0.08
	<b>Total Luxembourg</b>	<b>30,271</b>	<b>0.08</b>
	<b>Total Warrants</b>	<b>30,271</b>	<b>0.08</b>
	<b>Corporate Bonds: 0.00% (2017: 0.01%)</b>		
	<b>Luxembourg 0.00% (2017: 0.01%)</b>		
100,000	Esprito Santo Financiere SA FRN 5.25% 12/06/2015	2,000	–
	<b>Total Luxembourg</b>	<b>2,000</b>	<b>–</b>
	<b>Total Corporate Bonds</b>	<b>2,000</b>	<b>–</b>
	<b>Total Transferable Securities</b>	<b>36,138,795</b>	<b>92.58</b>
	<b>Exchange Traded Funds: 2.76% (2017: 3.56%)</b>		
	<b>Ireland 2.76% (2017: 3.56%)</b>		
59,188	DAXglobal Gold Mining Fund UCITS ETF	1,078,169	2.76
	<b>Total Ireland</b>	<b>1,078,169</b>	<b>2.76</b>
	<b>Total Exchange Traded Funds</b>	<b>1,078,169</b>	<b>2.76</b>

## Schedule of Investments (Continued)

## White Rhino Fund (Continued)

As at 30 April 2018

## Financial Assets at Fair Value Through Profit or Loss

## Financial Derivative Instruments: 0.04% (2017: 0.00%)

Broker/ Counterparty	Description	Maturity Date	Notional Value	No. of Contracts	Unrealised Gain EUR	% of Net Assets
<b>Futures Contracts: 0.04% (2017: 0.00%)</b>						
Banca IMI	US 10-Year T-Note Future June 2018	29/06/2018	(1,980,218)	(20)	15,259	0.04
<b>Total Futures Contracts</b>					<b>15,259</b>	<b>0.04</b>
<b>Total Financial Derivative Instruments</b>					<b>15,259</b>	<b>0.04</b>
<b>Total Financial Assets at Fair Value Through Profit or Loss</b>					<b>37,232,223</b>	<b>95.38</b>

## Financial Liabilities at Fair Value Through Profit or Loss

## Financial Derivative Instruments: (0.01%) (2017: (0.16%))

Broker/ Counterparty	Description	Maturity Date	Notional Value	No. of Contracts	Unrealised Loss EUR	% of Net Assets
<b>Futures Contracts: (0.01%) (2017: (0.16%))</b>						
Banca IMI	Long Gilt Lif Future June 2018	29/06/2018	(1,115,013)	(8)	(4,197)	(0.01)
<b>Total Futures Contracts</b>					<b>(4,197)</b>	<b>(0.01)</b>
<b>Total Financial Derivative Instruments</b>					<b>(4,197)</b>	<b>(0.01)</b>
<b>Total Financial Liabilities at Fair Value Through Profit or Loss</b>					<b>(4,197)</b>	<b>(0.01)</b>

	Fair Value EUR	% of Net Assets
<b>Total Value of Investments (Cost : 30,150,276)</b>	<b>37,228,026</b>	<b>95.37</b>
<b>Cash and Cash Equivalents</b>	<b>1,795,458</b>	<b>4.60</b>
<b>Other Net Assets</b>	<b>12,056</b>	<b>0.03</b>
<b>Net Assets Attributable to Holders of Redeemable Participating Shares</b>	<b>39,035,540</b>	<b>100.00</b>

**Schedule of Portfolio Changes (Unaudited)****White Rhino Fund**

Only the top 20 purchases and sales for the year ended 30 April 2018 have been included in the schedule of portfolio changes.

<b>Description</b>	<b>Purchases</b>	<b>Cost EUR</b>
Esprinet SpA	615,776	2,965,178
Fila SpA	150,000	2,786,674
Fiat Chrysler Automobiles NV	208,751	2,301,526
UniCredit SpA	138,621	2,287,064
Carraro SpA	324,305	1,342,118
Acerinox SA	107,785	1,259,193
OVS SpA	212,772	1,203,196
Buzzi Unicem SpA	36,768	780,515
ElringKlinger AG	51,005	756,262
La Doria SpA	49,330	754,048
GEA Group AG	19,901	752,246
Gefran SpA	85,426	734,419
Autogrill SpA	69,024	719,814
Saipem SpA	1,772,054	704,528
Tod's SpA	10,000	603,308
Aeffe SpA	333,508	572,578
Polytec Holding AG	30,190	486,507
SAES Getters SpA	17,272	443,677
Leonardo-Finmeccanica SpA	38,400	392,488
Elica SpA	92,900	221,911

<b>Description</b>	<b>Sales</b>	<b>Proceeds EUR</b>
UniCredit SpA	167,042	2,839,117
I Grandi Viaggi SpA	1,229,786	2,653,567
ASTM SpA	55,901	1,084,010
GEA Group AG	24,652	986,845
Reno De Medici	2,487,799	881,656
ElringKlinger AG	51,005	827,857
Autogrill SpA	69,024	768,636
Arnoldo Mondadori Editore SpA	312,440	749,507
Polytec Holding AG	30,190	626,187
Fiat Chrysler Automobiles NV	38,835	617,229
Tod's SpA	10,000	580,085
Assicurazioni Generali SpA	36,300	578,775
Banco BPM SpA	170,700	495,378
SAES Getters SpA	20,000	427,957
Cembre SpA	20,428	427,876
Gefran SpA	45,426	341,989
Caltagirone SpA	107,874	341,390
Biesse SpA Com	9,225	261,075
ePrice SpA	122,000	232,362
Leonardo-Finmeccanica SpA	19,200	218,127

**Appendix I: Additional Information AIFM (Unaudited)****1. Leverage Note**

The AAM Alpha Funds plc is a Qualified Investor Alternative Investment Fund (“QIAIF”), which delegated the investment management process to Albermale Asset Management Limited (“AIFM”). In accordance with the requirements of applicable regulations, the AIFM must set a maximum level of leverage for the Fund and report to investors the total amount of leverage employed by the Fund.

The White Rhino did not employ any leverage during the financial year ended 30 April 2018. (30 April 2017: the White Rhino Fund did not employ any leverage. The Ausonio Fund did not employ any leverage).

**2. Realised and Unrealised Gains and Losses on Investments****For the financial year ended 30 April 2018**

	<b>White Rhino Fund EUR</b>
<b>Realised gain on investments</b>	
Realised gains on investments	4,960,474
Realised losses on investments	(422,981)
<b>Unrealised gain on investments</b>	
Unrealised gains on investments	4,758,021
Unrealised losses on investments	(4,860,074)

**For the financial year ended 30 April 2017**

	<b>Total Company EUR</b>	<b>White Rhino Fund EUR</b>	<b>Ausonio Fund* USD</b>
<b>Realised gain on investments</b>			
Realised gains on investments	6,194,434	5,633,014	641,807
Realised losses on investments	(1,052,088)	(1,052,088)	–
<b>Unrealised gain on investments</b>			
Unrealised gains on investments	6,612,137	6,612,137	–
Unrealised losses on investments	(3,165,757)	(1,910,684)	(1,434,782)

\* The Ausonio Fund migrated to Vixit Umbrella ICAV on 13 May 2016.

**3. Remuneration Code*****Introduction to the AIFMD requirements***

These disclosures are made in accordance with the Alternative Investment Fund Managers Directive (the “AIFMD”), the European Commission Delegated Regulation supplementing the AIFMD (the “Delegated Regulation”) and the “Guidelines on sound remuneration policies under the AIFMD” issued by the European Securities and Markets Authority.

***Remuneration Committee***

The remuneration committee of Albemarle Asset Management Limited (“Albemarle”) is established for the purpose of reviewing remuneration policies, practices, and principles as required by local or regional rules. Specifically, the committee’s primary purposes are to review and make recommendations concerning:

- executive remuneration programs;
- employee benefit plans;
- such other remuneration plans as may be established from time to time;

The committee consists of three members and is constituted in a way that enables it to exercise its judgement and demonstrate its ability to make decisions which are consistent with the current and future financial status of the business. Only members of the committee have the right to attend these type of meetings, and the committee may request the attendance of any executive or other person (as deemed appropriate) to facilitate the review of remuneration recommendations and policy design, to ensure that the remuneration practices are consistent with effective risk management and do not encourage excessive risk taking.

**Appendix I: Additional Information AIFM (Unaudited) (Continued)****3. Remuneration Code (Continued)*****Decision-making process***

Remuneration decisions for employees are made once annually in January following the end of the performance year. This timing allows full-year financial results to be considered along with other non-financial goals and objectives. Although the framework for remuneration decision-making is tied to financial performance, significant discretion is used to determine individual remuneration based on achievement of strategic and operating results and other considerations such as management and leadership capabilities.

No set formulas are established and no fixed benchmarks are used in determining annual incentive awards. In determining specific individual remuneration amounts, a number of factors are considered including non-financial goals and objectives and overall financial and investment performance. These results are viewed in the aggregate without any specific weighting, and there is no direct correlation between any particular performance measure and the resulting annual incentive award.

Following the end of the performance year, the committee approves the final bonus pool amount and individuals are not involved in setting their own remuneration.

***Link between pay and performance***

There is a clear and well defined pay-for-performance philosophy and remuneration programmes which are designed to meet the following objectives as detailed below:

- Attract, retain and motivate employees capable of making significant contributions to the long-term success of the business;
- Control fixed costs by ensuring that remuneration expense varies with profitability;
- Discourage excessive risk-taking.

When setting remuneration levels a number of factors are considered, as well as individual performance, which may include:

- the performance of Albemarle, the funds managed by Albemarle and/or the relevant functional department;
- factors relevant to an employee individually (e.g. relevant working arrangements (including part-time status if applicable); relationships with clients and colleagues; teamwork; skills; any conduct issues; and, subject to any applicable policy, the impact that any relevant leave of absence may have on contribution to the business);
- the management of risk within the risk profiles appropriate for Albemarle's clients;
- strategic business needs, including intentions regarding retention;
- market intelligence; and
- criticality to business.

A proportionality assessment has been conducted to evaluate the risk profile of the AIFM and Albemarle in the context of its AIFM remuneration policy. This analysis has concluded that the size, nature and complexity of the AIFMs and, where relevant, the funds that they manage, is sufficiently low and AIFMD's remuneration requirements on the pay-out processes were subsequently dis-applied.

***AIFMD Remuneration Staff***

The AIFM Remuneration Policy sets out the process that will be applied to identify staff as "AIFM Staff" and "Identified Staff", being categories of staff, including senior management, risk takers, control functions and any employee receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers, whose professional activities have a material impact on the risk profiles of Albemarle or of the funds it manages.

***Quantitative Remuneration Disclosure***

The AIFM is required under the legislation to make quantitative disclosures of remuneration. These disclosures are made in line with the AIFM's interpretation of currently available regulatory guidance on quantitative remuneration disclosures.

Members of staff and senior management of the AIFM and Albemarle typically provide both AIFMD and non-AIFMD related services in respect of multiple funds, clients and functions of Albemarle. Therefore, the figures disclosed are a sum of each individual's portion of remuneration attributable to the White Rhino Fund according to an objective apportionment methodology which acknowledges the multiple-service nature of Albemarle. Accordingly the figures are not representative of any individual's actual remuneration or their remuneration structure.

**Appendix I: Additional Information AIFM (Unaudited) (Continued)****3. Remuneration Code (Continued)***Quantitative Remuneration Disclosure (Continued)*

The table below summarises the fixed and variable remuneration paid to AIFM and Identified Staff for the financial year ending 30 April 2018.

	<b>Number of Beneficiaries</b>	<b>Total Fixed Remuneration for the financial year</b>	<b>Total Variable Remuneration for the financial year</b>	<b>Total remuneration</b>
<b>White Rhino Fund</b>				
<b>AIFM Staff</b>	2	€20,000	-	€20,000
<b>Identified Staff</b>	3	€78,934	€25,500	€104,434

**4. Conflicts of Interest**

The Directors, the AIFM, the Investment Manager, the Administrator and the Depositary and their respective affiliates, officers, directors and shareholders, employees and agents (collectively the “Parties”) are or may be involved in other financial, investment and professional activities which may on occasion cause a conflict of interest with the management of the Company and/or their respective roles with respect to the Company. These activities may include managing or advising other funds (including other collective investment schemes), purchases and sales of securities, banking and investment management services, brokerage services, valuation of unlisted securities (in circumstances in which fees payable to the entity valuing such securities may increase as the value of assets increases) and serving as directors, officers, advisers or agents of other funds or companies, including funds or companies in which the Company may invest. In particular, the AIFM and other companies may be involved in advising or managing other investment funds (including other collective investment schemes) or other real estate portfolios which have similar or overlapping investment objectives to or with the Company or Funds. Each of the Parties will use its reasonable endeavours to ensure that the performance of their respective duties will not be impaired by any such involvement they may have and that any conflicts which may arise will be resolved fairly and in the best interests of Shareholders.

**Appendix II: Securities Financing Transactions Regulation (Unaudited)**

The Securities Financing Transactions Regulation, as published by the European Securities and Markets Authority, aims to improve the transparency of the securities financing markets. Disclosures regarding exposure to Securities Financing Transactions (“SFTs”) will be required on all reports and accounts published after 13 January 2017. The following information is presented with regard to Regulation (EU) 2015/2365 on transparency of securities financing.

A Securities Financing Transaction (“SFT”) is defined as per Article 3(11) of the SFTR as:

- a repurchase transaction;
- securities or commodities lending and securities or commodities borrowing;
- a buy-sell back transaction or sell-buy back transaction; or
- a margin lending transaction.

As at 30 April 2018 AAM Alpha Funds plc held the following types of SFTs: Securities Lending.

**White Rhino Fund****Global Data**

Securities and commodities on loan as a proportion of total lendable assets 17%

Assets engaged by SFT Type	EUR	% of AUM
Securities lending	6,316,937	16%

**Concentration Data**

Top issuers	Collateral EUR
1 Deutsche Bank AG, London Branch	2,260,158
2 UBS AG, London Branch	1,856,205
3 Morgan Stanley & Co. International	1,562,167
4 J.P. Morgan Securities	1,277,431
5 Merrill Lynch International	926,008
6 Societe Generale, Paris Branch	402,595

**Aggregate Transaction Data**

Securities lending							
<b>Collateral type:</b>	Government Bonds 58%	Equities 42%					
<b>Collateral currency:</b>	AUD 5%	CAD 1%	CHF 2%	EUR 32%	GBP 15%	HKD 5%	JPY 4%
	USD 35%						
<b>Maturity:</b>	<1 day	1 day - 1 week	1 week - 1 month	1-3 months	3 months - 1 year	> 1 year	Open maturity
- Collateral							100%
- Securities Lending							100%
- Countries of counterparties							UK, France, US
- Settlement & clearing type:	Bilateral 6%						Tri-party 94%

**Reuse of Collateral**

Share of collateral re-used	0%
Maximum permitted collateral re-use	0%
Return on cash collateral re-investment	0%

**Safekeeping – Collateral Received**

All collateral received is held with The Northern Trust Company (TNTC) on behalf of Northern Trust Fiduciary Services (Ireland) Limited (NTFSIL).

The total collateral received as at 30 April 2018 was EUR 6,767,741.

**Appendix II: Securities Financing Transactions Regulation (Unaudited) (Continued)****Safekeeping – Collateral Granted**

<b>Collateral held in:</b>	<b>Collateral volumes</b>
<b>Segregated accounts</b>	0%
<b>Pooled accounts</b>	100%
<b>Other</b>	0%

**Return & Cost\***

<b>Securities lending</b>	<b>Fund</b>		<b>Administrator</b>		<b>Total</b>	
	<b>EUR</b>	<b>%</b>	<b>EUR</b>	<b>%</b>	<b>EUR</b>	<b>%</b>
<b>Return</b>	34,692	60	23,124	40	57,816	100
<b>Cost</b>	23,124	100	-	-	23,124	100

\*The return on this SFTR table differs from that disclosed in the notes to the Financial Statements due to timing.