

# Quarterly Report

September 2013

**Publication date**

This report was released for publication on 19 November 2013.

The subsequent event note in the financial statements has been updated to 19 November 2013.

Amounts in this report are stated in USD thousands (TUSD) unless otherwise stated.

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## Castle Alternative Invest AG in the third quarter of 2013

		Quarter to September 2013	Quarter to June 2013
<b>Net asset value increased 1.34% in the quarter and 7.49% year to date</b>	Castle Alternative Invest AG's ("Castle", "CAI" or "the Company") net asset value increased by 1.34 per cent (USD +0.24 per share) during the third quarter of 2013.	USD 18.09 per share	USD 17.85 per share
<b>Share price up 4.90% to USD 15.00 on SIX</b>		USD 15.00 per share	USD 14.30 per share
<b>Discount narrowed during the quarter</b>	At the end of September 2013 the shares (USD) were trading on SIX at a discount of 17.1 per cent to NAV.	(17.1%)	(19.9%)
<b>Share buy back programme (second line)</b>	<p>On 6 June 2013, the Company started a new, second line buy back programme which was approved at the 2013 AGM. For this fourth programme, a second trading line denominated in CHF was opened on the SIX Swiss Exchange on 6 June 2013 and will remain open until 5 June 2014 at the latest. The Company is the exclusive buyer on the second line and repurchases shares for the purpose of subsequently reducing its share capital.</p> <p>By 19 November 2013, 416,000 shares had been purchased on the second line and the company held 106,406 shares in treasury. A further 82,500 shares were purchased for cancellation in the previous second line buy-back programme which ended on 5 June 2013.</p>		

## Performance during the third quarter 2013

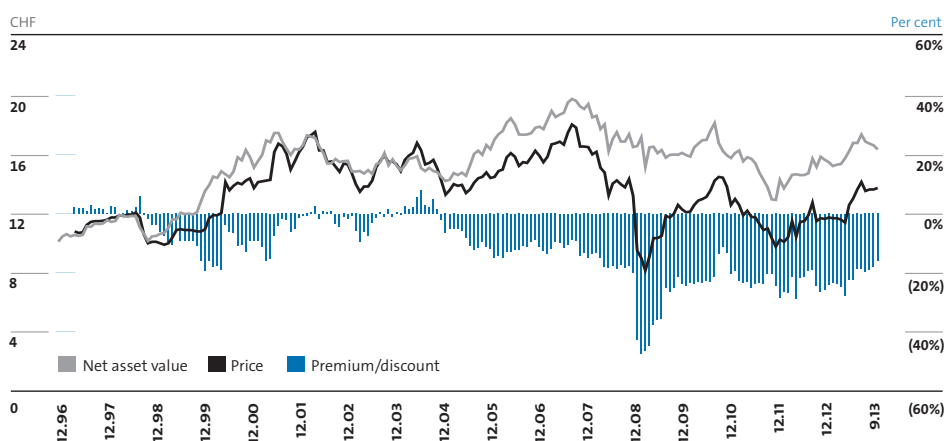
### Overview

In the third quarter, the dominant focus was on whether and when the U.S. Federal Reserve would start reducing its monthly purchases of Treasury and mortgage-backed securities. The speculation on “tapering” prior to the mid-September FOMC meeting led to a spike in market volatility across several asset classes. The decision not to taper triggered a global equities rally. The US dollar whipsawed, initially strengthening on the expectation of Fed tightening but reversing after the FOMC decision. Hedge fund returns were mixed, with the bottom-up, fundamentals-driven equity and credit-sensitive strategies delivering gains while the systematic strategies were challenged in a headline-driven environment.

### Macro backdrop

In the U.S., aside from the decision to continue its monetary easing programme, the Fed also cut its 2014 GDP growth forecast to 3 per cent (from 3.3 per cent) despite a lower unemployment rate, improvement on the housing front and stronger manufacturing figures. A political deadlock in Congress over spending authority led to the first government shutdown in 17 years which took place in early October. The use of chemical weapons by the Assad regime in Syria and a potential U.S.-led retaliation led to heightened geopolitical risks. The Eurozone stabilised with stronger PMI figures especially from the periphery while China’s economy showed signs of a rebound.

Net asset value, price and premium/discount SIX listing to September 2013 in CHF



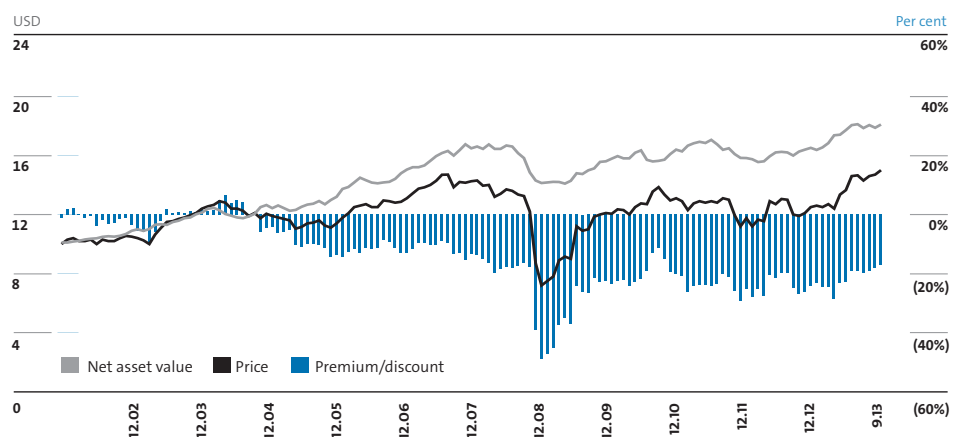
## Ten largest holdings

Fund name	Style	Allocation as of 30 September 2013
Crown Managed Futures Master Segregated Portfolio	CTA	9.69%
Discovery Global Opportunity Fund Ltd.	Macro	6.11%
Zebedee Focus Fund Ltd.	Long/Short	5.61%
HBK Offshore Fund Ltd.	Relative Value	5.40%
Third Point Ultra Ltd.	Event Driven	4.93%
Crown/Capeview Segregated Portfolio	L/S Equity	4.70%
Latigo Ultra Fund Ltd.	Event Driven	4.56%
Double Black Diamond Ltd.	Relative Value	4.39%
Indus Pacific Opportunities Fund Ltd.	Long/Short	4.38%
Tyrus Capital Opportunities Fund Ltd.	Event Driven	4.00%
<b>Total net assets</b>		<b>100.00%</b>

## Performance comparison

Fund	Value 30 September 2013	Performance 3 <sup>rd</sup> quarter 2013	Performance year to date
CAI net asset value (USD)	18.09	1.34%	7.49%
CAI net asset value (CHF)	16.36	(3.14%)	6.30%
CAI closing price (USD)	15.00	4.90%	18.11%
CAI closing price (CHF)	13.75	1.48%	18.53%

Net asset value, price and premium/discount SIX listing to September 2013 in USD



## Equities

Global equities underwent a broad-based rally with the MSCI World Index up 8.3 per cent in USD as global monetary policy remained accommodative. Signs of recovery in Europe and China brought additional optimism. The S&P 500 gained 4.7 per cent led by the economically-sensitive cyclical sectors (materials, industrials, consumer discretionary) and small cap stocks performed even better with the Russell 2000 advancing 9.9 per cent. The STOXX Europe 600 rose 8.9 per cent led by the peripheral countries while Japanese equities gained 5.3 per cent. Emerging market equities reversed after two quarters of losses and gained 5 per cent.

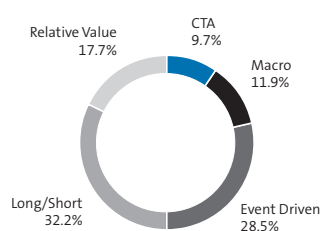
## Fixed income and Credit

US Treasuries weakened moderately on expectations of higher long term rates with the 10-year U.S. Treasury rising to 2.61 per cent at end-September (from 2.49 per cent at end-June). European sovereign bonds rallied on the back of stronger economic data as well as US dollar weakness. JGBs continued their rally which started in the summer and advanced steadily throughout the quarter. Investment grade spreads narrowed moderately while high-yield securities delivered solid returns, up 2.3 per cent, as spreads narrowed to 503 bps (from 541 bps the previous quarter).

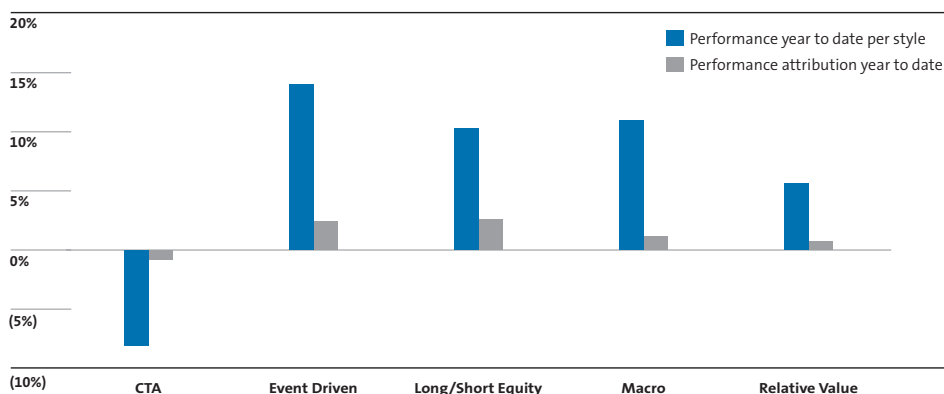
## Commodities

The Dow Jones-UBS Commodities Index rose for the first time in four quarters, ending up 2.1 per cent. Precious metals rallied, with silver up 11.2 per cent and gold up 8.8 per cent on the back of continued monetary easing and a weaker dollar. Industrial metals also advanced, led by copper (+8.4 per cent) on signs of recovery in the Chinese economy and improved U.S. homebuilding demand. Crude oil was up 8.4 per cent given the geopolitical risks and the turmoil in Syria in particular. Grains fell due to elevated global inventory levels with corn down 13.6 per cent.

### Style allocation as of 30 September 2013



### Estimated performance of styles before costs in USD from 31 December 2012 to 30 September 2013



## Hedge fund strategies

**Long/short equity** was the top performing strategy and added 1.1 per cent to Castle's returns. The exposure to Japan continued to add to performance and the managers generated alpha amidst a market rally. European cyclical (especially banks and mining companies) contributed to gains in both the long and short books. A manager specialising in investments in Brazil delivered gains that stemmed from their long-term holdings in the retail, house-building, telecom and financial sectors.

**Event driven** added 0.8 per cent to Castle's returns with profits generated across equities, credit and macro trades. In particular, certain idiosyncratic investments in the long books were particularly profitable. These included holdings in a U.S.-based global internet provider, a Japanese electronics giant, a Spanish builder and a U.S. pharmaceutical chain. A structured credit manager took advantage of the pickup in whole loan activity in the U.S. to dispose of a portion of its portfolio which would be most susceptible to higher interest rates.

Despite the heightened nervousness in the fixed income markets on the eve of the Fed's "taper-or-not" decision, the **relative value** managers navigated the volatility well and added 0.3 per cent to Castle's bottom line. Gains were recorded in each of the three months during the quarter. Profits stemmed from credit strategies, equity relative value, convertible arbitrage, fundamentals-driven distressed holdings as well as equity longs versus unsecured credit shorts.

**CTA/macro** strategies detracted 0.2 per cent from Castle's returns. Most of the gains were attributable to equities with profits generated in the U.S. and Europe offsetting small losses in Asia ex-Japan and selective emerging markets. Losses were sustained in commodities (especially metals), currencies (short JPY, AUD and CAD against the USD) and interest rates (short and medium-term rates). Trend-following managers struggled in an environment where trends were short-lived, while the fundamental trading and short-term trading managers were quicker to react to a changing market environment and generated profits.

The **macro** managers detracted 0.3 per cent as a group. Gains were delivered in trading commodities, in particular from being short grains (short corn, short soybean spreads) and tactically trading natural gas. These gains were insufficient to offset the losses sustained in currency trading and in emerging market equities. One manager suffered losses as they were incorrectly positioned for the Fed to start tapering in September.

## Castle Alternative Invest

The net asset value per share of Castle Alternative Invest AG in US Dollars increased by 1.3 per cent in the third quarter of 2013. Converted into Swiss Francs, it declined by 3.1 per cent over the same period. At the end of September, Castle's shares in US Dollars (LSE price) were trading at a discount of 17 per cent to net asset value. The portfolio was invested in 38 different managers and the level of investment was 97 per cent.

## Unaudited consolidated statement of comprehensive income

For the period ended 30 September 2013 (All amounts in USD thousands unless otherwise stated)

	Note	1 July – 30 September 2013	1 July – 30 September 2012 <sup>1)</sup>	1 January – 30 September 2013	1 January – 30 September 2012 <sup>1)</sup>
<b>Income</b>					
<b>Net gain on investments designated at fair value through profit or loss</b>	4	<b>4,275</b>	<b>11,709</b>	<b>19,612</b>	<b>19,646</b>
<b>Income from current assets:</b>					
Loss on foreign exchange, net		(5,936)	(2,028)	(5,938)	(2,034)
Interest income		2	3	15	6
Other income		—	1	20	32
<b>Total (loss)/income from current assets</b>		<b>(5,934)</b>	<b>(2,024)</b>	<b>(5,903)</b>	<b>(1,996)</b>
<b>Total (loss)/income</b>		<b>(1,659)</b>	<b>9,685</b>	<b>13,709</b>	<b>17,650</b>
<b>Expenses</b>					
Management and performance fees	8	(1,283)	(1,544)	(3,974)	(4,691)
Other operating expenses		(370)	(436)	(1,020)	(1,103)
<b>Total operating expenses</b>		<b>(1,653)</b>	<b>(1,980)</b>	<b>(4,994)</b>	<b>(5,794)</b>
<b>Operating (loss)/profit</b>		<b>(3,312)</b>	<b>7,705</b>	<b>8,715</b>	<b>11,856</b>
<b>(Loss)/profit for the period</b>		<b>(3,312)</b>	<b>7,705</b>	<b>8,715</b>	<b>11,856</b>
<b>Total comprehensive (loss)/income for the period</b>		<b>(3,312)</b>	<b>7,705</b>	<b>8,715</b>	<b>11,856</b>
<b>(Loss)/profit attributable to:</b>					
Shareholders		(3,567)	3,526	7,191	5,577
Non-controlling interest	2 (e)	255	4,179	1,524	6,279
		<b>(3,312)</b>	<b>7,705</b>	<b>8,715</b>	<b>11,856</b>
<b>Total comprehensive (loss)/income attributable to:</b>					
Shareholders		(3,567)	3,526	7,191	5,577
Non-controlling interest	2 (e)	255	4,179	1,524	6,279
		<b>(3,312)</b>	<b>7,705</b>	<b>8,715</b>	<b>11,856</b>
<b>Earnings per share (in USD) attributable to equity holders</b>					
Weighted average number of shares outstanding during the period		13,125,952	14,460,971	13,125,952	14,460,971
Basic (loss)/profit per share		USD (0.27)	USD 0.24	USD 0.55	USD 0.39
Diluted (loss)/profit per share		USD (0.27)	USD 0.24	USD 0.55	USD 0.39

<sup>1)</sup> The previous periods's figures have been adjusted to bring the USD amounts into line with the historical CHF/USD foreign exchange rates for share capital and additional paid-in capital, resulting in a foreign exchange loss. See note 2 for further information.



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## Unaudited consolidated balance sheet

As of 30 September 2013 (All amounts in USD thousands unless otherwise stated)

	Note	30 September 2013	30 June 2013 <sup>1)</sup>	31 December 2012 <sup>1)</sup>
<b>Assets</b>				
<b>Current assets:</b>				
Cash and cash equivalents		6,968	8,350	27,758
Other current assets		2,252	5,040	56,814
<b>Total current assets</b>		<b>9,220</b>	<b>13,390</b>	<b>84,572</b>
<b>Non-current assets:</b>				
Investments designated at fair value through profit or loss	4	243,700	248,295	322,579
<b>Total assets</b>		<b>252,920</b>	<b>261,685</b>	<b>407,151</b>
<b>Liabilities</b>				
<b>Current liabilities:</b>				
Due to banks: overdraft		—	153	—
Accounts payable and accrued liabilities		1,988	8,251	152,632
<b>Total current liabilities</b>		<b>1,988</b>	<b>8,404</b>	<b>152,632</b>
<b>Equity</b>				
<b>Shareholders' equity:</b>				
Share capital		49,581	60,635	60,635
Additional paid-in capital		59,694	63,892	63,892
Less treasury shares at cost	7	(2,445)	(13,635)	(14,867)
Less treasury shares 2 <sup>nd</sup> line at cost (bought for cancellation)	7	(5,464)	(29,522)	(19,045)
Retained earnings		130,687	150,186	139,185
<b>Total shareholders' equity</b>		<b>232,053</b>	<b>231,556</b>	<b>229,800</b>
Non-controlling interest		18,879	21,725	24,719
<b>Total equity</b>		<b>250,932</b>	<b>253,281</b>	<b>254,519</b>
<b>Total liabilities and equity</b>		<b>252,920</b>	<b>261,685</b>	<b>407,151</b>

<sup>1)</sup> The previous periods' figures have been adjusted to bring the USD amounts into line with the historical CHF/USD foreign exchange rates for share capital and additional paid-in capital. See note 2 for further information.

**Unaudited consolidated balance sheet (continued)**

As of 30 September 2013 (All amounts in USD thousands unless otherwise stated)

	Note	30 September 2013	30 June 2013 <sup>1)</sup>	31 December 2012 <sup>1)</sup>
<b>Net asset value per share (in USD)</b>				
Number of shares issued as at the period end		13,371,710	16,352,817	16,352,817
Number of treasury shares as at the period end		(214,406)	(1,195,487)	(1,303,487)
Number of treasury shares 2 <sup>nd</sup> line (bought for cancellation) as at the period end		(368,500)	(2,245,726)	(1,496,670)
<b>Number of shares outstanding net of treasury shares as at the period end</b>		<b>12,788,804</b>	<b>12,911,604</b>	<b>13,552,660</b>
<b>Net asset value per share</b>		<b>18.14</b>	<b>17.93</b>	<b>16.96</b>
<b>Adjustment from allocating treasury shares proportionately to non-controlling interest 2 (e)</b>				
Total shareholders' equity before adjustment		232,053	231,556	229,800
Adjustment to shareholders' equity		3,215	4,610	5,466
<b>Total shareholders' equity after adjustment</b>		<b>235,268</b>	<b>236,166</b>	<b>235,266</b>
Number of treasury shares allocated to non-controlling interest		214,406	322,406	430,406
<b>Number of shares outstanding after adjustment</b>		<b>13,003,210</b>	<b>13,234,010</b>	<b>13,983,066</b>
<b>Net asset value per share (in USD) after allocating treasury shares proportionately to non-controlling interest</b>		<b>18.09</b>	<b>17.85</b>	<b>16.83</b>

<sup>1)</sup> The previous periods's figures have been adjusted to bring the USD amounts into line with the historical CHF/USD foreign exchange rates for share capital and additional paid-in capital. See note 2 for further information.

## Unaudited consolidated statement of cash flows

For the period ended 30 September 2013 (All amounts in USD thousands unless otherwise stated)

	1 July – 30 September 2013	1 July – 30 September 2012	1 January – 30 September 2013	1 January – 30 September 2012
<b>Cash flows from/(used in) operating activities:</b>				
Purchase of investments	(12,140)	(18,388)	(29,285)	(32,987)
Proceeds from sales of investments	16,982	16,870	163,076	53,696
Interest received	2	3	16	6
Operating expenses paid	(1,097)	(2,233)	(3,055)	(5,919)
<b>Net cash from/(used in) operating activities</b>	<b>3,747</b>	<b>(3,748)</b>	<b>130,752</b>	<b>14,796</b>
<b>Cash flows from/(used in) financing activities:</b>				
Repayments of bank borrowings	—	10,750	—	10,750
Non-controlling interest capital transactions, net	(1,558)	(1,817)	(137,647)	(3,893)
Purchase of treasury shares 2 <sup>nd</sup> line (bought for cancellation)	(3,418)	(5,593)	(13,895)	(20,583)
<b>Net cash (used in)/from financing activities</b>	<b>(4,976)</b>	<b>3,340</b>	<b>(151,542)</b>	<b>(13,726)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(1,229)</b>	<b>(408)</b>	<b>(20,790)</b>	<b>1,070</b>
<b>Cash and cash equivalents, beginning of the period</b>	<b>8,197</b>	<b>9,206</b>	<b>27,758</b>	<b>7,728</b>
<b>Cash and cash equivalents, end of the period</b>	<b>6,968</b>	<b>8,798</b>	<b>6,968</b>	<b>8,798</b>
<b>Cash and cash equivalents consist of the following as at 30 September:</b>				
Cash at banks	6,968	8,799	6,968	8,799
Overdraft	—	(1)	—	(1)
<b>Total</b>	<b>6,968</b>	<b>8,798</b>	<b>6,968</b>	<b>8,798</b>
<b>Non-cash transactions:</b>				
Switching of share classes:				
Purchase of investments <sup>1)</sup>	—	(2,731)	—	(2,731)
Proceeds from sales of investments <sup>1)</sup>	—	2,731	—	2,731
Capital transaction in-kind:				
Redemption in-kind <sup>2)</sup>	1,544	1,296	3,019	2,706
Treasury shares used for redemption in-kind <sup>2)</sup>	(1,544)	(1,296)	(3,019)	(2,706)
<b>Total</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>

<sup>1)</sup> These two lines show the non-cash movements that occur when the Group switches from one share class of an investment fund into another share class of the same fund.

<sup>2)</sup> These two lines show the non-cash movements that occurred when Swiss Life AG received treasury shares held by the Ireland Subsidiary as a redemption in-kind.

## Unaudited consolidated statement of changes in equity

For the period ended 30 September 2013 (All amounts in USD thousands unless otherwise stated)

	Share capital	Additional paid-in capital	Less treasury shares	Retained earnings	Non-controlling interest	Total equity
<b>1 January 2012<sup>1)</sup></b>	<b>64,820</b>	<b>63,892</b>	<b>(26,376)</b>	<b>138,069</b>	<b>161,043</b>	<b>401,448</b>
Total comprehensive income for the period	—	—	—	5,577	6,279	11,856
Cancellation of treasury shares 2 <sup>nd</sup> line	(4,185)	—	13,691	(7,479)	—	2,027
Purchase of treasury shares 2 <sup>nd</sup> line (bought for cancellation)	—	—	(20,583)	—	—	(20,583)
Non-controlling interest transactions:						
Treasury shares used for redemption in-kind	—	—	2,464	242	(2,706)	—
Capital transactions	—	—	—	—	(3,893)	(3,893)
<b>30 September 2012<sup>1)</sup></b>	<b>60,635</b>	<b>63,892</b>	<b>(30,804)</b>	<b>136,409</b>	<b>160,723</b>	<b>390,855</b>
<b>1 January 2013<sup>1)</sup></b>	<b>60,635</b>	<b>63,892</b>	<b>(33,912)</b>	<b>139,185</b>	<b>24,719</b>	<b>254,519</b>
Total comprehensive income for the period	—	—	—	7,191	1,524	8,715
Cancellation of treasury shares 2 <sup>nd</sup> line	(7,817)	—	27,476	(16,245)	—	3,414
Cancellation of treasury shares	(3,237)	(4,198)	9,958	—	—	2,523
Purchase of treasury shares 2 <sup>nd</sup> line (bought for cancellation)	—	—	(13,895)	—	—	(13,895)
Non-controlling interest transactions:						
Treasury shares used for redemption in-kind	—	—	2,464	556	(3,020)	—
Capital transactions	—	—	—	—	(4,344)	(4,344)
<b>30 September 2013</b>	<b>49,581</b>	<b>59,694</b>	<b>(7,909)</b>	<b>130,687</b>	<b>18,879</b>	<b>250,932</b>

<sup>1)</sup> The previous year's figures have been adjusted to bring the USD amounts into line with the historical CHF/USD foreign exchange rates for share capital and additional paid-in capital. See note 2 for further information.

## Notes to the unaudited consolidated financial statements for the period ended 30 September 2013

### 1. Organisation and business activity

Castle Alternative Invest AG, Pfäffikon ("the Company"), is a joint stock corporation established for an indefinite period in the Canton of Schwyz, Switzerland, by deed dated 24 July 1996. The Company was registered in the Commercial Register of the Canton of Schwyz on 30 July 1996. The Company's business is principally conducted through two subsidiaries; Castle Alternative Invest (Overseas) Ltd., Grand Cayman ("the Cayman Subsidiary") and Castle Alternative Invest (International) plc, Dublin ("the Ireland Subsidiary"). Since 10 April 1997, the shares of the Company have been listed in Swiss Francs on the SIX Swiss Exchange and on 21 January 2002, a listing in US Dollar on the SIX Swiss Exchange followed. As of 5 June 2009 the Company is also listed in US Dollar on the London Stock Exchange.

### 2. Basis of preparation

The accompanying consolidated interim financial statements of Castle Alternative Invest AG, Pfäffikon (the "Company") and its subsidiaries as listed in note 3 (together the "Group") have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" and comply with Swiss Law and the accounting guidelines laid down in the Directive on Financial Reporting (DFR) of the SIX Swiss Exchange as well as the guidelines set out by the United Kingdom Listing Authority.

The consolidated interim financial statements of the Group have been prepared under the historical cost convention as modified by the revaluation of financial assets and financial liabilities held at fair value through profit or loss. The principles of accounting applied in the interim consolidated financial statements as per 30 September 2013 correspond to those in the annual report 2012, unless otherwise stated. The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2012, which have been prepared in accordance with International Financial Reporting Standards (IFRS) formulated by the International Accounting Standards Board (IASB).

In previous periods the US Dollar amounts for the formation of reserves for treasury shares and the cancellation of treasury shares on its second trading line were converted from Swiss Francs to US Dollars using the exchange rates from the time of purchase of these treasury shares instead of the historical rates from when the share capital and additional paid-in capital were paid in. Adjustments have been made to the opening figures per 1 January 2012 and 1 January 2013. The resulting differences between the two different exchange rates have been recognised in retained earnings. This correction of an error has not led to changes to the net asset values of previous periods.

#### a) Standards and amendments to published standards that are mandatory for the financial year beginning on or after 1 July 2012

- Amendment to IAS 1, "Financial statement presentation" regarding other comprehensive income (effective 1 July 2012). The main change resulting from these amendments is a requirement for entities to group items presented in Other Comprehensive Income (OCI) on the basis of whether they are potentially recycled to profit or loss (reclassification adjustments). The amendments do not address which items are presented in OCI. This new standard did not have any effect on the Group's consolidated interim financial statements; and

- IFRS 13, “Fair value measurement”, (effective 1 January 2013). This standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs or US GAAP. This new standard did not have a material impact on the Group’s consolidated interim financial statements.

**b) Standards and amendments to published standards effective after 1 January 2013 that have been early adopted**

- IFRS 10, “Consolidated Financial Statements”, (effective 1 January 2013). The new standard establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. It supersedes IAS 27 “Consolidated and Separate Financial Statements” and SIC-12 “Consolidation – Special Purpose Entities” and is effective for annual periods beginning on or after 1 January 2013. The Group decided for early adoption in 2011; and
- IFRS 12, “Disclosure of Interests in Other Entities”, (effective 1 January 2013) applies to entities that have an interest in a subsidiary, a joint arrangement, an associate or an unconsolidated structured entity. The Group decided for early adoption in 2011.

**c) Standards and amendments to published standards effective after 1 January 2013 that have not been early adopted**

- IFRS 9, “Financial instruments”, (effective 1 January 2015). This is the first part of a new standard on classification and measurement of financial assets and financial liabilities that will replace IAS 39, “Financial instruments: Recognition and measurement”. IFRS 9 has two measurement categories: amortised cost and fair value. All equity instruments are measured at fair value. A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. For liabilities, the standard retains most of the IAS 39 requirements. These include amortised-cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity’s own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The Group has yet to assess the full impact of this standard and has not yet decided when to adopt it.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

**d) Segment reporting**

IFRS 8 requires entities to define operating segments and segment performance in the financial statements based on information used by the chief operating decision-maker. The investment manager is considered to be the chief operating decision-maker. An operating segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other operating segments.

The sole operating segment of the Group is investing in hedge funds. The investment manager works as a team for the entire portfolio, asset allocation is based on a single, integrated investment strategy and the Group's performance is evaluated on an overall basis. Thus the results published in this report correspond to the sole operating segment of investing in hedge funds.

**e) Non-controlling interest**

Non-controlling interests in the consolidated financial statements are presented as a component of equity and measured at fair value. The profit or loss for the period and the total comprehensive income are allocated in the statement of comprehensive income to the amounts attributable to non-controlling interests and to the shareholders.

Under the accounting provisions of IFRS, treasury shares held by Group entities must be deducted from equity and eliminated from the Group's number of outstanding shares. For the Group this also includes the treasury shares held for and on behalf of the non-controlling interest. In order to arrive at the true economic value of the Group, the non-controlling interest's portion of the treasury shares has been adjusted for. On the consolidated balance sheet the value (2013: TUSD 3,215, 2012: TUSD 5,466) for these shares has been added back to shareholders' equity and the number of shares (2013: 214,406, 2012: 430,406) has also been added back to the number of outstanding shares. These adjustments result in an economic net asset value per share of USD 18.09 (2012: USD 16.83).

**3. Basis of consolidation**

The consolidated interim financial statements per 30 September 2013 are based on the financial statements of the individual Group companies prepared using the same accounting principles applied in the consolidated financial statements for the year ended 31 December 2012.

The consolidated interim financial statements include all assets and liabilities of Castle Alternative Invest AG and its direct and indirect subsidiaries:

- Castle Alternative Invest (Overseas) Ltd., Grand Cayman (the "Cayman Subsidiary")
- Castle Alternative Invest (International) plc, Dublin (the "Ireland Subsidiary")

**4. Investments designated at fair value through profit or loss**

A detailed list of the investments can be found on pages 18 and 19.

**5. Tax expense**

General: Taxes are provided based on reported income. Capital taxes paid are recorded in other operating expenses.

Castle Alternative Invest AG, Pfäffikon

For Schwyz cantonal and communal tax purposes, the Company is taxed as a holding company and is as such only liable for capital taxes. All relevant income of the Company, including the dividend income and capital gains from its investments, is exempt from taxation at the cantonal and communal level.

For Swiss federal tax purposes, an income tax is levied. However, there is a participation exemption on dividend income and capital gains on qualifying participations. The result of the participation exemption relief is that dividend income and capital gains are almost fully excluded from taxation.



Castle Alternative Invest (Overseas) Ltd., Grand Cayman

The activity of the Cayman Subsidiary is not subject to any income, withholding or capital taxes in the Cayman Islands. However it does invest in securities and subsidiaries whose dividends may be subject to non-refundable foreign withholding taxes.

Castle Alternative Invest (International) plc., Dublin

The activity of the Ireland Subsidiary is not subject to any income, withholding or capital taxes in Ireland. However, it does invest in securities and subsidiaries whose dividends may be subject to non-refundable foreign withholding taxes.

Reconciliation of income tax calculated with the applicable tax rate:

<b>Tax expense</b>	<b>30.9.2013</b>	<b>30.9.2012</b>
	<b>TUSD</b>	<b>TUSD</b>
Profit for the period before income tax	8,715	11,856
Applicable tax rate	7.8%	7.8%
Income tax	680	925
Effect from non-taxable income	(680)	(925)
<b>Total</b>	<b>—</b>	<b>—</b>

## 6. Due to banks

As of 30 September 2013, the Subsidiaries have a credit line of TUSD 15,000 (31 December 2012: TUSD 15,000). Since 1 April 2011, the Subsidiaries have a further credit line of TUSD 4,000 (31 December 2012: TUSD 4,000) in order to service potential capital calls within the share class RO of the Ireland Subsidiary. The credit lines are granted by LGT Bank (Ireland) Limited, Dublin and are secured by the participating shares of the Ireland Subsidiary as well as the voting participating redeemable ordinary shares of the Cayman Subsidiary. The pledged assets are deposited with LGT Bank Limited, Vaduz and pledged in favour of the lender. Since 1 April 2011, the Ireland Subsidiary also has a further credit line of TUSD 4,000 (31 December 2012: TUSD 4,000) in order to service potential capital calls within the share class RI of the Ireland Subsidiary. The credit line is granted by Swiss Life AG, Zurich.

As of 30 September 2013 the credit lines were not used (31 December 2012: not used).

As of 30 September 2012, the Ireland Subsidiary had borrowed TUSD 10,750 from LGT Bank (Ireland) Limited.

<b>Due to banks – fixed advance</b>	<b>Interest rate</b>	<b>Maturity</b>	<b>Amounts TUSD</b>
As of 30 September 2012	2.1375% (USD)	5 October 2012	10,750
<b>Total</b>			<b>10,750</b>

As of 30 September 2012, the Company had an overdraft of TUSD 1 with LGT Bank Limited, Vaduz.

## Investments designated at fair value through profit or loss<sup>1)</sup>

As of 30 September 2013 (All amounts in USD thousands unless otherwise stated)

Amounts in TUSD	Geography	Shares as at 1.1.2013	Shares as at 30.9.2013	Total net paid in as at 1.1.2013	Invest- ments 2013	Redemp- tions 2013	Realised gain/(loss) 2013	Total net paid in as at 30.9.2013	Unrealised gain/(loss) accumulat- ed 2013	Fair value as at 30.9.2013	% of invest- ments
<b>CTA</b>											
Crown Managed Futures Master Segregated Portfolio	Global	18,571	10,209	27,972	—	(11,148)	9,652	16,824	6,792	23,616	9.7%
<b>Total CTA</b>				<b>27,972</b>	<b>—</b>	<b>(11,148)</b>	<b>9,652</b>	<b>16,824</b>	<b>6,792</b>	<b>23,616</b>	<b>9.7%</b>
<b>Macro</b>											
Caxton Global Investments Ltd. Class A	Global	17,405	—	1,846	—	(1,846)	11,447	—	—	—	0.0%
Caxton Global Investments Ltd. Class SI	Global	41,650	58,483	1,222	297	—	—	1,519	196	1,715	0.7%
Crown/Koppenberg Segregated Portfolio	Global	2,828	4,282	3,000	1,580	—	—	4,580	511	5,091	2.1%
Discovery Global Opportunity Fund Ltd.	Global	22,916	18,571	10,234	—	(1,840)	1,729	8,394	6,502	14,896	6.1%
The Rohatyn Group Global Opportunity Fund Ltd.	Global	1	1	471	—	(42)	—	429	134	563	0.2%
Tudor BVI Global Fund Ltd. Class B	Global	87	54	9,033	—	(3,435)	208	5,598	784	6,382	2.6%
Tudor BVI Global Fund Ltd. Legacy Class	Global	313	290	312	—	(21)	8	289	148	437	0.2%
<b>Total Macro</b>				<b>26,118</b>	<b>1,877</b>	<b>(7,187)</b>	<b>13,422</b>	<b>20,808</b>	<b>8,276</b>	<b>29,084</b>	<b>11.9%</b>
<b>Event Driven</b>											
Bennelong Asia Pacific Multi Strategy Equity Fund Ltd.	Asia	9,400	7,810	940	—	(48)	(2)	892	88	980	0.4%
Cerberus Asia Partners L.P.	Asia	1	1	—	—	—	110	—	678	678	0.3%
Crown/Capeview Recovery Segregated Portfolio	Europe	—	7,000	—	7,000	—	—	7,000	48	7,048	2.9%
Crown Distressed Credit Opportunities plc <sup>2)</sup>	Global	55,483	35,129	4,831	—	(1,772)	1,145	3,059	2,520	5,579	2.3%
Crown/GLG Segregated Portfolio	Europe	7,478	7,478	7,500	—	—	—	7,500	745	8,245	3.4%
Greywolf Capital Overseas Fund	America	1	1	943	—	(49)	(31)	893	(732)	161	0.1%
GS Special Opportunities (Asia) Offshore Fund Ltd.	Asia	1	1	—	—	—	30	—	—	—	0.0%
Headstart Fund Ltd.	Asia	1	1	855	—	—	—	855	(606)	248	0.1%
Highland Crusader Fund II Ltd.	America	1	1	2,181	—	(617)	—	1,564	2,629	4,193	1.7%
Latigo Ultra Fund Ltd.	America	9,547	9,547	9,547	708	—	708	10,254	866	11,121	4.6%
Latigo Ultra Access Fund Ltd.	America	44	44	44	—	—	—	44	15	59	0.0%
OZ Asia Overseas Fund Ltd.	Asia	1	1	892	—	(41)	58	851	(86)	765	0.3%
OZ Overseas Fund Ltd. Tranche C shares	Global	2	2	618	—	(149)	(23)	469	(143)	326	0.1%
Plainfield 2009 Liquidation Ltd.	Global	10,414	4,980	1,041	—	(543)	(419)	498	(389)	109	0.0%
SerVertis Fund I Ltd. <sup>2)</sup>	America	8,211	8,211	7,342	—	(2,468)	—	4,874	3,256	8,129	3.3%
Third Point Ultra Ltd.	Global	14,000	7,610	14,000	—	(6,390)	2,098	7,610	4,405	12,015	4.9%
Tyrus Capital Opportunities Fund Ltd.	Global	86,627	86,627	8,516	—	—	—	8,516	1,226	9,742	4.0%
Winston Partners PE Investment Ltd.	Global	7,615	7,615	3,662	—	—	—	3,662	(3,662)	—	0.0%
Zais Matrix VI-F Ltd.	Global	1	—	—	—	—	4	—	—	—	0.0%
<b>Total Event Driven</b>				<b>62,912</b>	<b>7,708</b>	<b>(12,080)</b>	<b>3,677</b>	<b>58,540</b>	<b>10,859</b>	<b>69,399</b>	<b>28.5%</b>

Amounts in TUSD	Geography	Shares as at 1.1.2013	Shares as at 30.9.2013	Total net paid in as at 1.1.2013	Invest- ments 2013	Redemp- tions 2013	Realised gain/(loss) 2013	Total net paid in as at 30.9.2013	Unrealised gain/(loss) accumulat- ed 2013	Fair value as at 30.9.2013	% of invest- ments
<b>Long/Short</b>											
Amiya Global Emerging Opportunities Fund Ltd.	Global	73,045	—	15,388	—	(15,388)	(468)	—	—	—	0.0%
Crown/Amazon Segregated Portfolio	Asia	8,679	—	9,000	—	(9,000)	1,860	—	—	—	0.0%
Crown/Capeview Segregated Portfolio	Europe	10,000	9,340	10,000	—	(546)	154	9,454	1,996	11,450	4.7%
Crown/Japan Segregated Portfolio	Asia	—	5,901	—	6,000	—	—	6,000	1,380	7,380	3.0%
Crown/Tyrian Segregated Portfolio	Global	—	8,280	—	9,000	—	—	9,000	(48)	8,952	3.7%
Crown/KC Segregated Portfolio	America	6,313	—	7,000	—	(7,000)	373	—	—	—	0.0%
Crown/Marshall Wace Segregated Portfolio	America	5,869	5,869	7,000	—	—	—	7,000	477	7,477	3.1%
Crown/NJ Segregated Portfolio	Asia	—	5,679	—	7,000	—	—	7,000	675	7,675	3.1%
Crown/Sandler Segregated Portfolio	America	7,057	3,779	7,000	—	(3,251)	249	3,749	361	4,110	1.7%
Galleon Technology Offshore Ltd.	America	57	57	1,292	—	(14)	—	1,278	(576)	702	0.3%
Indus Pacific Opportunities Fund Ltd.	Asia	7,437	4,687	12,354	—	(4,240)	962	8,115	2,548	10,662	4.4%
Polo Fund	America	54,318	41,403	11,484	—	(3,367)	458	8,117	(2,086)	6,031	2.5%
Raptor Private Holdings Ltd.	America	1,215	751	833	—	(318)	(79)	515	(136)	379	0.2%
Zebedee Focus Fund Ltd.	Europe	98,333	61,853	17,993	—	(6,522)	936	11,471	2,199	13,670	5.6%
<b>Total Long/Short</b>				<b>99,344</b>	<b>22,000</b>	<b>(49,645)</b>	<b>4,444</b>	<b>71,699</b>	<b>6,791</b>	<b>78,490</b>	<b>32.2%</b>
<b>Relative Value</b>											
Blue Mountain Credit Alternative Fund Ltd.	Global	103,930	77,520	10,393	—	(2,641)	427	7,752	1,800	9,552	3.9%
Crown/Linden Segregated Portfolio	Global	9,907	4,687	11,025	—	(5,545)	1,938	5,480	1,807	7,287	3.0%
D.E. Shaw Composite International Ltd.	Global	1	1	—	—	—	40	—	502	502	0.2%
D.E. Shaw Composite International Ltd.											
Side Pocket Series	Global	1	1	1,301	—	—	—	1,270	469	1,739	0.7%
Double Black Diamond Ltd.	Global	26,730	26,730	9,340	—	—	—	9,340	1,355	10,694	4.4%
Drake Absolute Return Fund Ltd.	Global	561	117	1,161	—	(920)	(237)	242	(61)	180	0.1%
HBK Offshore Fund Ltd.	Global	40,883	25,733	12,728	—	(4,717)	2,802	8,012	5,145	13,156	5.4%
<b>Total Relative Value</b>				<b>45,948</b>	<b>—</b>	<b>(13,853)</b>	<b>4,968</b>	<b>32,095</b>	<b>11,016</b>	<b>43,111</b>	<b>17.7%</b>
<b>Total</b>				<b>262,294</b>	<b>31,585</b>	<b>(93,913)</b>	<b>36,163</b>	<b>199,966</b>	<b>43,734</b>	<b>243,700</b>	<b>100.0%</b>

<sup>1)</sup> Numbers may not fully add up due to rounding.

<sup>2)</sup> The Company has made the following commitments to investment funds:

— Crown Distressed Credit Opportunities plc – USD 16.5 million (USD 4.1 million not yet paid in)  
— SerVertis Fund I Ltd. – USD 16.5 million (USD 4.1 million not yet paid in)

## 7. Shareholders' equity

### Shareholders' equity

As of 30 September 2013 the authorised, issued and fully paid up share capital of the Company amounts to TCHF 66,859 (TUSD 49,581) and as of 31 December 2012 to 81,764 (TUSD 60,635) consisting of 13,371,710 (2012: 16,352,817) registered shares with a par value of CHF 5. The translation into US Dollar has been done at the corresponding historical foreign exchange rate. Each share entitles the holder to participate in any distribution of income and capital. The Group regards shareholders' equity as the capital that it manages. Shareholders' equity, including non-controlling interests, amounts to TUSD 250,932 as of 30 September 2013 (2012: TUSD 254,519).

### Non-controlling interest

On 1 April 2011 Swiss Life AG partially redeemed its holding in Class I of the Ireland Subsidiary. The redemption was paid out in cash with the remaining amount being placed in a newly opened side-pocket share class for illiquid assets (Class RI). At the same time a side pocket share class for the Cayman Subsidiary's portion of the illiquid assets was also created (Class RO). The side pocket share classes have paid out proceeds as their assets were realised. On 31 December 2012 Swiss Life AG fully redeemed its holding in the Class I shares. As per 30 September 2013 Swiss Life AG's holding in the remaining Class RI shares comprised 7.46 per cent (2012: Class RI: 9.27 per cent) of the net asset value of the Ireland Subsidiary. The fair value of the non-controlling interest amounts to TUSD 18,879 as of 30 September 2013 (31.12.2012: TUSD 24,719).

### Treasury shares

On 1 February 2013 the Ireland Subsidiary transferred 873,081 treasury shares of the Company, to the value of TUSD 10,826, from the Ireland Subsidiary to the Cayman Subsidiary. On 8 August 2013 the Cayman Subsidiary transferred 873,081 treasury shares of the Company, to the value of TUSD 12,747, from the Cayman Subsidiary to the Company. These 873,081 treasury shares were cancelled in August 2013.

During the period from 1 January to 30 September 2013 the Ireland Subsidiary used 216,000 treasury shares of the Company to the value of TUSD 3,020 (31.12.2012: 432,000 treasury shares sold for the value of TUSD 5,427) for the redemption in-kind of the Ireland Subsidiary.

As of 30 September 2013 the Ireland Subsidiary held in total 214,406 (31.12.2012: 1,303,487) treasury shares. Treasury shares are treated as a deduction from the consolidated shareholders' equity using cost values of TUSD 2,445 (31.12.2012: TUSD 14,867).

### Share buyback second line

During the period from 1 January to 5 June 2013 Castle Alternative Invest AG purchased 693,856 treasury shares on its second trading line to the amount of TUSD 9,650. The Company has completed the second line share buyback programme initiated on 22 June 2012. 1,496,670 treasury shares bought in 2012 and 611,356 bought in 2013 were cancelled in August 2013.

On 14 May 2013, the Company announced the opening of a further second trading line for the Company's shares commencing on 6 June 2013. During the period from 6 June 2013 to 30 September 2013 the Company purchased 286,000 treasury shares on this second trading line to the amount of TUSD 4,245.

As of 30 September 2013 the Company held 82,500 treasury shares out of the share buyback programme initiated on 22 June 2012 and 286,000 treasury shares out of the share buyback programme initiated on 14 May 2013, resulting in a total of 368,500 treasury shares with a cost value of TUSD 5,464 (31.12.2012: TUSD 19,045).

Altogether the Group held 582,906 treasury shares as at 30 September 2013 (31.12.2012: 2,800,157).

## 8. Significant transactions with related parties

Parties are considered to be related if one party has the ability to control the other party or exercise considerable influence over the other party in making financial or operating decisions. In the opinion of the Board of Directors, the parties referred to in the schedule accompanying this note are related parties under IAS 24 "Related Party Disclosures". All related party transactions have been carried out within the normal course of business and on an 'at arm's length' basis.

### Related party transactions

Entity	Related party Relationship/Agreement(s) Direct/indirect	Transaction type	30.9.2013 TUSD	31.12.2012 TUSD	30.9.2012 TUSD
Castle Alternative Invest AG	LGT Bank Limited/ Administrative Services Agreement/direct	Administration fee	16	21	16
		Cash at banks	105	104	171
		Overdraft	—	—	1
	LGT Capital Partners Limited/ Domicile Agreement/direct	Domicile fee	7	10	7
	Directors/direct	Directors' fee	173	231	174
Castle Alternative Invest (Overseas) Limited	LGT Swiss Life Non Traditional Advisers AG/ Investment Management Agreement/direct	Investment management fee	98	10	6
		Investment management fee payable	17	2	2
	LGT Bank Limited/ Administrative Services Agreement and Loan Agreement/direct	Administration fee	—	7	6
		Administration fee payable	—	1	1
		Cash at banks	212	44	41
		Directors/indirect	Directors' fee	11	10
Castle Alternative Invest (International) plc	LGT Swiss Life Non Traditional Advisers AG/ Investment Management Agreement/direct	Investment management fee	2,941	6,199	4,685
		Investment management fee payable	318	515	505
		Performance fee	935	84	—
		Performance fee payable	935	84	—
	LGT Bank (Ireland) Limited/ Loan Agreement/direct	Due to banks: loan	—	—	10,750
		Credit facility standby fee	38	48	36
		Credit facility standby fees payable	23	3	—
		Interest expense	—	2	2
	LGT Bank Limited/ Administrative Services Agreement/direct	Cash at banks	—	—	—
	LGT Capital Partners Limited/ Advisory Agreement/indirect	Advisory fee (no direct fees)	—	—	—
	LGT Capital Partners (Ireland) Limited/ Advisory Agreement/indirect	Advisory fee (no direct fees)	—	—	—
	LGT Fund Managers (Ireland) Limited/ Investment Management Agreement/ indirect	Investment management fee (no direct fees)	—	—	—

LGT Group Foundation, Vaduz, is the controlling shareholder of the investment manager, LGT Swiss Life Non Traditional Advisers AG, Vaduz. The investment manager is entitled to a management fee from the Subsidiaries (1.5 per cent of net assets in US Dollar before deduction of the accrual of the performance fee) and a performance fee.

LGT Bank Limited, Vaduz, acts as custodian for the Company. Cash was deposited with LGT Bank Limited, Vaduz, at market conditions.

LGT Bank Limited, Vaduz acts as administrator of the Cayman Subsidiary.

The Ireland Subsidiary is invested in the below mentioned Segregated Portfolios, which are all advised by LGT Capital Partners Limited, an affiliate of Castle's investment manager.

Crown/Amazon Segregated Portfolio, Crown/Capeview Recovery Segregated Portfolio, Crown Distressed Credit Opportunities plc, Crown/GLG Segregated Portfolio, Crown/KC Segregated Portfolio, Crown/Koppenberg Segregated Portfolio, Crown/Linden Segregated Portfolio, Crown Managed Futures Master Segregated Portfolio, Crown/NJ Segregated Portfolio, Crown/Sandler Segregated Portfolio, Crown/Japan Segregated Portfolio, Crown/Marshall Wace Segregated Portfolio and Crown/Tyrian Segregated Portfolio.

## 9. Segment reporting

The sole operating segment of the Group reflects the internal management structure and is evaluated on an overall basis. Revenue is derived by investing in a portfolio of hedge fund investments with a view to achieving significant value growth and to help shareholders maximise long-term returns. The following results correspond to the sole operating segment of investing in hedge funds. Items which can not be directly contributed to the operating segment are listed as "other".

	30.9.2013 TUSD	30.9.2012 TUSD
<b>Income</b>		
Net gain on investments designated at fair value through profit or loss	19,612	19,646
Other loss	(5,903)	(1,996)
<b>Total income</b>	<b>13,709</b>	<b>17,650</b>
<b>Expenses</b>		
Other expenses	(4,994)	(5,794)
<b>Total operating expenses</b>	<b>(4,994)</b>	<b>(5,794)</b>
<b>Operating profit</b>	<b>8,715</b>	<b>11,856</b>
	30.9.2013 TUSD	31.12.2012 TUSD
<b>Assets</b>		
Investments designated at fair value through profit or loss	243,700	322,579
Other assets	9,220	84,572
<b>Total assets</b>	<b>252,920</b>	<b>407,151</b>
<b>Liabilities</b>		
Other liabilities	1,988	152,632
<b>Total liabilities</b>	<b>1,988</b>	<b>152,632</b>

The income/(loss) is geographically allocated as follows:

	America TUSD	Asia TUSD	Europe TUSD	Global TUSD	Total TUSD
<b>As of 30 September 2013</b>					
<b>Income</b>					
Net gain on investments designated at fair value through profit or loss	3,880	3,812	3,177	8,743	19,612
Other (loss)/income	—	—	(5,923)	20	(5,903)
<b>Total income/(loss)</b>	<b>3,880</b>	<b>3,812</b>	<b>(2,746)</b>	<b>8,763</b>	<b>13,709</b>
<b>As of 30 September 2012</b>					
<b>Income</b>					
Net gain/(loss) on investments designated at fair value through profit or loss	4,125	(173)	2,750	12,944	19,646
Other (loss)/income	—	—	(2,028)	32	(1,996)
<b>Total income/(loss)</b>	<b>4,125</b>	<b>(173)</b>	<b>722</b>	<b>12,976</b>	<b>17,650</b>

The assets are geographically allocated as follows:

	30.9.2013 TUSD	in %	31.12.2012 TUSD	in %
<b>Assets</b>				
America	42,363	17%	57,477	14%
Asia	29,889	12%	27,924	7%
Europe	47,382	19%	105,524	26%
Global	133,286	52%	216,226	53%
<b>Total assets</b>	<b>252,920</b>	<b>100%</b>	<b>407,151</b>	<b>100%</b>

## 10. Subsequent events

During the period from 1 October to 19 November 2013 Castle Alternative Invest AG purchased 130,000 treasury shares on its second trading line for a total consideration of TUSD 1,937. As of 19 November 2013 the Company held in total 498,500 treasury shares that were purchased for cancellation in the current and previous second line buyback programmes.

Effective as of 1 October 2013, LGT Capital Partners (Ireland) Limited, Dublin, has taken over the investment management duties from LGT Swiss Life Non Traditional Advisers AG, Vaduz, for the Cayman and Ireland Subsidiaries. LGT Capital Partners Limited, Pfaffikon acts as the investment advisor for LGT Capital Partners (Ireland) Limited, Dublin.

Since the balance sheet date of 30 September 2013, there have been no material events that could impair the integrity of the information presented in the consolidated interim financial statements.

## Share information

Exchange rate CHF/USD 0.9044

	2005	2006	2007	2008	2009	2010	2011	2012	September 2013	Since inception
<b>Share information</b>										
Number of bearer shares at year-end	38,501,000	38,501,000	38,501,000	38,501,000	38,501,000	19,707,060	17,481,596	16,352,817	13,371,710	
CAI Net asset value (USD)	13.20	15.04	16.60	14.17	15.95	16.66	15.60	16.83	18.09	
CAI Net asset value (CHF)	17.40	18.36	18.65	15.19	16.50	15.56	14.64	15.39	16.36	
CAI Closing price (USD)	11.40 <sup>3)</sup>	13.10 <sup>3)</sup>	14.30 <sup>3)</sup>	7.50 <sup>3)</sup>	12.35 <sup>3)</sup>	12.30 <sup>3)</sup>	11.65 <sup>3)</sup>	12.70 <sup>3)</sup>	15.00 <sup>3)</sup>	
CAI Closing price (CHF)	14.90	15.87	16.20	8.15	12.60	11.90	11.50	11.60	13.75	
<b>Share performance</b>										
CAI Net asset value (USD)	4.5%	13.9%	10.3%	(14.6%)	12.6%	4.5%	(6.4%)	7.9%	7.5%	180.8% <sup>1)</sup>
CAI Net asset value (CHF)	21.6%	5.6%	1.6%	(18.6%)	8.6%	8.1%	(5.9%)	5.1%	6.3%	63.6% <sup>2)</sup>
CAI Closing price (USD)	(5.4%) <sup>3)</sup>	14.9% <sup>3)</sup>	9.2% <sup>3)</sup>	(47.6%) <sup>3)</sup>	64.7% <sup>3)</sup>	(0.4%) <sup>3)</sup>	(5.3%) <sup>3)</sup>	9.0% <sup>3)</sup>	18.1% <sup>3)</sup>	50.0% <sup>3)</sup>
CAI Closing price (CHF)	9.6%	6.5%	2.1%	(49.7%)	54.6%	(5.6%)	(3.4%)	0.9%	18.5%	37.5%

<sup>1)</sup> Before September 1999, CAI (Overseas) Ltd. pro-forma performance numbers (real numbers adjusted for currency hedging, net of management fee and performance fee but gross of cost on CAI AG level).

<sup>2)</sup> CHF 2.61 write-off of incorporation costs due to accounting principle changes (IAS).

<sup>3)</sup> Inception of US Dollar trading 21 January 2002.

### Price information

Reuters RIC: CHF "CASNn.S", USD "CASNnu.S"

Reuters Contributors Page: LGTY

Bloomberg: CHF "CASN SW <Equity>", USD "CASND SW <Equity>"

Investdata: CHF "509275.4", USD "509275.349"

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SIX Swiss Exchange: 509.275 (Swiss security number)

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