

**Audited annual accounts
for the period
from 31st August 2017 (incorporation date) to 31st March 2018**

IIFL FUND

Société anonyme

R.C.S. Luxembourg B 217 612

IIFL FUND

Contents

Organisation 2

Report of the Réviseur d'Entreprises agréé 3

Balance sheet 5

Profit and loss account..... 6

Notes to the annual accounts..... 7

IIFL FUND

Organisation

Registered office

11, rue Aldringen
L-1118 LUXEMBOURG
(until 2nd May 2018)

2, rue d'Alsace
L-1122 LUXEMBOURG
(with effect from 3rd May 2018)

Board of Directors

Sarju VAKIL
Chief Executive Officer,
IIFL Wealth (UK) Limited
45 King William Street
LONDON, EC4R 9AN
UNITED KINGDOM
(resigned with effect from 30th June 2018)

Parag SHAH
Director
IIFL Asset Management (Mauritius) Ltd
5th Floor, Barkly Wharf, Le Caudan Waterfront
PORT LOUIS
MAURITIUS

Rakesh ASRANI
Director
IIFL Private Wealth Hong Kong Limited
Suite 2105, Level 21, The Centre, 99 Queen's Road,
CENTRAL
HONG KONG
(resigned with effect from 14th June 2018)

Luc Roger Marie Joseph REGENT
Independent Director
(co-opted with effect from 20th June 2018)

Nicholas James TAYLOR
Project Manager
17 Hilary Street, St Hellier
JE4 8SJ
UNITED KINGDOM
(with effect from 30th June 2018)

Cabinet de révision agréé

KPMG Luxembourg, Société coopérative
39, Avenue John F. Kennedy
L-1855 LUXEMBOURG

Legal Adviser

ELVINGER HOSS PRUSSEN
société anonyme
2, Place Winston Churchill
L-1340 LUXEMBOURG



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Report of the Réviseur d'Entreprises agréé

To the Shareholder of
IIFL Fund
2, rue d'Alsace
L-1122 Luxembourg

Report on the audit of the annual accounts

Opinion

We have audited the annual accounts of IIFL Fund (the "Company"), which comprise the balance sheet as at 31st March 2018, and the profit and loss account for the period from 31st August 2017 (date of incorporation) to 31st March 2018, and notes to the annual accounts, including a summary of significant accounting policies.

In our opinion, the accompanying annual accounts give a true and fair view of the financial position of IIFL Fund as at 31st March 2018 and of the results of its operations for the period from 31st August 2017 (date of incorporation) to 31st March 2018 in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

Basis for Opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession ("Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the Law of 23 July 2016 and ISAs are further described in the « Responsibilities of "Réviseur d'Entreprises agréé" for the audit of the annual accounts » section of our report. We are also independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the annual accounts, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors for the annual accounts

The Board of Directors is responsible for the preparation and fair presentation of these annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts, and for such internal control as the Board of Directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



Report of the Réviseur d'Entreprises agréé (continued)

Responsibilities of the Réviseur d'Entreprises agréé for the audit of the annual accounts

The objectives of our audit are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of “Réviseur d'Entreprises agréé” that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF 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 annual accounts.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

Luxembourg, 7th September 2018

KPMG Luxembourg
Société coopérative
Cabinet de révision agréé

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IIFL FUND

Balance sheet (in USD)

as at 31st March 2018

	Reference(s)	31.03.2018
<u>ASSETS</u>		
A. Subscribed capital unpaid		-
I. Subscribed capital not called		-
II. Subscribed capital called but unpaid		-
B. Formation expenses		-
C. Fixed assets		-
I. Intangible assets		-
II. Tangible assets		-
III. Financial assets		-
D. Current assets		36,966.00
I. Stocks		-
II. Debtors	5	36,966.00
a) becoming due and payable within one year		36,966.00
b) becoming due and payable after more than one year		-
III. Investments		-
IV. Cash at bank and in hand		-
E. Prepayments		-
TOTAL (ASSETS)		36,966.00
<u>CAPITAL, RESERVES AND LIABILITIES</u>		
A. Capital and reserves	3	19,180.35
I. Subscribed capital		35,667.00
II. Share premium account		-
III. Revaluation reserve		-
IV. Reserves		-
V. Profit or loss brought forward		-
VI. Profit or loss for the financial period		-16,486.65
VII. Interim dividends		-
VIII. Capital investment subsidies		-
B. Provisions		-
C. Creditors		17,785.65
a) becoming due and payable within one year		17,785.65
b) becoming due and payable after more than one year		-
D. Deferred income		-
TOTAL (CAPITAL, RESERVES AND LIABILITIES)		36,966.00

The accompanying notes form an integral part of these annual accounts.

IIFL FUND

Profit and loss account (in USD)

from 31st August 2017 (date of incorporation) to 31st March 2018

	Reference(s)	31.08.2017 - 31.03.2018
1. to 5. Gross profit or loss	4	-17,785.65
6. Staff costs		-
a) Wages and salaries		-
b) Social security costs		-
i) relating to pensions		-
ii) other social security costs		-
c) Other staff costs		-
7. Value adjustments		1,299.00
a) in respect of formation expenses and of tangible and intangible fixed assets		-
b) in respect of current assets		1,299.00
8. Other operating expenses		-
9. Income from participating interests		-
a) derived from affiliated undertakings		-
b) other income from participating interests		-
10. Income from other investments and loans forming part of the fixed assets		-
a) derived from affiliated undertakings		-
b) other income not included under a)		-
11. Other interest receivable and similar income		-
a) derived from affiliated undertakings		-
b) other interest and similar income		-
12. Share of profit or loss of undertakings accounted for under the equity method		-
13. Value adjustments in respect of financial assets and of investments held as current assets		-
14. Interest payable and similar expenses		-
a) concerning affiliated undertakings		-
b) other interest and similar expenses		-
15. Tax on profit or loss		-
16. Profit or loss after taxation		-16,486.65
17. Other taxes not shown under items 1 to 16		-
18. Profit or loss for the financial period		-16,486.65

The accompanying notes form an integral part of these annual accounts.

IIFL FUND

Notes to the annual accounts

as at 31st March 2018

Note 1 - General information

IIFL Fund (the Company) was incorporated on 31st August 2017 for an unlimited period under the form of a société anonyme in the Grand Duchy of Luxembourg.

The Company is registered with the Registre de Commerce et des Sociétés, Luxembourg (Luxembourg register of commerce and companies) under number B217612. The Articles of Incorporation were deposited with the Registre de Commerce et des Sociétés, Luxembourg and were published in the RESA on 7th September 2017.

The Company's prospectus was approved after the current financial year end, in May 2018, by the *Commission de Surveillance du Secteur Financier* ("CSSF"), date as from which it became a regulated entity. Since this date, the Company qualifies as an Undertaking for Collective Investment in transferable securities ("UCITS"), subject to Part I of the Law of 17th December 2010. As an umbrella structure, the Company may operate separate Sub-Funds, each being distinguished amongst others by their specific investment policy or any specific feature as further detailed in the relevant sub-fund particular within the Company's prospectus.

The Company's prospectus foresees the following 2 sub-funds:

- IIFL Fund - IIFL India Fixed Income Opportunities Fund; and
- IIFL Fund - IIFL India Equity Opportunities Fund.

As at 31st March 2018, there were no active sub-funds considering that the Company's prospectus was not yet approved and business development was still ongoing (please refer to note 6 - Subsequent events for more information).

The reference currency of the Company is USD.

The financial year begins on 1st April and ends on 31st March of each year. The first financial year started on 31st August 2017 (date of incorporation) and ended on 31st March 2018.

Note 2 - Significant accounting policies

a) Presentation of annual accounts

The annual accounts of the Company are prepared in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts. The Company presents its annual accounts in the format similar to the layout of the law 18th December 2015.

b) Valuation of assets

1) Debtors

Debtors are valued at their nominal value.

2) Creditors

Creditors are recorded at their reimbursement value.

3) Foreign currency translation

All amounts stated in the accompanying annual accounts are in USD, being the reference currency of the Company. Assets and liabilities denominated in foreign currencies are translated into USD at the exchange rates effective at 31st March 2018. Transactions in foreign currencies are translated to USD at the exchange rate prevailing at the date of the transaction.

The following exchange rate was applicable as at 31st March 2018:

1	USD	=	0.8115566	EUR
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Note 3 - Capital and reserves

The initial capital is set at EUR 30,000.00 (*USD 35,667*) represented by 300 shares. The share capital has been converted in USD based on the exchange rate prevailing as at 31 August 2017, being the date of incorporation of the Company.

IIFL FUND

Notes to the annual accounts (continued)

as at 31st March 2018

As at 31st March 2018, the Company's sole shareholder is IIFL Capital Pte Ltd, company incorporated under the laws of Singapore, having its registered office at 6 Shenton Way, #12-11, OUE Downtown 2, Singapore.

At 31st March 2018 the EUR 30,000.00 remain to be transferred on a bank account in the name of the company. This transfer will occur once the depositary bank is appointed by the Company (please refer to note 6 - Subsequent events for more information on the appointment of the depositary bank).

Note 4 - Gross profit or loss

As at 31st March 2018, the gross profit or loss is composed as follows:

	31.03.2018
	(in USD)
Administration fees	-8,054.35
Audit fees	-5,766.70
Legal fees	-3,964.60
	<u>-17,785.65</u>

Note 5 - Other debtors

Other debtors becoming due and payable within one year represents amounts owed by the Company's sole shareholder, IIFL Capital Pte Ltd. This amount is held by IIFL Capital Pte Ltd in a separate bank account, opened at UK Banking Standard Chartered Bank under the account name IIFL CAPITAL / REF IIFL FUND.

Note 6 - Subsequent events

As specifies in note 1, the Company's prospectus was approved after the current financial year end, in May 2018, by the CSSF, date as from which it became a regulated entity.

Following the prospectus approval the following changes occurred:

- KBL European Private Bankers S.A. was appointed as the depositary bank and paying agent.
- European Fund Administration S.A. was appointed as the administration, domiciliary and registrar and transfer agent.

A sub-fund of ASHBURTON INVESTMENTS SICAV, Ashburton Investments SICAV - India Equity Opportunities Fund will merge into the sub-fund of IIFL FUND, IIFL India Equity Opportunities Fund in October 2018.

The 1st semi-annual report following UCITS requirements will be published as at 30th September 2018 and the 1st annual report following the UCITS requirements will be published as at 31st March 2019.