

Milltrust International Managed Investments ICAV

(An Irish collective asset-management vehicle with variable capital having segregated liability between its funds and registered in Ireland with limited liability)

Annual Report and Audited Financial Statements

31 December 2017

Registration No. C151894

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Milltrust International Managed Investments ICAV

ICAV INFORMATION

DIRECTORS	Stephen Finn Denise Kinsella* Mark Ebert Simon Hopkins Peter O'Dwyer**
REGISTERED OFFICE	6 th Floor 2 Grand Canal Square Dublin 2 Ireland
INVESTMENT MANAGER	Sturgeon Ventures LLP*** Linstead House 2 nd Floor, 9 Disraeli Road London SW15 2DR England
ALTERNATIVE INVESTMENT FUND MANAGER	KBA Consulting Management Limited 5 George's Dock IFSC Dublin 1
ADMINISTRATOR, REGISTRAR and TRANSFER AGENT	MUFG Alternative Fund Services (Ireland) Limited Ormonde House 12/13 Lower Leeson Street Dublin 2 Ireland
DEPOSITARY	Mitsubishi UFJ Investor Services & Banking (Luxembourg) S.A. Dublin Branch Ormonde House 12/13 Lower Leeson Street Dublin 2 Ireland
ICAV SECRETARY	Wilton Secretarial Limited 6 th Floor 2 Grand Canal Square Dublin 2 Ireland
LEGAL ADVISERS AS TO IRISH LAW	William Fry 2 Grand Canal Square Dublin 2 Ireland
INVESTMENT ADVISER	Milltrust International LLP 6 Stratton Street London W1J 8LD United Kingdom

* resigned 22 March 2018

** appointed 22 March 2018

*** Milltrust International LLP replaced Sturgeon Ventures LLP as Investment Manager on 17 May 2018

ICAV INFORMATION (continued)

SUB-INVESTMENT ADVISER
(in respect of certain Sub-Funds)

Milltrust Agricultural Investments Limited
6 Stratton Street
London W1J 8LD
United Kingdom

East India Capital Management Pte Ltd.
39 B Tras Street
Singapore 078978

Future Planet Capital Limited
c/o Walkers Corporate Limited
Cayman Corporate Centre
27 Hospital Road
George Town
Grand Cayman KY1-9008
Cayman Islands

AUDITOR

KPMG
1 Harbourmaster Place
IFSC
Dublin 1
Ireland

INVESTMENT MANAGER'S REPORT

The views expressed represent the opinions of the Investment Manager and are not intended as a forecast or guarantee of future results or investment recommendations

MAI - Buy & Lease (Australia)

The sub-fund made further farm acquisitions in May 2017, adding Westridge, the fourth farm in the Cottrell Farms orchard aggregation in Victoria, and Lurline North Farm in Central Queensland.

Lurline North is a large scale mixed cropping farm located approximately 880km north-west of Brisbane. It has a total area of approximately 1900 hectares, of which approximately 500 hectares are developed to centre pivot irrigation and approximately 700 hectares developed to dryland cultivation.

In December 2017 the acquisition of two dairy farms, Invergelly and Taminga, was completed. These properties are located near Finley in the Southern Riverina district of New South Wales, a region recognised for its superior soil types, access to reliable irrigation water and history of consistent productivity.

Invergelly comprises a broadacre irrigated dairy farm and Taminga provides additional irrigated support land to expand the milking platform. Together the farms comprise approximately 550 hectares of laser levelled bordercheck pastures setup for strip grazing and additional support land. A debt facility from ANZ was initiated through the sub-fund's subsidiary to finance the acquisition of the farms.

Irrigation development works on Lurline North were completed during Q4 2017. The works included the installation of three further centre pivots and the construction of a large water storage dam. The works increased the area under irrigation by approximately 250 hectares. Subsequent to the year end additional grain storage was constructed on Lurline North to support harvest of grain from the new irrigation development

Cottrell Farms reported that yields and returns on the 2017 citrus harvest were up on last year, saying "2017 was an exceptional year with high yields and good prices, with our trees and vines in wonderful condition everything looks good for an exciting 2018." A further 40 hectares of newly planted citrus trees at Cottrell are coming into production ahead of the 2018 season. The lessees are optimistic about the upcoming table grape harvest season with a smaller yield year expected but the quality looks excellent.

MAI - Buy & Lease (New Zealand)

The Overseas Investment Office (OIO) application to acquire Ohau Downs and Glen Eyrie was lodged in May 2017; however, after protracted discussions the OIO took the view that the sub-fund's ownership of the farms would not result in benefits over and above ownership by a local buyer, which would be the preferred position of the OIO. In the current political environment, this is a response that is being increasingly used by the OIO to turn down foreign ownership applications to buy farmland. The sub-fund was therefore advised to withdraw the application.

The Sub-Fund is currently in the process of identifying potential future investments.

INVESTMENT MANAGER'S REPORT (Continued)

British Innovation Fund

The sub-fund added three investments to its portfolio during the year.

In February 2017, £2 million was invested for 5.4% of the share capital of Pragmatic Printing, a company manufacturing ultra-low cost integrated circuits, which offer potential for delivering functional electronics into a vast range of devices and applications, ranging from RFID tags and other forms of Near Field Communications (NFC) such as smart cards, through to smart packaging and many devices that may need to connect to the Internet of Things.

In 2018 Pragmatic announced that the first FlexLogIC™ “fab-in-a-box” has now been installed and commissioned in its facility at Sedgefield. FlexLogIC is a self-contained, fully automated system delivering high throughput manufacturing of ultra-low cost, thin and flexible integrated circuits (FlexICs). In contrast to the traditional silicon industry, FlexLogIC provides a radically different approach to IC fabrication which is aligned to the mass market volumes and low-cost requirements of embedding electronics in everyday objects. With its modular construction and capital investment several orders of magnitude smaller than a new silicon IC fab, FlexLogIC opens up the potential for a distributed and highly scalable manufacturing model.

In March 2017, the sub-fund committed £10 million to Roslin Technologies, of which £5 million was immediately drawn down. Roslin Technologies is the new Technology Commercialisation Company of the University of Edinburgh's Roslin Institute. Based at Easter Bush Campus, the largest concentration of animal science expertise in Europe, Roslin Technologies exists to deliver breakthrough commercial solutions in the Animal Health, Breeding/Genetics and Animal Nutrition space based on the expert agricultural research of the Institute. Roslin Technologies will offer opportunities for investors looking to capitalise on the growing demand for food and agricultural products.

Roslin Technologies is a joint venture between University of Edinburgh, the British Innovation Fund and the food and agri-focused private equity firm JB Equity.

In June 2017, the sub-fund invested £500,000 in Attomarker Limited, a seed stage investment into a spin-out diagnostics company. The company is developing a device used for “blood testing at your fingertips”. The device connects to a smart phone and can run a full range of blood tests from a drop of blood, with the results given in less than ten minutes. A further £2.5 million was invested in the second round of funding in October 2017.

In respect of the investment in Oxford Sciences Innovation (OSI), four new investments were added during Q1 2018 meant that, as at 31 March 2018, OSI had 52 investments within its portfolio, and participated in five additional funding rounds on existing portfolio companies. The fair value of OSI's portfolio was £138.1m (up from £126.9m as at 31 December 2017).

INVESTMENT MANAGER'S REPORT (Continued)

EICM South Asia Hospitality 1

The sub-fund added to its initial investment of \$1.5 million in Mahamaya Infra Pvt Ltd (MIPL) by participating in a rights issue in June 2017 for a further \$570,000.

IN 2018 MIPL reported that it has been facing some financing pressure over the existing loans that it currently has with three Indian banks, with recent tightening of banking regulations resulting in a freezing of loan disbursements from banks. MIPL has therefore been in discussions with an Indian non-banking financial company ("NBFC") with a view to taking over the loans that MIPL currently has with these banks, where the loans can be provided at a lower interest rate and over a longer period -- specifically extending from an 8-year term to a 15-year term.

The delays in obtaining funding has held back progress on the construction and progress has been very slow, albeit ongoing. Uncertainty over funding has resulted in MIPL being unable to pay for contractor and vendors bills, operating supplies, IT supplies and some balance equipment, which are required for the hotel project to move towards completion. Without the above installations, the project will not be ready for government agency inspections and audits and also for the approval and issuances of the relevant permits for the operation of the Hotel.

The change of governing party in Himachal Pradesh State from elections in Q4 2017 also meant that the prior application process that MIPL had undertaken for a series of permits experienced significant delays, with new members being installed as agency heads, new due diligence and inspection processes, site visits and re-issuances under the new governing party. This will delay the process of approvals for subsequent permits which the hotel requires to be legally operationally ready.

It is anticipated that once funding comes in, the project will take an additional 3-4 months to complete.

Costs of project costs to completion have continued to increase due largely to the following:

- 1) Interest During Construction (which may hopefully be mitigated by NBFC lending on lowered interest)
- 2) Delays in applications and original cost increments
- 3) New Pollution sanctions and Tourism sanctions

MIPL estimates that the project costs may have increased by around 20%.

Given the delay in completion, and the incremental costs, the investment manager believes that it is prudent to value the portfolio holdings at the original cost of the first issue and subsequent rights issue respectively, rather than applying the enhanced issue price of the rights issue to the entire holding.

**Prepared by Milltrust International LLP with the assistance of Milltrust International Managed Investments ICAV
27 June 2018**

DIRECTORS' REPORT

The Directors (as noted on page 2) present herewith their annual report and audited financial statements of the sub-funds of Milltrust International Managed Investments ICAV (the "ICAV"), which includes the active Sub-Funds MAI – Buy & Lease (Australia), MAI – Buy and Lease (New Zealand), EICM South Asia Hospitality 1, British Innovation Fund, and the Milltrust Global Emerging Markets Fund which had not launched as of 31 December 2017 (collectively the "Sub-Funds").

Capitalised terms used herein will have the meanings given to them in the prospectus of the ICAV and the supplements for the Sub-Funds.

Investment Objective, Policies and Strategies

The Directors have directed the affairs of the ICAV in accordance with the Irish Collective Asset-management Vehicle Act 2015 ("ICAV Act 2015") and the European Union (Alternative Investment Fund Managers) Regulations 2013 (S.I. 257 of 2013) since the date of registration on 10 February 2016.

The ICAV may create separate funds (each a "Sub Fund") with segregated liability between Sub-Funds. The assets of a Sub-Fund will be invested separately in accordance with the investment objectives and policies of the relevant Sub-Fund. The specific investment objective and policies of each Sub-Fund will be set out in the relevant Supplement and will be formulated by the Directors at the time of creation of the relevant Sub-Fund.

The investment objective of the ICAV is to provide investors with capital appreciation and income consistent with prudent investment management.

Results, Activities and Future Developments

The results of operations are set out on page 16. A review of activities is contained in the Investment Manager's report on pages 4 to 6. The Directors intend to continue to develop the activities of the Sub-Funds.

Structure

The ICAV is established in Ireland pursuant to the ICAV Act 2015 and is authorised by the Central Bank as a Qualifying Investor Alternative Investment Fund ("QIAIF"). The ICAV is structured as an umbrella fund with segregated liability between Sub-Funds and as an Irish collective asset-management vehicle with variable capital. Pursuant to the Alternative Investment Fund Manager's (AIFM) Agreement, the ICAV has appointed KBA Consulting Management Limited as Alternative Investment Fund Manager (the "AIFM") which is responsible for the investment management and administration functions in respect of the ICAV and each Sub-Fund. The AIFM has delegated investment management to Sturgeon Ventures LLP which has appointed Milltrust International LLP as Investment Adviser.

The Sub-Funds

Each Sub-Fund may have different terms and conditions from those of the other Sub-Funds and such terms and conditions will be set out in the relevant Supplement relating to such Sub-Fund (and the classes of such Sub-Fund). Each class of shares established within the Sub-Fund may have different terms and conditions from those of the other classes within the Sub-Fund. The differences between classes may include, without limitation any one or more of the following: (i) currency denomination; (ii) dividend policy; (iii) fees, charges and expenses; (iv) hedging policies; (v) liquidity features; (vi) minimum initial subscription, holding and redemption amounts and (vi) asset allocation. Subject to any applicable provisions of the AIF Rulebook, each Sub-Fund will distribute or accrue capital gains or losses and income to each shareholder relative to their participation in the relevant class. Particulars relating to individual Sub-Funds and the classes of shares available therein are set out in the relevant Supplement. Shareholders of the same class shall be treated equally, where more than one class exists in a Sub-Fund, all shareholders in the different classes shall be treated fairly in accordance with the requirements of the AIF Rulebook.

DIRECTORS' REPORT (continued)

The Sub-Funds (continued)

The MAI Buy & Lease (Australia) Sub-Fund has established an investment vehicle (Milltrust BLA LLP, a limited liability partnership incorporated in England and Wales on 22 August 2016), which is a subsidiary of the Sub-Fund, to provide exposure to farmland assets held in Australia. The Sub-Fund is also the sole owner of Milltrust Agricultural Investments (Ireland) Limited, incorporated on 2 August 2016 in Ireland, its sole purpose being to invest in the Milltrust BLA LLP. Through these vehicles the Sub-Fund holds an indirect investment in 7 farmland properties as at 31 December 2017. The MAI Buy & Lease (New Zealand) Sub-Fund has established an investment vehicle (Milltrust Agricultural Investment New Zealand General Partner Limited, registered in New Zealand) as a subsidiary of the Sub-Fund, to provide exposure to farmland assets held in New Zealand. The EICM South Asia Hospitality 1 Sub-Fund invests in property related assets including securities issued by a body corporate whose main activity is investing in, dealing in, developing or redeveloping property. The property related assets in which the Sub-Fund invests provide exposure primarily to property situated in south Asian countries. The British Innovation Fund invests in a portfolio of venture funds and/or direct investments, typically unquoted pre initial public offering UK companies involved in research and development activities based in the UK (including, but not limited to, biotechnology, life sciences, agricultural technologies, healthcare, medicine, physics and mathematics). As a result of such investment, the British Innovation Fund will seek to obtain indirect and direct exposure to the equity or debt securities of private companies, which have been formed as a result of innovation primarily in the UK university sector.

Directors' and Secretary's Interests in Shares

The Directors and ICAV Secretary (as noted on page 2) who held office during the year ended 31 December 2017 had no interest in the shares, debentures or loan stock of the ICAV during the year .

Dividend Policy

The Directors are empowered to declare and pay dividends in any share class in respect of any Sub-Fund. The dividend policy in respect of each share class shall be set out in the relevant Supplement.

Any dividend, which is unclaimed for six years or more from the date of its declaration shall, at the discretion of the ICAV, be forfeited and shall become the property of the relevant Sub-Fund. Any change to the dividend policy of a Sub-Fund must be notified to shareholders in advance. There was no dividend paid during the year or payable as at 31 December 2017.

Accounting Records

The measures taken by the Directors to ensure compliance with the requirements of the ICAV Act 2015, regarding adequate accounting records are the implementation of necessary policies and procedures for recording transactions, employ appropriately qualified accounting personnel and the provision of adequate resources, including appropriate computerised accounting systems, to the financial function. While the Directors are responsible for ensuring that adequate accounting records are kept by the ICAV pursuant to the ICAV Act 2015, the day to day management of these responsibilities has been delegated to MUFG Alternative Fund Services (Ireland) Limited as Administrator, who ensure that the requirements of the ICAV Act 2015 are complied with. The books and accounting records are maintained at 1 George's Quay Plaza, George's Quay, Dublin 2, Ireland.

Corporate Governance Statement

The Board of Directors voluntarily complies with the Corporate Governance Code for Collective Investment Schemes and Management Companies, as published by the Irish Funds Industry Association (the "IF Code") in December 2011. The Board of Directors has assessed the measures included in the IF Code as being consistent with its corporate governance practices and processes for the financial year.

DIRECTORS' REPORT (continued)

Risk Management

The Sub-Funds are exposed to principal risks such as market, credit and liquidity risk. The Sub-Funds invest in portfolio investments which are by their nature of limited liquidity and the liquidity profile of each Sub-Fund (with limited rights of redemption) is designed to reflect this liquidity. Due to the nature of the investments in each Sub-Fund, there may be exposure to additional risks such as: leasing (or tenancy) risk, untried technology, absence of operating history, availability of future funding or use of leverage in underlying investments. The manner in which these risks have been dealt with are disclosed in note 7 of the financial statements.

Use of Financial Instruments

Refer to note 2 of the financial statements.

Remuneration

During the year ended 31 December 2017 the Directors of the Company, were remunerated in relation to the ICAV, to the amount of US\$91,874. Directors who are also employees of the Investment Manager or of its affiliates are not remunerated in relation to directorship services provided to the ICAV.

Significant events during the year

During the year, two Sub-Funds were launched:

- Milltrust Global Emerging Markets Fund was approved on 31 August 2017.
- As at 31 December 2018 the Milltrust Global Emerging Markets Fund had not commenced trading.
- MAI Buy & Lease – New Zealand launched on 26 January 2017
- MAI Buy & Lease – New Zealand was subscribed into but did not finalise any investments during the year ended 31 December 2017.

During the year the ICAV issued new supplements for each of the Sub-Funds. There were no material changes that require disclosure in the financial statements.

Subsequent events

Refer to note 21 for details of subsequent events.

Connected Parties Statement

Section 5(ii)(2)(k) of the Central Bank's AIF Rulebook states "the annual report must state whether the Sub-Fund is satisfied that there are arrangements in place to ensure that the obligations set out in paragraph 1 of section 1.viii Dealings by management company, general partner, depository, AIFM, investment researcher or by delegates or group companies of these of this Part are applied to all transactions with connected parties, and whether the Sub-Fund is satisfied that transactions with connected parties entered into during the financial period complied with the obligations set out in paragraph 1 of section 1.viii".

The Board of Directors are satisfied that there are arrangements (evidenced by written procedures) in place, to ensure that the obligations set out in the paragraph above are applied to all transactions with connected and related parties; and the Board of Directors are satisfied that transactions with connected and related parties entered into during the financial period complied with the obligations set out in this paragraph.

Independent Auditors

In accordance with section 125 of the Act, KPMG Chartered Accountants & Registered Auditors, have expressed their willingness to continue in office as the ICAV's auditor.

On behalf of the Board
Director
Stephen Finn
Date: 27 June 2018



Director
Peter O'Dwyer
Date: 27 June 2018



STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

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

The Irish Collective Asset-management Vehicles Act 2015 requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and applicable law.

The financial statements are required to give a true and fair view of the assets, liabilities and financial position of the ICAV at the end of the financial year and of the profit or loss of the ICAV for the financial year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRS as adopted by the European Union; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the ICAV will continue in business.

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Sub-Funds and enable them to ensure that the financial statements comply with the Irish Collective Asset-management Vehicles Act 2015. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Sub-Funds. In this regard they have entrusted the assets of the Sub-Funds to a Depositary for safe-keeping. They have general responsibility for taking such steps as are reasonably open to them to prevent and detect fraud and other irregularities. The directors are also responsible for preparing a Directors' Report that complies with the requirements of the Irish Collective Asset-management Vehicles Act 2015.

On Behalf of the Board

Director



Stephen Finn
Date: 27 June 2018

Director



Peter O'Dwyer
Date: 27 June 2018

DEPOSITARY'S REPORT TO THE SHAREHOLDERS

We, Mitsubishi UFJ Investor Services & Banking (Luxembourg) S.A. Dublin Branch, appointed as Depositary to Milltrust International Managed Investments ICAL (the "ICAV") provide this report solely in favour of the Shareholders of the ICAV for the year ended 31 December 2017 ("Accounting Period). This report is provided in accordance with current Depositary Regulations. 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 obligations, we have enquired into the conduct of the AIFM and the ICAV for this Accounting Period and we hereby report thereon to the shareholders of the ICAV as follows;

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

(i) in accordance with the limitations imposed on the investment and borrowing powers of the ICAV 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; an

(ii) otherwise in accordance with the provisions of the constitutional document and the investment fund legislation.



Mitsubishi UFJ Investor Services & Banking (Luxembourg) S.A.
Ormonde House
12/13 Lower Leeson Street
Dublin 2
Ireland



KPMG
Audit
1 Harbourmaster Place
IFSC
Dublin 1
D01 F6F5
Ireland

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF THE SUBFUNDS (AS SET OUT BELOW) OF MILLTRUST INTERNATIONAL MANAGED INVESTMENTS ICAV

1 Report on the audit of the financial statements

Opinion

We have audited the financial statements of MAI – Buy & Lease (Australia), MAI – Buy & Lease (New Zealand), EICM South Asia Hospitality I and British Innovation Fund (“the Subfunds”) for the period ended 31 December 2017, which comprise the Statement of Financial Position, the Statement of Comprehensive Income, the Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares, the Statement of Cash Flows and related notes, including the summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is Irish Law and International Financial Reporting (IFRS) as adopted by the European Union (EU).

In our opinion, the accompanying financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Subfunds as at 31 December 2017 and of their increase/decrease in net assets attributable to holders of redeemable participating shares for the period then ended;
- have been properly prepared in accordance with IFRS as adopted by the EU; and
- have been properly prepared in accordance with the requirements of the Irish Collective Asset-management Vehicles Act 2015.

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 further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the ICAV in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), 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.

We have nothing to report on going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Other information

The directors are responsible for the other information presented in the Annual Report together with the financial statements. 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, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.



**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF THE SUBFUNDS
(AS SET OUT BELOW) OF MILLTRUST INTERNATIONAL MANAGED INVESTMENTS
ICAV (continued)**

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Opinion on other matter prescribed by the Irish Collective Asset-management Vehicles Act 2015

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

2 Respective responsibilities and restrictions on use

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 10, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they 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 of the ICAV, the directors are responsible for assessing the ICAV'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 they either intend to liquidate the ICAV 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.

A fuller description of our responsibilities is provided on IAASA's website at https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the shareholders of the ICAV, as a body, in accordance with the Section 120 of the Irish Collective Asset-management Vehicles Act 2015. Our audit work has been undertaken so that we might state to the ICAV's shareholders 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 ICAV and the ICAV's shareholders, as a body, for our audit work, for this report, or for the opinions we have formed.

Brian Clavin

for and on behalf of

KPMG

Chartered Accountants, Statutory Audit Firm

1 Harbourmaster Place

IFSC

Dublin 1

27 June 2018

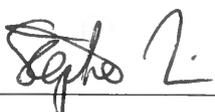
Milltrust International Managed Investments ICAV

STATEMENT OF FINANCIAL POSITION
As at 31 December 2017

	Notes	MAI- Buy & Lease (Australia) AUD\$	*MAI- Buy & Lease (New Zealand) NZD\$	EICM South Asia Hospitality 1 USD\$	British Innovation Fund GBP£
Assets					
Financial assets at fair value through profit or loss	7	27,964,407	-	2,100,122	11,742,085
Cash and cash equivalents	5	999,981	37,632,100	3,286	4,714,364
Prepaid investment in securities		-	468,075	-	2,507,196
Other receivables		1,532,175	10,903	348,628	-
Total Assets		30,496,563	38,111,078	2,452,036	18,963,645
Liabilities					
Administration fees payable	11	88,447	57,336	61,544	50,251
AIFM Fees payable	10	9,608	10,571	7,503	5,553
Investment management fees payable	13	1,537	1,904	19,481	13,981
ICAV service fees payable	13	93,931	75,253	121,137	40,731
Other liabilities		123,482	204,009	188,008	273,594
Subscription in advance		-	-	-	4,000,000
Total Liabilities		317,005	349,073	397,673	4,384,110
Net Assets Attributable to Holders of Redeemable Participating Shares					
		30,179,558	37,762,005	2,054,363	14,579,535
Net asset value per unit					
Units in issue	9	AUD\$98.26 307,140.10	NZD\$98.95 385,081.63	USD\$99.91 20,562.02	GBP£97.40 150,000.00

* Launched on 26 January 2017.

Approved by the Directors on 27 June 2018.

Director: 
Stephen Finn

Director: 
Peter O'Dwyer

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

STATEMENT OF FINANCIAL POSITION

As at 31 December 2016

	Notes	*MAI- Buy & Lease (Australia) AUD\$	**EICM South Asia Hospitality 1 USD\$	***British Innovation Fund GBP£
Assets				
Financial assets at fair value through profit or loss	7	9,944,979	1,449,514	4,000,000
Cash and cash equivalents	5	18,605,170	17,424	11,000,000
Prepaid investment in securities		1,451,500	-	-
Other receivables		388,794	103,326	-
Total Assets		30,390,443	1,570,264	15,000,000
Liabilities				
Administration fees payable	11	30,205	24,761	15,198
AIFM Fees payable	10	12,036	8,710	1,863
Investment management fees payable	13	6,373	4,513	1,375
Other liabilities		152,977	114,016	58,054
Total Liabilities		201,591	152,000	76,490
Net Assets Attributable to Holders of Redeemable Participating Shares				
		30,188,852	1,418,264	14,923,510
Net asset value per unit				
Units in issue	9	AUD\$98.29 307,140.10	USD\$94.42 15,021.55	GBP£99.49 150,000.00

* Launched on 30 September 2016

** Launched on 2 September 2016

*** Launched on 29 November 2016

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

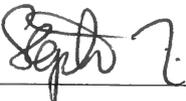
Milltrust International Managed Investments ICAV

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2017

	Notes	MAI - Buy & Lease (Australia) AUD\$	*MAI - Buy & Lease (New Zealand) NZD\$	EICM South Asia Hospitality 1 USD\$	British Innovation Fund GBP£
Investment Income					
Net (loss)/gain on financial assets at fair value through profit or loss	6	(334,225)	-	84,596	(118)
Net (loss)/gain on foreign exchange		30,871	2,692	(158)	431
Other income		657,852	10,903	243,875	-
Total Investment Income		354,498	13,595	328,313	313
Expenses					
Investment management fees	13	20,852	23,898	30,268	27,606
Administration fees	11	58,242	57,336	36,783	36,983
AIFM Fees	10	41,012	53,189	23,067	24,188
Depositary fees	12	36,408	36,121	29,934	21,189
Audit fees	15	15,834	4,228	4,020	4,803
Directors' fees		27,516	31,624	15,516	23,995
Organisation fees		31,239	415,414	13,925	46,888
ICAV service fees	13	75,593	75,253	93,266	70,629
Other expenses		57,096	62,690	10,435	88,007
Total Operating Expenses		363,792	759,753	257,214	344,288
Net (decrease)/increase in net assets from operations attributable to holders of redeemable participating shares		(9,294)	(746,158)	71,099	(343,975)

* Launched on 26 January 2017.

Approved by the Directors on 27 June 2018.

Director: 
Stephen Finn

Director: 
Peter O'Dwyer

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

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2016

	Notes	*MAI - Buy & Lease (Australia) AUD\$	**EICM South Asia Hospitality 1 USD\$	***British Innovation Fund GBP£
Investment Income				
Net loss on financial assets at fair value through profit or loss	6	-	(32,974)	-
Net (loss)/gain on foreign exchange		(415)	137	-
Other income		159,579	103,191	-
Total Investment Income		159,164	70,354	-
Expenses				
Investment management fees	13	9,844	7,141	1,375
Administration fees	11	30,205	24,761	15,198
AIFM Fees	10	12,036	8,710	1,863
Depositary fees	12	8,802	6,968	1,788
Audit fees	15	14,591	10,626	8,523
Directors' fees		9,901	7,010	1,124
Organisation fees		366,376	49,917	39,129
Other expenses		232,567	36,957	7,490
Total Operating Expenses		684,322	152,090	76,490
Net decrease in net assets from operations attributable to holders of redeemable participating shares				
		(525,158)	(81,736)	(76,490)

* Launched on 30 September 2016

** Launched on 2 September 2016

*** Launched on 29 November 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 year ended 31 December 2017

	MAI - Buy & Lease (Australia) AUD\$	MAI - Buy & Lease (New Zealand) NZD\$	EICM South Asia Hospitality 1 USD\$	British Innovation Fund GBP£
Net assets attributable to holders of redeemable participating shares at the start of the year	30,188,852	-	1,418,264	14,923,510
Issue of redeemable participating shares during the year	-	38,508,163	565,000	-
Redemption of redeemable participating shares during the year	-	-	-	-
(Decrease)/increase in net assets attributable to holders of redeemable participating shares	(9,294)	(746,158)	71,099	(343,975)
Net assets attributable to holders of redeemable participating shares at the end of the year	30,179,558	37,762,005	2,054,363	14,579,535

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 year ended 31 December 2016

	MAI - Buy & Lease (Australia) AUD\$	EICM South Asia Hospitality 1 USD\$	British Innovation Fund GBP£
Net assets attributable to holders of redeemable participating shares at the start of the year	-	-	-
Issue of redeemable participating shares during the year	30,714,010	1,500,000	15,000,000
Redemption of redeemable participating shares during the year	-	-	-
Decrease in net assets attributable to holders of redeemable participating shares	(525,158)	(81,736)	(76,490)
Net assets attributable to holders of redeemable participating shares at the end of the year	30,188,852	1,418,264	14,923,510

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

STATEMENT OF CASH FLOWS
For the year ended 31 December 2017

	MAI - Buy & Lease (Australia) AUD\$	MAI - Buy & Lease (New Zealand) NZD\$	EICM South Asia Hospitality 1 USD\$	British Innovation Fund GBP£
Cash flows from operating activities				
(Decrease)/increase in net assets attributable to holders of redeemable participating shares	(9,294)	(746,158)	71,099	(343,975)
Adjustments to reconcile net change in net assets resulting from operations to net cash provided by operating activities:				
Payments on purchased investments	(18,353,653)	-	(566,012)	(7,742,085)
Net loss on financial assets at fair value through profit or loss	334,225	-	(84,596)	-
Changes in operating assets and liabilities:				
Prepaid investment in securities	1,451,500	(468,075)	-	(2,507,196)
Other receivables	(1,143,381)	(10,903)	(245,302)	-
Accrued administration fees payable	58,242	57,336	36,783	35,053
Accrued investment management fees payable	(4,836)	1,904	14,968	12,606
ICAV service fees	93,931	75,253	121,137	40,731
Other liabilities	(31,923)	214,580	72,785	219,230
Subscription in advance	-	-	-	4,000,000
Net cash outflow from operating activities	(17,605,189)	(876,063)	(579,138)	(6,285,636)
Cash flows from financing activities				
Proceeds from issue of redeemable shares	-	38,508,163	565,000	-
Payments on redemption of redeemable shares	-	-	-	-
Net cash inflow provided by financing activities	-	38,508,163	565,000	-
Net (decrease)/increase in cash and cash equivalents during the year	(17,605,189)	37,632,100	(14,138)	(6,285,636)
Cash and cash equivalents at beginning of year	18,605,170	-	17,424	11,000,000
Cash and cash equivalents at 31 December 2017	999,981	37,632,100	3,286	4,714,364

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

STATEMENT OF CASH FLOWS
For the year ended 31 December 2016

	MAI - Buy & Lease (Australia) AUD\$	EICM South Asia Hospitality 1 USD\$	British Innovation Fund GBP£
Cash flows from operating activities			
Decrease in net assets attributable to holders of redeemable participating shares	(525,158)	(81,736)	(76,490)
Adjustments to reconcile net change in net assets resulting from operations to net cash provided by operating activities:			
Payments on purchased investments	(9,944,979)	(1,482,489)	(4,000,000)
Proceeds from sold investments	-	-	-
Net loss on financial assets at fair value through profit or loss	-	32,975	-
Changes in operating assets and liabilities:			
Prepaid investment in securities	(1,451,500)	-	-
Other receivables	(388,794)	(103,326)	-
Accrued administration fees payable	30,205	24,761	15,198
Accrued investment management fees payable	6,373	7,340	1,375
Other liabilities	165,013	119,899	59,917
Net cash outflow from operating activities	(12,108,840)	(1,482,576)	(4,000,000)
Cash flows from financing activities			
Proceeds from issue of redeemable shares	30,714,010	1,500,000	15,000,000
Payments on redemption of redeemable shares			
Net cash inflow provided by financing activities	30,714,010	1,500,000	15,000,000
Net increase in cash and cash equivalents during the year	18,605,170	17,424	11,000,000
Cash and cash equivalents at beginning of year	-	-	-
Cash and cash equivalents at 31 December 2016	18,605,170	17,424	11,000,000

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

NOTES TO THE FINANCIAL STATEMENTS

For year ended 31 December 2017

1. ORGANISATION

Milltrust International Managed Investments ICAV (the “ICAV”) was registered in Ireland under the Irish Collective Asset Management Vehicle Act 2015 (the “ICAV Act 2015”) as an umbrella Irish collective asset management vehicle with variable capital and segregated liability between Sub-Funds on 10 February 2016.

The ICAV is registered and authorised in Ireland by the Central Bank and is marketed solely to qualifying investors. The ICAV is an Irish collective asset-management vehicle with variable capital and having segregated liability between its Sub-Funds and is structured as an umbrella collective asset-management vehicle in that the share capital of the ICAV may be divided into different Share Classes with one or more Share Classes representing a separate Sub-Fund of the ICAV.

The EICM South Asia Hospitality 1 Sub-Fund launched on 2 September 2016, its investment objective being to provide investors with capital appreciation through investment in securities issued by a body corporate whose main activity is investing in, dealing in or redeveloping property.

The MAI - Buy & Lease (Australia) Sub-Fund launched on 30 September 2016, and its investment objective is to provide investors with capital appreciation and income through investment in agricultural property and water rights located in Australia. Upon acquisition, property and water rights will then be leased to local operators. The Sub-Fund may also invest in equities (which may be rated or unrated and listed or unlisted) which provide exposure to Australia agricultural companies. The MAI - Buy and Lease (Australia) Sub-Fund may either invest directly in property, or make loans and or investments into subsidiary entities which have been formed with the purpose of investing into such properties. As at 31 December 2017 the Sub-Fund has two subsidiaries - Milltrust Agricultural Investments (Ireland) Limited and Milltrust BLA LLP, of which the Sub-Fund owns 100%, either directly or indirectly. These are investment vehicles established to provide exposure to farmland assets and farmland companies in Australia.

The British Innovation Fund Sub-Fund launched on 29 November 2016, with an investment objective to seek long term returns through its investment in a portfolio of unquoted UK companies involved in research and development activities based in the UK (including, but not limited to, biotechnology, life sciences, agricultural technologies, healthcare, medicine, physics and mathematics).

MAI Buy and Lease (New Zealand) launched on 26 January 2017, its investment objective being to provide investors with capital appreciation and income consistent with investment in agricultural property and water rights located in New Zealand. Upon acquisition, property and water rights will then be leased to local operators. The Sub-Fund may also invest in equities (which may be rated or unrated and listed or unlisted) which provide exposure to agricultural companies in New Zealand.

Milltrust Global Emerging Markets Fund was approved on 31 August 2017 and commenced trading in 2018, its investment objective is to achieve capital appreciation by investing in other Investment Funds. The Fund will pursue its investment objective by investing in a limited portfolio of Investment Funds which invest primarily in emerging markets or to equities of companies which have operations in, exposure to, or derive part of their revenue from such markets, wherever they may be listed.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) *Basis of preparation*

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as adopted by the European Union (EU), and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB and Irish statute comprising the ICAV Act 2015 and the provisions of the European Union (Alternative Investment Fund Managers) Regulations 2013 (S.I. 257 of 2013).

NOTES TO THE FINANCIAL STATEMENTS (Continued)
For year ended 31 December 2017

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) *Basis of preparation (continued)*

The financial statements have been prepared in the respective functional currency of the individual Sub-Funds, Australian Dollar (AUD\$) for the MAI - Buy & Lease (Australia) Sub-Fund, New Zealand Dollar (NZD\$) for the MAI - Buy & Lease (New Zealand) Sub-Fund, United States Dollar (USD\$) for EICM South Asia Hospitality 1 Sub-Fund and Great British Pounds (GBP£) for the British Innovation Fund Sub-Fund. The Board of Directors considers these currencies as the currencies that most faithfully represent the economic effects of the underlying transactions, events and conditions. All values are rounded to the nearest whole currency unit (except Net Asset Value per share and units in issue).

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

The financial statements are prepared on a fair value basis for financial assets and financial liabilities at fair value through profit or loss.

Other financial assets and financial liabilities are stated at amortised cost or redemption amount (redeemable participating shares). IFRS 10s Investment entity amendment also requires subsidiaries to be accounted for at fair value through profit and loss in accordance with IAS 39. As the MAI - Buy and Lease (Australia) Sub-Fund's investment in its subsidiaries is not held for trading, it is presented on an aggregate basis in the financial statements within "fair value" of financial assets, as all are managed together on a fair value basis. The Sub-Funds classify unconsolidated subsidiaries into financial assets at fair value through profit or loss by such designation on initial recognition. Changes in fair value of the subsidiaries are recorded in the Statement of Comprehensive Income.

(b) *Use of estimates and judgements*

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

(c) *Changes in accounting policies*

(i) Standards, interpretations and amendments issued but not yet effective

IFRS 9, 'Financial instruments - classification and measurement' (effective 1 January 2018)

IFRS 15, Revenue from contracts with customers (effective 1 January 2018)

IFRS 16, Lease (effective 1 January 2018)

IFRS 17, Insurance (effective 1 January 2018)

IFRS 9 published in July 2014, replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
For year ended 31 December 2017

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) *Changes in accounting policies (continued)*

(i) Standards, interpretations and amendments issued but not yet effective (continued)

Key requirements of IFRS 9:

- All recognised financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and Measurement are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.
- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.

The standard is not expected to have a significant impact on the Sub-Funds' financial position or performance, as it is expected that the Sub-Funds will continue to classify their financial assets and financial liabilities as being at fair value through profit or loss.

IFRS 15, 16 and 17 will not have a material impact on the financial statements as the activities of the Sub-Funds are not related to the accounting changes.

(ii) Amendments to existing standards

Amendments to IAS 7, 'Statement of Cash Flows' became effective for annual periods beginning on or after January 1, 2017. These amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. A reconciliation of net debt is included in the statement of changes in net assets attributable to holders of redeemable participating shares.

(d) *Financial instruments*

(i) Classification

The Sub-Funds classify their financial assets and financial liabilities into the following categories:

Financial assets and liabilities at fair value through profit or loss

The category of financial assets and liabilities at fair value through profit or loss is sub-divided into:

Financial instruments designated as at fair value through profit or loss upon initial recognition: These include financial assets and liabilities that are not held for trading. These financial instruments are designated on the basis that their fair value can be reliably measured and their performance has been evaluated on a fair value basis in accordance with the risk management and/or investment strategy as set out in the Sub-Fund's offering document.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
For year ended 31 December 2017

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) *Financial instruments (continued)*

(i) Classification (continued)

Financial instruments held for trading: As at 31 December 2017 none of the sub-funds had any financial instruments held for trading (2016: None).

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Sub-Funds include in this category amounts relating to other short-term receivables.

Other financial liabilities

This category includes all financial liabilities, other than those classified as held for trading. The Sub-Funds include in this category amounts relating to other short-term payables.

(ii) Recognition and initial measurement

Purchases and sales of financial instruments are accounted for at trade date, the date that the Sub-Fund becomes a party to the contractual provisions of the instruments. Realised gains and losses on disposals of financial assets are calculated on an individual asset basis. Financial instruments categorised at fair value through profit or loss are measured initially at transaction price, with transaction costs for such instruments being recognised directly in the Statement of Comprehensive Income.

Financial instruments, other than those at fair value through profit or loss, are measured initially at cost plus transaction costs that are directly attributable to their acquisition or issue.

(iii) Subsequent measurement

After initial measurement, the Sub-Funds measure financial assets, including investments in subsidiaries, which are classified as at fair value through profit or loss at their fair values with changes in their fair value recognised in “Net loss on financial assets at fair value through profit or loss” in the Statement of Comprehensive Income. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm’s length transaction.

Subsequent measurement of fair value is determined in accordance with the valuation principles set out in the prospectus of the ICAV, and, in particular:

Agricultural farmland property – investments in subsidiaries which own farmland are subject to annual review through valuations carried out by external, independent, third party valuers (“external valuers”). Such valuations will be based on an open market valuation, in accordance with the basis of Market Value, as defined in the Royal Institution of Chartered Surveyors Appraisal and Valuation Standards, the Australian Property Institute or Property Institute of New Zealand, as appropriate, and the external valuer shall be requested to issue a signed and dated valuation certificate identifying the Property and stating:

- a. market value of the Property;
- b. market rental value of the Property;
- c. aggregated rental income;
- d. extent to which it is occupied;
- e. for developing properties, the extent to which any allowance has been made in the valuation for any agreed sale or guaranteed rental when the development is completed;
- f. any sums included for work in progress;
- g. the net value (including but not limited to cash flows, accruals, assets and liabilities) of the Property as at the date of the relevant Valuation Point (in the form of a single figure).

NOTES TO THE FINANCIAL STATEMENTS (Continued)
For year ended 31 December 2017

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) *Financial instruments (continued)*

(iii) Subsequent measurement (continued)

Unquoted investments - the value of any other investment which is not quoted, listed or normally dealt in on a regulated market shall be the probable realisable value estimated with care and in good faith by the AIFM or an external valuer, as its delegate. Where independent third party valuations are available, these will be taken into account in determining the fair value of such investments, however, the AIFM will also have regard to recommendations from the investment sub-advisers, who apply the International Private Equity and Venture Capital Valuation Guidelines issued by the International Private Equity and Venture Capital Board in making their assessment of the fair value of these assets.

(iv) Derecognition

The Sub-Funds derecognise a financial asset when the contractual rights to the cash flows from the financial asset expire or they transfer the financial asset and the transfer qualifies for derecognition in accordance with IAS 39. The Sub-Funds use the FIFO method to determine realised gains and losses on derecognition. A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

(e) *Cash and cash equivalents*

Cash comprises of current deposits with banks and other financial institutions. 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. As at 31 December 2017 no cash equivalents were held by the Sub-Funds.

(f) *Foreign currency translation*

Assets and liabilities denominated in foreign currencies are translated at the rates of exchange prevailing at the date of the financial statements. Transactions in foreign currencies are translated at the rates of exchange prevailing at the time of the transaction. Exchange gains or losses are included in the Statement of Comprehensive Income.

The Sub-Funds do not isolate that portion of gains or losses on investments which is due to changes in foreign exchange rates, from that which is due to changes in market prices of the investments. Such fluctuations are included within the net loss on financial assets at fair value through profit or loss on the Statement of Comprehensive Income.

The individual Sub-Funds' functional and presentation currencies are as noted in 2(a).

NOTES TO THE FINANCIAL STATEMENTS (Continued)
For year ended 31 December 2017

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) *Redeemable participating shares*

All redeemable participating shares are redeemable at the shareholder's option and are classified as financial liabilities. The redeemable participating shares can be put back to the Sub-Fund (as described in note 7(d)) for cash equal to a proportionate share of the Sub-Fund's net asset value. Each redeemable participating share is carried at the redemption amount that is payable at the balance sheet date if the shareholder exercised its right to put the share back to the Sub-Fund. The existence of the option for the shareholders to put the share back to the Sub-Fund in exchange for cash requires the Sub-Fund to classify the net assets attributable to shareholders as liabilities. The amendment to IAS 32 requires reclassification of puttable financial instruments to equity provided the financial instruments have particular features and meet specific conditions, including that all financial instruments in the class of instruments that is subordinate to all other instruments have identical features. As the Sub-Fund's redeemable shares are not the most subordinated, the amendment has not resulted in any change in the classification of the Sub-Fund's redeemable shares. The liability to shareholders is presented on the Statement of Financial Position as "Net assets attributable to holders of redeemable participating shares" and is determined based on the residual assets of the Sub-Fund after deducting the Sub-Fund's other liabilities.

(h) *Interest income and expenses*

Interest income and interest expenses on cash and cash equivalents and bank overdrafts is accrued using the original effective interest rate and classified to the interest income and interest expense line items respectively within the Statements of Comprehensive Income. Interest income is recognised on a gross basis. Interest income is included in net gain on financial assets and financial liabilities at fair value through profit and loss.

(i) *Gains and losses on financial assets and liabilities at fair value through profit or loss*

Gains and losses from financial instruments at fair value through profit or loss includes all realised gains/losses on transferable securities and financial derivative instruments, unrealised gains/losses from fair value changes and foreign exchange differences. Realised gains and losses are based on the FIFO method where financial assets are not separately identifiable.

(j) *Expenses*

All expenses, including management fees, administration fees, audit fees, incentive fees, insurance fees, legal fees, custodian fees and equalisation factor are recognised in the Statement of Comprehensive Income on an accruals basis.

(k) *Net Asset Value per share*

The Net Asset Value ("NAV") per Share as at the relevant year end is calculated by dividing the NAV attributable to each class by the number of shares in issue in that class of the Sub-Fund at the year end.

(l) *Offsetting Financial Instruments*

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(m) *Transactions costs*

Transaction costs are costs incurred to acquire financial assets or liabilities at fair value through profit or loss. They include the bid-ask spread, fees and commissions paid to agents, advisers, brokers and dealers. Transaction costs, when incurred, are immediately recognised in the Statement of Comprehensive Income.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
For year ended 31 December 2017

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) *Dividends*

Dividends on securities are recognised as income, gross of withholding taxes on the dates the securities are first quoted "ex-dividend", to the extent that information thereon is available to the ICAV.

(o) *Subsidiaries and associates*

"Subsidiaries" are investees controlled by a Sub-Fund. An "associate" is an investee that is significantly influenced but not controlled. The ICAV "controls" an investee if it is exposed to, or has the rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The Sub-Funds are investment entities and measure investments in its subsidiaries and associates at fair value through profit or loss. In determining whether the Sub-Funds meet the definition of an investment entity management considered the ownership structure as a whole. In particular, when assessing the existence of investment exit strategies and whether the Sub-Funds have more than one investment, management took into consideration the fact that the subsidiary was formed in connection with the Sub-Fund in order to hold investments on behalf of the Sub-Fund. Management concluded that the Sub-Fund meets the definition of an investment entity and should not consolidate the subsidiary and associate.

3. DIVIDEND AND DISTRIBUTION POLICY

The Directors may declare and pay dividends, in respect of the share classes of the respective Sub-Funds as described in the supplements to the Sub-Funds (or on such other basis and at such other times as the Directors may in their discretion decide).

The dividends may be paid out of the capital of the respective Sub-Funds in addition to, or in the absence of, income from Sub-Fund investments. In respect of each dividend declared, the Sub-Fund may determine if, and to what extent, such dividend is to be paid out of the capital of the respective Sub-Fund. There were no dividends or distributions paid during the year (2016: nil).

4. TAXATION

Under current law and practice the ICAV qualifies as an investment undertaking as defined in Section 739B of the Taxes Consolidation Act, 1997, as amended, (the "Taxes Consolidation Act"). On that basis, the ICAV is liable but not chargeable to Irish tax in respect of its income and gains. However, Irish tax may arise on the occurrence of a "chargeable event". Generally, a chargeable event arises on any distribution, redemption, repurchase, cancellation; transfer of shares or the holding of shares at the end of each eight year period beginning with the acquisition of such shares.

A chargeable event does not include:

- (i) any transactions in relation to shares held in a recognised clearing system as designated by order of the Revenue Commissioners of Ireland; or
- (ii) an exchange of shares representing one Sub-Fund for another Sub-Fund of the ICAV; or
- (iii) an exchange of shares arising on a qualifying amalgamation or reconstruction of the ICAV with another fund; or
- (iv) certain exchanges of shares between spouses and former spouses.

No tax will arise on the ICAV in respect of chargeable events relating to:

- (i) a shareholder who is neither Irish resident nor ordinarily resident in Ireland for tax purposes, at the time of the chargeable event, provided appropriate valid declarations in accordance with the provisions of the Taxes Consolidation Act, 1997, as amended, is held by the ICAV;
- (ii) certain exempted Irish tax resident shareholders who have provided the ICAV with the necessary signed statutory declarations; or
- (iii) any transaction (which might otherwise be a chargeable event) in relation to shares held in a recognised clearing system as designated by order of the Irish Revenue commissioners (such as CREST).

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For year ended 31 December 2017

4. TAXATION (Continued)

The Sub-Funds are entitled to deduct any tax arising from payments to the shareholder or where no payment is involved to cancel or appropriate sufficient shares of the shareholder to meet the tax liability.

Although the Sub-Funds are not chargeable to Irish tax, the Sub-Funds may be liable for any taxes which may be withheld at source in other countries in respect of income or gains derived from their investments.

5. CASH AND CASH EQUIVALENTS

All the cash and cash equivalents were held with Mitsubishi UFJ Investor Services & Banking (Luxembourg) S.A. at 31 December 2017. The Sub-Funds also have accounts with Danske Bank, which all held immaterial amounts except for the British Innovation Fund which held £4,000,000 as at 31 December 2017. Both institutions have a Moody's credit rating of A1 (2016: A1).

6. NET GAIN/(LOSS) ON FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS AND NET GAIN/(LOSS) ON FOREIGN EXCHANGE

As required by the Alternative Investment Fund Managers Directive the following tables disclose separately the realised gains, realised losses, unrealised appreciation and unrealised depreciation from financial assets and liabilities at fair value through profit or loss:

Year ended 31 December 2017	MAI - Buy & Lease (Australia)	MAI - Buy & Lease (New Zealand)	EICM South Asia Hospitality 1	British Innovation Fund
	AUD\$	NZD\$	USD\$	GBP£
Net realised gain	12,858	3,065	7	-
Net realised loss	-	-	-	(222)
Total realised gains/losses	12,858	3,065	7	(222)
Net unrealised appreciation	18,013	-	84,596	535
Net unrealised depreciation	(334,225)	(373)	(165)	
Total unrealised appreciation/depreciation	(316,212)	(373)	84,431	535
Total	(303,354)	2,692	84,438	313

Year ended 31 December 2016	MAI - Buy & Lease (Australia)	EICM South Asia Hospitality 1	British Innovation Fund
	AUD\$	USD\$	GBP£
Net realised gain	-	-	-
Net realised loss	-	-	-
Total realised gains/losses	-	-	-
Net unrealised appreciation	-	-	-
Net unrealised depreciation	(415)	(32,974)	-
Total unrealised appreciation/depreciation	(415)	(32,974)	-
Foreign exchange gain	-	137	-
Total	(415)	(32,837)	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For year ended 31 December 2017

7. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

The Investment Manager (Sturgeon Ventures LLP) in consultation with the AIFM monitors the risk parameters and volatility of individual positions and each Sub-Fund's aggregate portfolio.

These financial instruments contain various degrees of off-balance sheet risk, including both market and credit risk.

Market risk is the risk of potential adverse changes to the value of the financial instruments because of changes in market conditions, such as interest and currency rate movements and volatility in commodity or security prices. Credit risk is the risk of the potential inability of counterparties to perform the terms of the contracts, which may be in excess of the amounts recorded by the Sub-Funds. The Sub-Funds are also exposed to liquidity and currency risks as further described below.

The Investment Manager has also developed and uses proprietary statistical software solutions to identify and manage systematic portfolio risk, as well as individual position specific risk.

While the Investment Manager generally seeks to mitigate certain portfolio risks in an effort to increase the proportion of each Sub-Fund's return attributable to perceived high value-added risk exposures, the Investment Manager does not attempt to hedge all market or other risks inherent in the Sub-Funds' positions.

Due to the nature of the Sub-Funds' interest in companies, the Sub-Funds' risk with respect to such transactions is limited to its capital balance or capital commitments where such applies in each company.

The Sub-Funds may invest a portion of their assets in investments not denominated in the base currency of that Sub-Fund, the prices of which are determined with reference to currencies other than the base currency. The Sub-Funds, however, value their investments in the base currency of the Sub-Fund. The Sub-Funds may or may not seek to hedge all or any portion of their foreign currency exposure. To the extent the Sub-Fund's investments are not hedged, the value of the Sub-Fund's assets will fluctuate against the base currency exchange rates as well as the price changes of the Sub-Fund's investments in the various local markets and currencies.

Each Sub-Fund is exposed to a variety of risks. The risks which are discussed in this note to the financial statements are not a comprehensive list of all risks of the Sub-Fund. Reference to the Prospectus should also be made in this regard.

Whereas certain risks (such as market risk, counterparty risk and liquidity risk) apply to all Sub-Funds, certain other risks are specific to one (or more) Sub-Funds, and these are described separately in the notes below.

(a) Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates and foreign exchange rates.

The Sub-Funds invest substantially all of their assets in companies as described in note 1. Market risk represents the potential loss that can be caused by a change in the market value of the companies.

(i) Market price risk

Each Sub-Fund's investments are constantly monitored by the Sub-Fund's Investment Manager. During 2017, the strategic asset allocation has remained largely stable, as was also the case in 2016.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate as a result of interest rate changes.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
For year ended 31 December 2017

7. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (Continued)

(a) Market risk (Continued)

(ii) Interest rate risk (continued)

The majority of each Sub-Fund's financial assets and liabilities are non-interest bearing. With the exception of the MAI-Buy & Lease (New Zealand) Fund, the Sub-Funds are not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates on these financial assets and liabilities. Any excess cash and cash equivalents are invested at short-term market interest rates and are used as an additional source of liquidity. Cash held as at 31 December 2017 was substantially invested subsequent to year end and interest rates on cash accounts are near zero and expected to remain as such.

The MAI-Buy & Lease (New Zealand) Fund is exposed to interest rate risk on cash balances in the amount of NZD\$37,632,100. An increase of 1% in interest rates as at the reporting date would have increased the net assets attributable to holders of redeemable participating shares and changes in net assets attributable to holders of redeemable participating shares in the Sub-Fund by NZD\$376,321. A decrease of 1% would have an equal but opposite effect.

Cash held as at 31 December 2016 was also substantially invested subsequent to year end and interest rates on cash accounts were near zero.

(b) Currency risk

Assets and liabilities denominated in foreign currencies are translated at the rates of exchange prevailing at the date of the financial statements. Transactions in foreign currencies are translated at the rates of exchange prevailing at the time of the transaction. Exchange gains or losses are included in the Statement of Comprehensive Income. Each Sub-Fund does not isolate that portion of gains or losses on investments which is due to changes in foreign exchange rates from that which is due to changes in market prices of the investments. Such fluctuations are included with the net realised gain/(loss) and change in unrealised appreciation/(depreciation) on trading activities and foreign currency transactions. The table below summarises the Sub-Funds' material exposure to currency risks.

At 31 December 2017	MAI- Buy and Lease (Australia) AUD\$	MAI- Buy and Lease (New Zealand) NZD\$	EICM South Asia Hospitality 1 USD\$	British Innovation Fund GBP£
Assets				
Euro	101,774	17,032	-	24,825
British Pound	6,922	6,137	-	-
Indian Rupee	-	-	2,100,122	-
Total assets	108,696	23,169	2,100,122	24,825

At 31 December 2016	MAI- Buy and Lease (Australia) AUD\$	EICM South Asia Hospitality 1 USD\$	British Innovation Fund GBP£
Assets			
Indian Rupee	-	1,449,514	-
Total assets	-	1,449,514	-

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For year ended 31 December 2017

7. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (Continued)

(b) Currency risk (continued)

Management have determined the Sub-Funds have foreign currency exposure where there has been an investment in a currency other than the base currency of the Sub-Fund. The EICM South Asia Hospitality 1 Sub-Fund has invested through Indian Rupee while the Sub-Fund's base currency is USD\$ resulting in the exposure presented above. The MAI – Buy & Lease (Australia) Sub-Fund and the British Innovation Fund Sub-Fund have both invested in their respective base currencies, resulting in no foreign currency exposures on their investments. The Sub-Funds are exposed to foreign exchange risk on cash balances.

At year-end, had the base currency of the Sub-Fund strengthened by 5% in relation to other relevant currency with all other variables held constant, Net Assets Attributable to Holders of Redeemable Shares would have increased by the amount shown below.

31 December 2017

5% Increase

	MAI- Buy and Lease (Australia) AUD\$	MAI- Buy and Lease (New Zealand Zealand) NZD\$	EICM South Asia Hospitality 1 USD\$	British Innovation Fund GBP£
Impact of change in exchange rate	5,435	1,158	105,006	1,241

31 December 2016

5% Increase

	MAI- Buy and Lease (Australia) AUD\$	EICM South Asia Hospitality 1 USD\$	British Innovation Fund GBP£
Impact of change in exchange rate	-	72,476	-

A 5% weakening of the base currency against the relevant currencies would have resulted in an equal but opposite effect to the amounts shown above, on the basis that all other variables remain constant.

(c) Credit risk

Each Sub-Fund may be subject to the risk of the inability of any counterparty to perform with respect to transactions, whether due to insolvency, bankruptcy or other causes. Financial assets and other assets which potentially expose the Sub-Fund to credit risk consist principally of cash balances.

The Sub-Funds seek to mitigate their direct exposure to counterparty risk by placing their cash with reputable and well established financial institutions.

The extent of a Sub-Fund's exposure to credit risk in respect of these assets approximates their carrying value as recorded in a Sub-Fund's Statement of Financial Position.

(i) Concentration of risk

As of 31 December 2017, the Sub-Funds maintain cash balances with Mitsubishi UFJ Investor Services & Banking (Luxembourg) S.A. and Danske Bank. The cash balances held with Danske Bank provide the Sub-Funds' with direct exposure to credit risk.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
For year ended 31 December 2017

7. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (Continued)

(d) Liquidity risk

Liquidity risk is defined as the risk that each Sub-Fund may not be able to settle or meet its obligations on time or at a reasonable price. The Sub-Funds may invest part or all of their assets in cash or cash equivalents for the purposes of maintaining liquidity to meet fees and expenses as they arise. The Sub-Funds offer limited redemption rights to investors. The MAI – Buy & Lease (Australia) Sub-Fund, MAI Buy & Lease (New Zealand) Sub-Fund and British Innovation Fund do not permit redemptions within the first ten years after subscription, unless payments of a redemption can be met by new subscriptions. Investors in the EICM South Asia Hospitality 1 Fund have no automatic right of redemption and any return of capital is at the discretion of the Directors.

The table below analyses each Sub-Fund’s financial assets and liabilities into relevant maturity grouping based on remaining period at the reporting date to the contractual maturity date.

MAI- Buy & Lease (Australia)

	2017			
	Financial liabilities			
	Less than 1 Month	1-3 Months	Over 3 Months	Total
	AUD\$	AUD\$	AUD\$	AUD\$
Other payables	-	317,005	-	317,005
Net assets attributable to holders of redeemable participating shares at the end of the year	-	-	30,179,558	30,179,558
	-	317,005	30,179,558	30,496,563

MAI- Buy & Lease (New Zealand)

	2017			
	Financial liabilities			
	Less than 1 Month	1-3 Months	Over 3 Months	Total
	NZD\$	NZD\$	NZD\$	NZD\$
Other payables	-	349,073	-	349,073
Net assets attributable to holders of redeemable participating shares at the end of the year	-	-	37,762,005	37,762,005
	-	349,073	37,762,005	38,111,078

EICM South Asia Hospitality 1

	2017			
	Financial liabilities			
	Less than 1 Month	1-3 Months	Over 3 Months	Total
	USD\$	USD\$	USD\$	USD\$
Other payables	-	397,673	-	397,673
Net assets attributable to holders of redeemable participating shares at the end of the year	-	-	2,054,363	2,054,363
	-	397,673	2,054,363	2,452,036

NOTES TO THE FINANCIAL STATEMENTS (Continued)
For year ended 31 December 2017

7. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (Continued)

(d) Liquidity risk (continued)

British Innovation Fund

Financial liabilities	2017			
	Less than 1 Month GBP£	1-3 Months GBP£	Over 3 Months GBP£	Total GBP£
Other payables	-	4,384,110	-	4,384,110
Net assets attributable to holders of redeemable participating shares at the end of the year	-	-	14,579,535	14,579,535
	-	4,384,110	14,579,535	18,963,645

MAI- Buy & Lease (Australia)

Financial liabilities	2016			
	Less than 1 Month AUD\$	1-3 Months AUD\$	Over 3 Months AUD\$	Total AUD\$
Other payables	-	201,591	-	201,591
Net assets attributable to holders of redeemable participating shares at the end of the year	-	-	30,188,852	30,188,852
	-	201,591	30,188,852	30,390,443

EICM South Asia Hospitality 1

Financial liabilities	2016			
	Less than 1 Month USD\$	1-3 Months USD\$	Over 3 Months USD\$	Total USD\$
Other payables	-	152,000	-	152,000
Net assets attributable to holders of redeemable participating shares at the end of the year	-	-	1,418,264	1,418,264
	-	152,000	1,418,264	1,570,264

British Innovation Fund

Financial liabilities	2016			
	Less than 1 Month GBP£	1-3 Months GBP£	Over 3 Months GBP£	Total GBP£
Other payables	-	76,490	-	76,490
Net assets attributable to holders of redeemable participating shares at the end of the year	-	-	14,923,510	14,923,510
	-	76,490	14,923,510	15,000,000

NOTES TO THE FINANCIAL STATEMENTS (Continued)
For year ended 31 December 2017

7. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (Continued)

(e) Offsetting and amounts subject to master netting agreements

None of the financial assets and liabilities are offset in the Statement of Financial Position and there is no legal right of offset between the assets and liabilities.

Specific risks relating to the MAI – Buy & Lease (Australia) Fund:

(f) Leasing risk

The tenants of a property held by the Sub-Fund may decide to terminate or not to renew a lease and in certain circumstances it may be difficult to find new tenants. The income of the Sub-Fund may be adversely affected if a significant number of tenants were unable to pay rent or its properties could not be rented out on favourable terms. Risks relating to agricultural activities such as weather, diseases and epidemics, volatility in product demand or access to water, may impact the tenant's ability to pay rent or for the Sub-Fund to fund a new tenant. Furthermore, certain material expenditures associated with investments in property (such as insurance costs and operating and maintenance costs) generally are not reduced and may even increase in circumstances which cause a reduction in income from a property, which could have an adverse effect on the financial condition and operations of the Sub-Fund.

The Sub-Fund may acquire property that is not leased (i.e. does not produce income) or may terminate existing leases with a view to releasing the property once improvements have been made thereto in the context of implementing the investment strategy of the Sub-Fund.

The value of property acquired by the Sub-Fund may depend to a significant degree on the leasing income it generates. The termination of existing leases may cause the valuation of property acquired for a Sub-Fund to decrease. There can be no guarantee that the Sub-Fund will be able to re-lease property once the improvements have been made. If property cannot be re-leased or is re-leased at a lower rent than anticipated, there is a risk that the returns from such investments will be low or that the investment may need to be sold at a loss.

(g) Laws and regulations related to the agricultural sector

The Sub-Fund's income is derived from tenants operating in the agricultural sector. The agricultural sector in Australia is subject to various regulations and rules including, but not limited to, the agricultural quarantine regulations, veterinary regulations, pesticides regulations which regulate utilisation, production, import, trading of pesticides and fertilizers; soil conditioners regulation which organises the processes of utilisation, production, import and trading of fertilisers; pastures regulations which regulates pasture development and protection from exploitation and utilisation. Legislation and decisions issued by legislative bodies and other regulators are always subject to change and update according to the political, economic, technical, environmental and international factors, which may influence agricultural activity and productivity. Any change to the regulatory environment could materially and adversely affect the Sub-Fund's operations, by limiting growth of revenues. Non-compliance with legislation and regulations may expose lessees to violations, fines or penalties imposed by regulatory authorities, which could materially and adversely affect the Sub-Fund's operations, financial condition and results.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
For year ended 31 December 2017

7. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (Continued)

Specific risks relating to the MAI – Buy & Lease (Australia) Fund:

(h) Risks of property investments

Investments in property are subject to various risks, including but not limited to adverse changes in regional, national or international economic conditions, adverse local market conditions, the financial conditions of tenants, buyers and sellers of properties, changes in availability of debt financing, changes in interest rates, property tax rates and other operating expenses, environmental laws and regulations, zoning laws and other governmental rules and fiscal policies, environmental claims arising in respect of property acquired with undisclosed or unknown environmental problems or as to which inadequate reserves had been established, energy prices, changes in the relative popularity of property types and locations, risks due to dependence on cash flow, risks and operating problems arising out of the presence of certain construction materials, as well as acts of God, uninsurable losses and other factors which are beyond the control of the AIFM and the Investment Manager. As indicated above, a terrorist attack or other catastrophe could have a negative impact on the confidence and behaviour of investors, interest rates, the ability of the Sub-Funds to refinance, and the ability of the Sub-Funds to sell property assets. The state of the international financial markets at the time any Sub-Fund seeks to realise some or all of its assets may adversely affect the ability of the Sub-Funds to do so.

These risks, either individually or in combination may cause a reduction in the income generated by the property asset or an increase in operating and other costs of the property asset, either or both of which may materially affect the financial position and returns of specific investments by the relevant Sub-Fund and the Sub-Funds generally.

(i) Risks of illiquid and inefficient property markets

The markets on which property assets are traded are not transparent and therefore generally inefficient. As a result the price to be paid upon an acquisition of a property asset value may be higher (or lower) than the market value determined by an appraiser applying acknowledged and customary valuation techniques. Equally, the price received when selling a property asset may be lower (or higher) than the market value determined by an appraiser applying acknowledged and customary valuation techniques.

To the extent the relevant Sub-Fund will make new property investments, market inefficiencies may make it difficult for the relevant Sub-Fund to identify suitable assets to acquire.

The realisation of capital invested in a particular asset and of any capital gains will generally occur only upon the partial or complete disposition of an investment. The liquidity of all investments will depend on the success of the realisation strategy proposed for each investment. Such strategy could be adversely affected by a variety of factors. Market inefficiencies can make it difficult for a Sub-Fund to sell property assets. To the extent that the sale of a Sub-Fund's property assets is an important component of a Sub-Fund's strategy, there is a risk that such Sub-Fund may be unable to realise its investment objectives because the sale or other disposition at attractive prices or at the appropriate times or in response to changing market conditions, or using another favourable exit strategy, may not be possible. Losses on unsuccessful investments may be realised before gains on successful investments are realised. Prospective investors should therefore be aware that they may be required to bear the financial risk of their investment for an indefinite period of time. It cannot be ruled out that the Sub-Funds will incur losses when making such investments. As the underlying Australian Unit Trust uses leverage for its property investments, these risks are enhanced.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For year ended 31 December 2017

7. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (Continued)

Specific risks relating to the EICM South Asia Hospitality Fund 1:

(j) Political and/or Legal/Regulatory Risk

The value of the Sub-Fund's assets may be affected by uncertainties such as international political developments, changes in government policies, taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of the countries to which the Sub-Fund is exposed through its investments.

(k) Concentration Risk

Where the Sub-Fund invests in a single entity, its assets will be highly concentrated within a particular region, country, company, industry, asset category, trading style or financial or economic market. In that event, the Sub-Fund's portfolio will be more susceptible to fluctuations in value resulting from adverse economic conditions affecting the performance of that particular company, industry, asset category, trading style or economic market, than a less concentrated portfolio would be. As a result, that Sub-Fund's investment portfolio could become concentrated and its aggregate return may be volatile and may be affected substantially by the performance of only one or a few holdings and, consequently, could have an adverse impact on the Sub-Fund's financial conditions and its ability to pay distributions. The ICAV is not obligated to hedge its positions.

(l) Property and Development Risk

The Sub-Fund may invest in development projects and may purchase undeveloped land and construct new projects on it. Properties under construction are subject to various risks. Cost and timely construction may be adversely affected by strikes, shortages in materials, subsoil risks, uninsurable losses and other factors beyond the control of the ICAV and the AIFM. In addition, costs of construction and operation of properties may be increased by local, state or federal legislative or administrative action in areas including zoning, regulations and land use controls, air and water quality standards, noise pollution and other environmental impacts and regulatory controls. These risks could result in substantial unanticipated delays or expenses and, under certain circumstances, could prevent completion of development activities once undertaken, any of which could adversely affect the relevant Sub-Fund and its shareholders. Furthermore, properties under development or properties acquitted for development may receive little or no cash flow from the date of acquisition through the date of completion of the development and may still experience operating deficits well after the date of completion. Finally, market conditions may change during the course of development that make such investments less attractive than they were at the time of acquisition.

The planned development of the property may be subject to planning permission. There is a risk that such permission may not be granted, the permission granted may not accommodate the planned development or the site on which development is planned may be rezoned to a categorisation inconsistent with the planned development. The marketability and value of any properties owned by the Sub-Fund will, therefore, depend on many factors beyond the control of the Sub-Fund and there is no assurance that there will be either a ready market for properties of the Sub-Fund, that such properties will be sold at a profit or that the value of the property will not fall following its acquisition by the Sub-Fund.

(m) Private Equity Investments

The Sub-Fund may invest in private equity investments which involve a high degree of business and financial risk. These investments typically take many years to be realised or to become liquid. Such investments may generate limited or no income during their life and the return of capital and the realisation of gains, if any, from an investment generally will occur only upon the partial or complete disposition of such investment. An investment may be sold at any time, although this may not occur for a number of years after the investment is made. Such investments may comprise unquoted interests which are not publicly traded or freely marketable and a sale may require the consent of other interested parties. Such investments may therefore be difficult to value and realise. Such realisations may involve significant time and cost. In addition, in some cases the Sub-Fund may be prohibited by contract or legal or regulatory reasons from selling certain securities for a period of time. As a consequence, the realisable value of an asset may be less than the full value based on its estimated future cash flows and realisation of the value may be subject to timing constraints.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
For year ended 31 December 2017

7. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (Continued)

Specific risks relating to the British Innovation Fund:

(n) Illiquid Fund Investments

Most of the companies in which the Sub-Fund expects to make direct and indirect investments will initially be privately held. As a result there will be no readily available secondary market for the Sub-Fund's interests in such companies. Therefore, there is no assurance that the Sub-Fund will be able to realise liquidity for such investments in a timely manner, if at all. Unless a company subsequently succeeds in obtaining approval from the relevant authorities to list its shares on a recognised exchange, this avenue to liquidity will not be available to the Sub-Fund, which must then rely on other means to achieve liquidity. In addition, the Sub-Fund may be precluded from selling its shares in a public company for some time after such company's initial public offering, if any.

(o) Restrictions on the Sale or Distribution of Portfolio Company Securities

The Sub-Fund may be prohibited by lock up agreements or insider trading restrictions from distributing or selling company securities for a period of time, during which the price of a company's securities could decline.

(p) Lack of Control

Where possible the Sub-Fund generally seeks to structure investments so that it will have some level of control over a company, at least as to major corporate decisions, particularly in the first few years of the Sub-Fund's operation, wherever this is possible. However, the Sub-Fund expects that it will hold minority interests in most companies and therefore may have limited ability to protect its position and investment. Generally, as a condition to any investment, the Sub-Fund will seek to obtain special rights and protective provisions, which will be negotiated at the time of the investment. There can be no assurance that the Sub-Fund will be able to obtain such protective provisions, or that if such provisions are obtained, that they will be effective.

(q) Use of Leverage in Certain Investments

While investments in leveraged companies offer the opportunity for capital appreciation, such investments also involve a higher degree of risk. The companies in which the Sub-Fund invests may involve varying degrees of leverage, and thus economic downturns, operating problems and other general business and economic risk may have a more pronounced effect on the profitability or survival of such companies. Moreover, rising interest rates may significantly increase portfolio company interest expense, causing losses and/or the inability to service debt levels. If a portfolio company cannot generate adequate cash flow to meet debt obligations, the Sub-Fund may suffer a partial loss or total loss of capital invested in the portfolio company. Additionally, the securities acquired by the Sub-Fund may be the most junior in what will typically be a complex capital structure of the portfolio company, and thus subject to the greatest risk of loss.

Risk Management

The Investment Adviser maintains and operates a risk management function which is designed to identify and manage the key risks outlined above, using a combination of clearly defined risk limits and controls, internal systems and processes for managing and reporting risk and their outcomes to the Investment Manager, AIFM and the Board of Directors.

8. FAIR VALUE ESTIMATION

In evaluating the level at which the fair value measurement of the Sub-Funds' investments have been classified, the Sub-Funds have assessed factors including, but not limited to, price transparency, the ability to dispose of the investment at the measurement date and the existence or absence of certain restrictions at the measurement date. The three levels of the fair value hierarchy are as follows:

NOTES TO THE FINANCIAL STATEMENTS (Continued)
For year ended 31 December 2017

8. FAIR VALUE ESTIMATION (Continued)

- Level 1 - quoted market prices (unadjusted) in active markets for identical instruments.
- Level 2 - Inputs other than quoted prices included within level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instrument valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3 - fair value of investments that require significant unobservable inputs, including investments that may be illiquid uncertain period.

The Sub-Fund recognizes transfers into and out of the levels indicated above at the end of the reporting period.

At December 31, 2017

	Level 1	Level 2	Level 3	Total
MAI – Buy & Lease (Australia) - AUD\$				
Financial assets at fair value through profit or loss	-	-	27,964,407	27,964,407
Total MAI – Buy & Lease (Australia) – AUD\$	-	-	27,964,407	27,964,407
MAI – Buy & Lease (New Zealand) - NZD\$				
Financial assets at fair value through profit or loss	-	-	-	-
Total MAI – Buy & Lease (New Zealand) - NZD\$	-	-	-	-
EICM South Asia Hospitality 1 – USD\$				
Financial assets at fair value through profit or loss	-	-	2,100,122	2,100,122
Total EICM South Asia Hospitality 1 - USD\$	-	-	2,100,122	2,100,122
British Innovation Fund – GBP£				
Financial assets at fair value through profit or loss	-	-	11,742,085	11,742,085
Total British Innovation Fund – GBP£	-	-	11,742,085	11,742,085

At December 31, 2016

	Level 1	Level 2	Level 3	Total
MAI – Buy & Lease (Australia) - AUD\$				
Financial assets at fair value through profit or loss	-	-	9,944,979	9,944,979
Total MAI – Buy & Lease (Australia) – AUD\$	-	-	9,944,979	9,944,979
EICM South Asia Hospitality 1 – USD\$				
Financial assets at fair value through profit or loss	-	-	1,449,514	1,449,514
Total EICM South Asia Hospitality 1 - USD\$	-	-	1,449,514	1,449,514
British Innovation Fund – GBP£				
Financial assets at fair value through profit or loss	-	-	4,000,000	4,000,000
Total British Innovation Fund – GBP£	-	-	4,000,000	4,000,000

NOTES TO THE FINANCIAL STATEMENTS (Continued)
For year ended 31 December 2017

8. FAIR VALUE ESTIMATION (Continued)

The following table presents the movement in the Sub-Funds' level 3 instruments for the year ended 31 December 2017 by class of financial instrument.

Fair value measurements using Level 3 inputs

	MAI – Buy & Lease (Australia) AUD\$	MAI – Buy & Lease (New Zealand) NZD\$	EICM South Asia Hospitality 1 USD\$	British Innovation Fund GBP£
Opening balance as at 1 January 2017	9,944,979	-	1,449,514	4,000,000
Purchases/Issuance	18,353,653	-	566,012	7,742,089
Sales	-	-	-	-
Net transfers in/(out)				
Losses				
Realised	-	-	-	-
Unrealised	(334,225)	-	84,596	(4)
Closing balance as at 31 December 2017	27,964,407	-	2,100,122	11,742,085

Fair value measurements using Level 3 inputs

	MAI – Buy & Lease (Australia) AUD\$	EICM South Asia Hospitality 1 USD\$	British Innovation Fund GBP£
Opening balance as at 10 February 2016	-	-	-
Purchases/Issuance	9,944,979	1,482,488	4,000,000
Sales	-	-	-
Net transfers in/(out)	-	-	-
Losses			
Realised	-	-	-
Unrealised	-	(32,974)	-
Closing balance as at 31 December 2016	9,944,979	1,449,514	4,000,000

There were no transfers between levels during the year (2016:No transfers).

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. These may include over-the-counter derivatives (e.g. foreign currency forward contracts). As level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information. There were no level 2 investments held in 2017 (2016: nil).

NOTES TO THE FINANCIAL STATEMENTS (Continued)
For year ended 31 December 2017

8. FAIR VALUE ESTIMATION (Continued)

The Sub-Funds have invested entirely in positions that are deemed to be level 3 for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. As level 3 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

The determination of what constitutes "observable" requires significant judgement by the Investment Manager in consultation with the AIFM.

Significant unobservable inputs in measuring fair value:

31 December 2017

Description	Fair value	Valuation technique	Significant unobservable input	Range of estimates	Sensitivity to changes
Milltrust BLA LLP Mahamaya Infrastructure Private Limited	AUD\$27,964,407	External Valuation	Rental Yield	6%-8.5%	AUD\$2,110,000
Oxford Sciences Innovation PLC	USD\$2,100,122	Cost	N/A	N/A	N/A
Pragmatic Printing Limited	GBP£4,119,996	Cost	N/A	N/A	N/A
Attomarker Limited	GBP£2,015,176	Cost	N/A	N/A	N/A
Roslin Technologies Limited	GBP£510,527	Cost	N/A	N/A	N/A
	GBP£5,096,386	Cost	N/A	N/A	N/A

* Should the yield % increase by 50 Basis Points there would be the above change in fair value, a decrease in yield by the same amount would have an equal opposite movement.

31 December 2016

Description	Fair value	Valuation technique	Significant unobservable input	Range of estimates	Sensitivity to changes
Milltrust BLA LLP Mahamaya Infrastructure Private Limited	AUD\$9,944,979	Cost	N/A	N/A	N/A
Oxford Sciences Innovation PLC	USD\$1,449,514	Cost	N/A	N/A	N/A
	GBP£4,000,000	Cost	N/A	N/A	N/A

Assets and liabilities not carried at fair value but for which fair value is disclosed

For financial instruments not measured at fair value, cash and cash equivalents, debtors and prepayments, other payables and net assets attributable to holders of redeemable participating shares, these were deemed to be level 2 for the years ended 31 December 2017 and 31 December 2016.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
For year ended 31 December 2017

9. SHARE CAPITAL

The ICAV was registered in Ireland on 10 February 2016 as an Irish collective asset management vehicle with variable capital and having segregated liability between its funds with limited liability. The registered office of the ICAV is 6th Floor, 2 Grand Canal Square, Dublin 2, Ireland. On registration, the authorised share capital of the ICAV was 2 Subscriber Shares with a par value of €1.00 each and 5,000,000,000,000 shares of no par value initially designated as unclassified shares. The Shares do not carry pre-emption rights. The Shares do not confer a right to any specific portion of a sub fund's assets. The ICAV has been divided into different classes of shares representing a separate Sub-Fund in the ICAV as follows:

Share transactions for the year ended 31 December 2017 were as follows:

MAI – Buy & Lease (Australia)

	31 December 2017	31 December 2016
	Class A Shares	Class A Shares
Shares in issue at beginning of year	307,140.10	-
Number of shares issued	-	307,140.10
Number of shares redeemed	-	-
Shares in issue at end of year	307,140.10	307,140.10

MAI – Buy & Lease (New Zealand)

	Class A Shares	Class A Shares
Shares in issue at beginning of year	-	-
Number of shares issued	385,081.63	-
Number of shares redeemed	-	-
Shares in issue at end of year	385,081.63	-

EICM South Asia Hospitality 1

	Class A Shares	Class A Shares
Shares in issue at beginning of year	15,021.55	-
Number of shares issued	5,540.47	15,021.55
Number of shares redeemed	-	-
Shares in issue at end of year	20,562.02	15,021.55

British Innovation Fund

	Class A Shares	
Shares in issue at beginning of year	150,000.00	-
Number of shares issued	-	150,000.00
Number of shares redeemed	-	-
Shares in issue at end of year	150,000.00	150,000.00

	MAI – Buy & Lease (Australia)	MAI – Buy & Lease (New Zealand)	EICM South Asia Hospitality 1	British Innovation Fund
2017 Net asset value per unit	AUD\$98.26	NZD\$98.95	USD\$99.91	GBP£97.40
2016 Net asset value per unit	AUD\$98.22	N/A	USD\$94.42	GBP£99.49
2015 Net asset value per unit	N/A	N/A	N/A	N/A

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For year ended 31 December 2017

10. FEES OF THE ALTERNATIVE INVESTMENT FUND MANAGER

The AIFM is entitled to receive out of the assets of each Sub-Fund an annual fee, which will not exceed 0.0275% of the Net Asset Value of each sub-fund (plus any applicable taxes), subject to a minimum fee of €25,000 per Sub-Fund per annum (plus VAT, if any). The AIFM's fees will be calculated and accrue quarterly in arrears. AIFM fees of AUD\$41,012 (2016:AUD\$12,036) (MAI – Buy & Lease (Australia)), NZD\$53,189 (2016:NZD\$Nil) (MAI – Buy & Lease (New Zealand)), USD\$23,067 (2016:USD\$8,710) (EICM South Asia Hospitality 1), and GBP£24,188 (2016:GBP£1,863) (British Innovation Fund) were charged to the Sub-Funds. The following amounts remained payable as at 31 December 2017; AUD\$9,608 (2016:AUD\$12,036) (MAI – Buy & Lease (Australia)), NZD\$10,571 (2016:NZD\$Nil) (MAI – Buy & Lease (New Zealand)), USD\$7,503 (2016:USD\$8,710) (EICM South Asia Hospitality 1), and GBP£5,553 (2016:GBP£1,863) (British Innovation Fund).

The AIFM shall be entitled to be reimbursed for all reasonable and properly vouched out-of-pocket expenses incurred by the AIFM in the performance of its duties and responsibilities under the AIFM Agreement.

11. ADMINISTRATION FEES

The Administrator is entitled to receive out of the assets of each Sub-Fund an annual fee which will not exceed 0.07% of the Net Asset Value of each Sub-Fund (plus any applicable taxes), subject to a minimum fee of €30,000 per Sub-Fund per annum (plus VAT, if any). This fee accrues and is calculated on each Dealing Day. In addition, the Administrator is entitled to receive out of the assets of the ICAV, an annual fee of €4,500 per Sub-Fund for the preparation and filing of the reports that must, pursuant to the AIFMD, be filed by or on behalf of the ICAV with the Central Bank. The Administrator is also entitled to charge to the relevant Sub-Fund all agreed fees and transaction charges, at normal commercial rates, together with all reasonable and properly vouched out-of-pocket expenses (plus any applicable taxes), it incurs on behalf of each sub fund in the performance of its duties under the Administration Agreement, which shall be payable quarterly in arrears. As at 31 December 2017 administration fees of AUD\$58,242 (2016:AUD\$30,205) (MAI – Buy & Lease (Australia)), NZD\$57,336 (2016:NZD\$Nil) (MAI – Buy & Lease (New Zealand)), USD\$36,783 (2016:USD\$24,761) (EICM South Asia Hospitality 1), and GBP£36,983 (2016:GBP£15,198) (British Innovation Fund) were charged to the Sub-Funds. The following amounts remained payable as at 31 December 2017; AUD\$88,447 (2016:AUD\$30,205) (MAI – Buy & Lease (Australia)), NZD\$57,336 (2016:NZD\$Nil) (MAI – Buy & Lease (New Zealand)), USD\$61,544 (2016:USD\$24,761) (EICM South Asia Hospitality 1), and GBP£50,251 (2016:GBP£15,198) (British Innovation Fund).

12. DEPOSITARY FEES

The Depositary is entitled to receive out of the assets of each sub fund an annual fee, which will not exceed 0.025% of the Net Asset Value of each Sub-Fund (plus any applicable taxes), subject to a minimum custody fee of €24,000 per Sub-Fund per annum (plus VAT, if any). This fee accrues and is calculated on each Dealing Day and is payable in arrears. The total depositary fees charged for the year are AUD\$36,408 (2016:AUD\$8,802) (MAI – Buy & Lease (Australia)), NZD\$36,121 (2016:NZD\$Nil) (MAI – Buy & Lease (New Zealand)), USD\$29,934 (2016:USD\$6,968) (EICM South Asia Hospitality 1), and GBP£21,189 (2016:GBP£1,788) (British Innovation Fund) were charged to the Sub-Funds. The following amounts remained payable as at 31 December 2017; AUD\$36,285 (2016:AUD\$8,802) (MAI – Buy & Lease (Australia)), NZD\$57,336 (2016:NZD\$Nil) (MAI – Buy & Lease (New Zealand)), USD\$28,812 (2016:USD\$6,968) (EICM South Asia Hospitality 1), and GBP£36,121 (2016:GBP£1,788) (British Innovation Fund).

13. INVESTMENT ADVISER, SUB INVESTMENT ADVISER AND INVESTMENT MANAGER FEES

The Investment Adviser shall be entitled to an annual advisory fee of up to 1% of the Net Asset Value of Class A of the British Innovation Fund Sub-Fund (2% in relation to classes B, C and D of the British Innovation Fund Sub-Fund), payable out of the assets of the Sub-Fund. In relation to the MAI Buy & Lease (Australia) Sub-Fund, the Investment Adviser shall receive 15% of the aggregate payments (but excluding capital payments) received by the Sub-Fund from the subsidiary. The Investment Adviser's fee will accrue monthly and be payable quarterly in arrears. The Investment Adviser shall also be entitled to be paid out of the assets of the Sub-Fund, its properly vouched reasonable out of pocket expenses.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For year ended 31 December 2017

13. INVESTMENT ADVISER, SUB INVESTMENT ADVISER AND INVESTMENT MANAGER FEES (Continued)

Regarding the MAI – Buy & Lease (New Zealand) Sub-Fund the Investment Adviser shall be entitled to an annual fee of 15% of the aggregate annual payments (but excluding capital payments) received by the Fund from the SPV (plus VAT, if any), payable out of the assets of the Fund. In addition, in respect of Class B Shares only, the Investment Adviser shall be entitled to receive an advisory fee of 1% of the Net Asset Value of the Class B Share Class.

The Investment Adviser has appointed East India Capital Management Pte Ltd as sub-investment adviser (the “sub-investment adviser”) to the EICM South Asia Hospitality 1 Sub-Fund. The sub-investment adviser is entitled to receive 1% per annum of the Net Asset Value of the EICM South Asia Hospitality 1 Sub-Fund (plus VAT, if any), accrued monthly and paid quarterly in arrears. For the year ended 31 December 2017 there was USD\$15,302 (2016:USD\$2,827) of fees charged to the fund by the sub-investment adviser, USD\$18,130 (2016:USD\$2,827) of which remained payable at year end.

The Investment Adviser will generally assist the Sub-Funds with ongoing administration and any reasonable requests for information and preparation of reports for Shareholders and other parties, as instructed by the Sub-Funds. For the provision of these additional services, the Investment Adviser shall be entitled to receive an annual fee of 0.10% of the Net Asset Value of the relevant Sub-Fund (the “ICAV services fee”). ICAV services fees of AUD\$75,593 (2016:AUD\$18,338) for the MAI Buy & Lease (Australia) Sub-Fund, NZD\$75,253 (2016:NZD\$Nil) for the MAI Buy & Lease (New Zealand) Sub-Fund, USD\$93,266 (2016:USD\$27,871) for the EICM South Asia Hospitality 1 Sub-Fund and GBP£70,629 (2016:GBP£5,961) for the British Innovation Fund were charged to the Sub-Funds, of which AUD\$93,931 (2016:AUD\$18,338), NZD\$75,253 (2016:NZD\$Nil), USD\$121,137 (2016:USD\$27,871) and GBP£40,731 (2016:GBP£5,961) respectively remained payable as at year end.

The Investment Manager’s fee of £12,000 per Sub-Fund per annum will accrue and be payable monthly in arrears. The Investment Manager shall also be entitled to be paid out of the assets of the Sub-Fund, its properly vouched reasonable out of pocket expenses. For the year ended 31 December 2017 there were fees charged of AUD\$20,852 (2016:AUD\$9,844) for the MAI Buy & Lease (Australia) Sub-Fund, NZD\$23,898 (2016:NZD\$Nil) for the MAI Buy & Lease (New Zealand) Sub-Fund, USD\$30,268 (2016:USD\$7,141) for the EICM South Asia Hospitality 1 Sub-Fund and GBP£27,606 (2016:GBP£1,375) for the British Innovation Fund charged to the Sub-Funds, of which AUD\$1,537 (2016:AUD\$6,373), NZD\$1,904 (2016:NZD\$6,373), USD\$19,481 (2016:USD\$4,513) and GBP£13,981 (2016:GBP£1,375) respectively remained payable as at year end.

14. PERFORMANCE FEES

MAI – Buy & Lease (Australia)

The Sub-Fund shall pay the Investment Adviser a performance fee, which will be calculated annually, equal to 15% of the increase in the Adjusted Net Asset Value of the Sub-Fund for that year in excess of the uncompounded hurdle rate of 5%, subject to satisfying the high water mark described below (the “Performance Fee”). The Performance Fee is crystallised five years after the date of subscription for such shares in each class and every five years thereafter (the “Performance Fee Payment Date”). All performance shall be measured and the fee accrued in the base currency of the Sub-Fund.

In the event of redemption of shares, the Performance Fee will be imposed on the redeemed shares as of the date of the redemption, as if such date was a Performance Fee Payment Date.

The Performance Fee will only be payable if the Adjusted Net Asset Value per share of the Sub-Fund has reached a level at which a performance fee was paid previously and then only with respect to the increase in the Adjusted Net Asset Value per share of the Sub-Fund over its Net Asset Value (after payment of the previous performance fee) at the time of the previous payment of a performance fee (the “high water mark”). If no Performance Fee was paid previously, a performance fee will be paid with respect to the Sub-Fund only after its Adjusted Net Asset Value appreciates beyond the initial Net Asset Value plus the hurdle rate. Thus, if the Adjusted Net Asset Value per share of the Sub-Fund falls below the Sub-Fund’s initial Net Asset Value per share, or the previous high water mark at which a performance fee was paid (less the performance fee paid at such level), no Performance Fee will be due. A further performance fee will only be due if the Adjusted Net Asset Value per share of the Sub-Fund increases beyond its initial Net Asset Value per share, or its Adjusted Net Asset Value per share following payment of the performance fee at the previous high water mark, as appropriate.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For year ended 31 December 2017

14. PERFORMANCE FEES (Continued)

MAI – Buy & Lease (Australia) (continued)

The term Adjusted Net Asset Value per share will equal the realised and unrealised capital appreciation in the Net Asset Value per share less the realised and unrealised capital losses on the Net Asset Value per share as determined (i) before the deduction or accrual of any Performance Fee; (ii) after the deduction or accrual of all other expenses and liabilities during the quarter, (iii) after the recognition of realised and unrealised gains and losses and any other direct costs associated with currency hedging at class level attributable to a class of shares; and (iv) before the deduction of dividends and other distributions accrued or paid with respect to the shares during the relevant period. There were no performance fees charged during the year ended 31 December, 2017 (2016: nil).

EICM South Asia Hospitality 1

The Sub-Fund shall pay the Investment Adviser a performance fee, which will be calculated daily and payable annually in arrears, equal to 10% of the increase in the Adjusted Net Asset Value (as defined previously) of the Sub-Fund for that year provided that the increase in the Adjusted Net Asset Value per Share has exceeded the hurdle rate of 5%, subject to satisfying the high water mark described previously (the “Performance Fee”). There were no performance fees charged during the year ended 31 December, 2017 (2016: nil).

If the increase in the Adjusted Net Asset Value per Share has exceeded the applicable hurdle rate, the Performance Fee will be calculated based on the excess increase in the Adjusted Net Asset Value per Share over the hurdle rate. The Performance Fee is crystallised on the last Dealing Day in the fiscal year. All performance shall be measured and the fee accrued in the base currency of the Fund.

British Innovation Fund

The Sub-Fund shall calculate and pay the Investment Adviser a performance-based fee, which will be calculated semi-annually, out of the assets of the Sub-Fund (the “Performance Fee”), being 25% for Class A and 20% for Class B, Class C and Class D of the appreciation of the Adjusted Net Asset Value of the shares of the relevant class for that year in excess of the un compounded hurdle rate of 8% (for all classes), subject to satisfying the high water mark described above (the “Performance Fee”). The Performance Fee is crystallised three years after the date of subscription for such shares in each class and every year thereafter (the “Performance Fee Payment Date”). There were no performance fees charged during the year ended 31 December, 2017 (2016: nil).

MAI – Buy & Lease (New Zealand)

The Sub-Fund shall pay the Investment Adviser a performance fee, which will be calculated annually, equal to 15% of the increase in the Adjusted Net Asset Value (as defined below) of the Sub-Fund for that year in excess of the un compounded hurdle rate of 5%, subject to satisfying the high water mark described below (the “Performance Fee”). The Performance Fee is crystallised five years after the date of subscription for such Shares in each Class and every five years thereafter (the “Performance Fee Payment Date”). All performance shall be measured and the fee accrued in the base currency of the Fund. There were no performance fees charged during the year ended 31 December, 2017.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
For year ended 31 December 2017

15. AUDITOR'S REMUNERATION

For the year ended 31 December 2017, the remuneration for all work carried out for each Sub-Fund by the statutory audit firm is shown below:

	31 December 2017			
	MAI – Buy & Lease (Australia)	MAI – Buy & Lease (New Zealand)	EICM South Asia Hospitality 1	British Innovation Fund
	AUD\$	NZD\$	USD\$	GBP£
Statutory audit fee*	21,983	4,228	7,443	13,326
Other assurance services	-	-	-	-
Tax advisory fee	-	-	-	-
Other non-audit fee	-	-	-	-
Total fees	21,983	4,228	7,443	13,326

*The actual statutory audit fee for the year ended 31 December 2017 is per the above table.

	31 December 2016			
	MAI – Buy & Lease (Australia)	EICM South Asia Hospitality 1		British Innovation Fund
	AUD\$	USD\$		GBP£
Statutory audit fee	14,591	10,626		8,523
Other assurance services	-	-		-
Tax advisory fee	31,265	-		-
Other non-audit fee	10,432	-		-
Total fees	56,288	10,626		8,523

16. ORGANISATIONAL FEES

In accordance with IFRS, the organisational expenses of the sub funds have been written-off in full in these financial statements. Organisational costs are being written off over 60 months in the published valuations. As a result the financial statements show the Net Assets value as follows:

	31 December 2017			
	MAI – Buy & Lease (Australia)	MAI – Buy & Lease (New Zealand)	EICM South Asia Hospitality 1	British Innovation Fund
	AUD\$	NZD\$	USD\$	GBP£
Published Net Assets	30,468,934	38,104,602	2,101,422	14,648,387
Organisational expenses	(289,376)	(342,597)	(47,059)	(68,852)
Audited Net Assets	30,179,558	37,762,005	2,054,363	14,759,535

	31 December 2016			
	MAI – Buy & Lease (Australia)	EICM South Asia Hospitality 1		British Innovation Fund
	AUD\$	USD\$		GBP£
Published Net Assets	30,535,005	1,464,246		14,961,317
Organisational expenses	(346,153)	(45,982)		(37,807)
Audited Net Assets	30,188,852	1,418,264		14,923,510

17. DISTRIBUTION

There were no distributions made by the Sub-Funds during the year.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For year ended 31 December 2017

18. INVOLVEMENT WITH OTHER ENTITIES

Below is a summary of the ICAV's involvement with unconsolidated structured entities and material associates.

31 December 2017	Location	Cost of investment	Percentage holding	Nature of Relationship	Carrying amount of financial assets at fair value through profit or loss
Investment in subsidiary and associate					
MAI- Buy & Lease (Australia)		AUD\$			AUD\$
Milltrust BLA LLP*	United Kingdom	27,964,407	100	Subsidiary	27,964,407
Milltrust Agricultural Investments (Ireland) Limited*	Ireland	-	100	Subsidiary	-
British Innovation Fund		GBP£			GBP£
Roslin Technologies Limited	United Kingdom	5,096,386	32	Material associate	5,096,386
Total					

31 December 2016	Location	Cost of investment	Percentage holding	Nature of Relationship	Carrying amount of financial assets at fair value through profit or loss
Investment in subsidiary and associate					
MAI- Buy & Lease (Australia)		AUD\$			AUD\$
Milltrust BLA LLP	United Kingdom	9,944,979	100	Subsidiary	9,944,979
Total					

*The maximum exposure of the Sub-Fund to losses on its investments in subsidiaries is represented by the carrying value as described in the table above. The Sub-Fund has not provided any financial support to the subsidiaries during the year.

The ICAV, through its fully owned subsidiary (Milltrust BLA LLP), owns 100% of Milltrust Agricultural Investments Australia Unit Trust, established in Australia as a unit trust on 13 September 2016.

19. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or is able to exercise significant influence over the other party, in making financial or operational decisions. Fees of the AIFM, Administrator, Depositary, Investment Manager and Investment Advisers charged to the Sub-Funds and amounts due at the end of the year are as disclosed in Notes 10-14. The subsidiaries and associates are also deemed to be related parties, there were no transactions with subsidiaries or associates during the year.

Directors fees charged for the year in relation to the Sub-Funds were AUD\$27,516 (2016:AUD\$9,901) for the MAI Buy & Lease (Australia) Sub-Fund, NZD\$31,624 (2016:NZD\$Nil) for the MAI Buy & Lease (New Zealand) Sub-Fund, USD\$15,516 (2016:USD\$7,010) for the EICM South Asia Hospitality 1 Sub-Fund and GBP£23,995 (2016:GBP£1,124) for the British Innovation Fund.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

For year ended 31 December 2017

19. RELATED PARTY TRANSACTIONS (Continued)

During the year arrangements between Sub-Funds resulted in the MAI Buy & Lease (Australia) Sub-Fund settling certain expenses of the other Sub-Funds. As at year end the net receivable to the MAI Buy & Lease (Australia) Sub-Fund from the other three Sub Funds was AUD\$714,744 made up of NZD\$143,640 for the MAI Buy & Lease (New Zealand) Sub-Fund, USD\$139,326 for the EICM South Asia Hospitality 1 Sub-Fund and GBP£178,714 for the British Innovation Fund.

For the EICM South Asia Hospitality 1 Sub-Fund the Investment Advisor has agreed to rebate all expenses (except for the Investment Advisor fees), the total rebated to the Sub-Fund for 2017 was USD\$239,579.

20. COMMITMENTS AND CONTINGENCIES

As discussed in the Investments Managers' report, the British Innovation Sub-Fund has committed GBP£10,000,000 to invest in Roslin Technologies, of which GBP5,096,386 has been drawn down to date, leaving a residual committed amount at 31 December 2017 of GBP£4,903,614.

21. POST BALANCE SHEET EVENTS

On 22 March 2018 Denise Kinsella resigned as a Director of the ICAV, on the same date Peter O'Dwyer was appointed as a Director of the ICAV. Post 31 December 2017, Sturgeon Ventures LLP have been replaced by Milltrust International as the Investment Manager of the ICAV. Also, on 16 January 2018, the Milltrust Global Emerging Markets Fund commenced trading. The MAI – Buy & Lease (New Zealand) Sub-Fund has not closed on the acquisition of any investments as at the date of approval of the financial statements.

There were no other significant events after the year ended 31 December 2017 which require disclosure in the financial statements.

22. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue, by the Directors on 27 June 2018.

SCHEDULE OF INVESTMENTS (UNAUDITED)
31 December 2017

MAI – Buy & Lease (Australia)		Fair Value	% of
	Country	AUD\$	Net Assets
Financial assets at fair value through profit or loss			
Milltrust BLA LLP*	United Kingdom	27,964,407	92.66%
Milltrust Agricultural Investments (Ireland) Limited	Ireland	-	-
Total		27,964,407	92.66%

MAI – Buy & Lease (New Zealand)		Fair Value	% of
	Country	NZD\$	Net Assets
Financial assets at fair value through profit or loss			
	-	-	-
Total	-	-	-

EICM South Asia Hospitality 1		Fair Value	% of
	Country	USD\$	Net Assets
Financial assets at fair value through profit or loss			
Mahamaya Infrastructure Private Limited	India	2,100,122	102.23%
Total		2,100,122	102.23%

British Innovation Fund		Fair Value	% of
	Country	GBP£	Net Assets
Financial assets at fair value through profit or loss			
Oxford Sciences Innovation PLC	United Kingdom	4,119,996	28.25%
Pragmatic Printing Limited	United Kingdom	2,015,176	13.82%
Attomarker Limited	United Kingdom	510,527	3.50%
Roslin Technologies Limited	United Kingdom	5,096,386	34.96%
Total		11,742,085	80.53%

*Investment vehicle established to provide exposure to farmland assets held in Australia. MAI Buy & Lease (Australia) holds an indirect investment in 7 farmland properties in Australia as at 31 December 2017.

SCHEDULE OF INVESTMENTS (UNAUDITED)
31 December 2016

MAI – Buy & Lease (Australia)		<i>Fair Value</i>	<i>% of</i>
	<i>Country</i>	<i>AUD\$</i>	<i>Net Assets</i>
Financial assets at fair value through profit or loss			
Milltrust BLA LLP*	United Kingdom	9,944,979	32.94%
Total		9,944,979	32.94%

EICM South Asia Hospitality 1		<i>Fair Value</i>	<i>% of</i>
		<i>USD\$</i>	<i>Net Assets</i>
Financial assets at fair value through profit or loss			
Mahamaya Infrastructure Private Limited	India	1,449,514	102.20%
Total		1,449,514	102.20%

British Innovation Fund		<i>Fair Value</i>	<i>% of</i>
		<i>GBP£</i>	<i>Net Assets</i>
Financial assets at fair value through profit or loss			
Oxford Sciences Innovation PLC	United Kingdom	4,000,000	26.80%
Total		4,000,000	26.80%

*Investment vehicle established to provide exposure to farmland assets held in Australia. MAI Buy & Lease (Australia) holds an indirect investment in 4 farmland properties in Australia as at 31 December 2016.

AIFMD DISCLOSURE (UNAUDITED)

31 December 2017

Remuneration Policy

The information provided below relates to the AIFM.

As part of its authorisation as an alternative investment fund manager, the AIFM has implemented a Remuneration Policy consistent with ESMA's remuneration guidelines and in particular the provisions of Annex II of Directive 2011/61/EU. The Remuneration Policy applies to all forms of benefits paid by the AIFM to identified staff in exchange for professional services and is intended to promote sound and effective risk management, to discourage inappropriate risk taking and to align the remuneration policy with the articles of association of the AIFM and the risk profile of the funds under management.

The various remuneration components are combined to ensure an appropriate and balanced remuneration package that reflects the relevant member of staff's rank and professional activity as well as best market practice. The AIFM will provide the opportunity to identified staff to receive variable remuneration based on the performance of the individual, the AIFM and of the funds under management. Assessment of performance will consider both financial and non-financial factors. Particular consideration will be given to risk-related factors. The above will be considered in a multi-year framework. The AIFM does not pay guaranteed variable remuneration.

Total remuneration (in EUR) paid to the staff of the AIFM fully or partly involved in the activities of the AIF that have a material impact on the ICAV's risk profile during the financial year to 31 December 2017:

31 December 2017

Fixed remuneration EUR

Senior management – EUR 85,425

Other identified staff - EUR 37,500

Variable remuneration

Senior management – EUR Nil

Other identified staff – EUR Nil

Total remuneration paid – EUR 122,925

No. of beneficiaries: 5

The information provided below relates to the IM.

Milltrust International LLP replaced Sturgeon Ventures LLP as the Investment Manager to the ICAV on 17 May 2018. The Investment Manager maintains policies and procedures to ensure compliance with the Alternative Investment Fund Managers Directive (the "AIFMD") and in particular, adheres to any guideline and rules issued on such policies in accordance with the AIFMD. The Investment Manager has remuneration policies and practices which apply to its staff whose professional activities might have a material impact on the ICAV's risk profile ("Identified Staff").

The total number of Identified Staff of the Investment Manager as at 31 December 2017 was 2. The Investment Manager's pay to Identified Staff relates to all funds which the Identified Staff currently manage. The assets under management of the Identified Staff as at 31 December 2017 was \$72.1 Million of which the ICAV represents 100% of total assets managed by the Identified Staff. The remuneration received by the Identified Staff relating to the activities of the ICAV was GBP Nil.

ADDITIONAL INFORMATION (UNAUDITED)

31 December 2017

FOREIGN EXCHANGE RATES

The below table presents the rates of exchange used to translate any foreign currency balance held by the Sub-Funds as at 31 December 2017.

2017	MAI – Buy & Lease (Australia)	MAI – Buy & Lease (New Zealand)	EICM South Asia Hospitality 1	British Innovation Fund
	AUD\$	NZD\$	USD\$	GBP£
USD	-	-	-	-
EUR	1.54	1.69	1.20	0.88
INR	-	-	63.87	-
GBP	1.73	1.90	-	-

2016	MAI – Buy & Lease (Australia)	EICM South Asia Hospitality 1	British Innovation Fund
	AUD\$	USD\$	GBP£
USD	1.39	-	0.81
EUR	1.46	1.05	-
INR	-	0.01	-
GBP	-	-	-

SOFT COMMISSION

The Investment Manager may effect transactions through the agency of another person with whom the Investment Manager has an arrangement under which that party will from time to time provide to or procure for the Investment Manager goods, services or other benefits such as research and advisory services, computer hardware associated with specialised software or research services and performance measures etc. Under such arrangements no direct payment is made for such goods, services or other benefits but instead the Investment Manager undertakes to place business with that party. In such case, the Investment Manager shall ensure that such arrangements shall assist in the provision of investment services to the Sub-Fund and the broker/counterparty to the arrangement has agreed to provide best execution to the Sub-Fund and brokerage rates will not be in excess of customary institutional full-service brokerage rates. There were no soft commission arrangements affecting the Sub-Fund during the year ended 31 December 2017.