

PERINVEST CONVERTIBLE FUND LIMITED

An International Business Company in the British Virgin Islands

*One active portfolio with two classes of shares :
Class « A » Euro denominated Ordinary Shares
Class « B » US\$ denominated Ordinary Shares*

M A N A G E R

TREETOP ASSET MANAGEMENT S.A.
Luxembourg

**Audited Annual Report
as at December 31st, 2012**

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Subscriptions are only valid if they are made on the basis of the last prospectus accompanied by the
subscription form, the latest annual report and the latest semi-annual report if published thereafter.*

PERINVEST CONVERTIBLE FUND LIMITED

An International Business Company in the British Virgin Islands
Registered Number 500622

Board of Directors	<p>Jean Perrette, Chairman Perinvest Management Limited</p> <p>Jacques Berghmans, President of the Board of Directors TreeTop Asset Management S.A., Luxembourg</p> <p>Olivier de Vinck, Managing Director TreeTop Asset Management S.A., Luxembourg</p> <p>Independent non executive Directors :</p> <p>John Mills, Director Maitland Luxembourg S.A.</p> <p>Noel Mc Cormack Consultant</p>
Registered Office & Registered Agent	<p>c/o Midocean Management & Trust Services (BVI) Limited 9 Columbus Centre, Pelican Drive, Road Town Tortola, British Virgin Islands</p>
Manager	<p>TreeTop Asset Management S.A. 12, rue Eugène Ruppert, L-2453 Luxembourg</p>
Administrator	<p>Maitland Fund Services (BVI) Limited Midocean Chambers, PO Box 805, Road Town, Tortola, British Virgin Islands</p>
Custodian Bank	<p>Banque Degroof Luxembourg S.A. 12, rue Eugène Ruppert, L-2453 Luxembourg</p>
Administrative Agent	<p>Degroof Gestion Institutionnelle - Luxembourg 12, rue Eugène Ruppert, L-2453 Luxembourg</p>
Transfer Agent	<p>Maitland Fund Services (BVI) Limited Midocean Chambers, PO Box 805, Road Town, Tortola, British Virgin Islands</p>
Sponsoring Broker	<p>J&E Davy Stockbrokers Davy House, 49 Dawson Street Dublin 2, Ireland</p>
Independent Auditors	<p>Deloitte Audit Société à responsabilité limitée 560, rue de Neudorf, L-2220 Luxembourg</p>
International Legal Counsel	<p>M Partners 56, rue Charles Martel, L-2134 Luxembourg</p>

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Board of Directors' Report

The year 2012

Despite the atmosphere of scepticism, and notwithstanding some phases of turbulence, the year 2012 proved in the end to be a "good vintage" for the stock market:

MSCI World (All Countries, local currency)	15.87%
USA (S&P 500)	15.99%
EUROPE (Eurostoxx 600)	18.62%
JAPAN (Nikkei 225)	25.48%
MSCI Emerging Global	18.22%
MSCI Asia-Pacific ex-Japan	20.11%
TreeTop Convertible International (A EUR)	19.22%

Source: Bloomberg

Contrary to numerous critical opinions in the press (notably British and systematically Eurosceptic...) we have welcomed the European monetary and policy decisions with guarded optimism, recognising that though they may not solve everything, far from it, they were steps in the right direction:

- The massive financing operation of European banks (489 million EUR at a rate of 1%) December 21, 2011, followed by a second salvo totalling 529 million EUR at the end of February 2012, clearly showed that the ECB was determined to play the role of lender of last resort vis-à-vis the banks, and thus indirectly vis-à-vis the states. The balance sheet of the Central Bank has also progressed by more than 50%, to more than 3,000 billion euros (more than 10% of the European GDP) over the last 12 months.
- The European Agreement of June 29, 2012, was a second decisive step in the exit from the European quagmire: beyond the growth pact, it relaxes the European Stability Mechanism (ESM) intended to provide aid in emergencies to banks in difficulty.
- Lastly, the finalisation, December 13, 2012, of an agreement of the European finance ministers on the single supervision of banks (which will come into force on March 1, 2014) adds an important building block in the construction of the European banking union.

These different steps have been applauded each time, not immediately because scepticism subsists, but in the following weeks, through a substantial relaxation of the long-term rates of state bonds from countries at risk, a prerequisite for financing debt relief.

Rate at 10 years: Spain and Italy



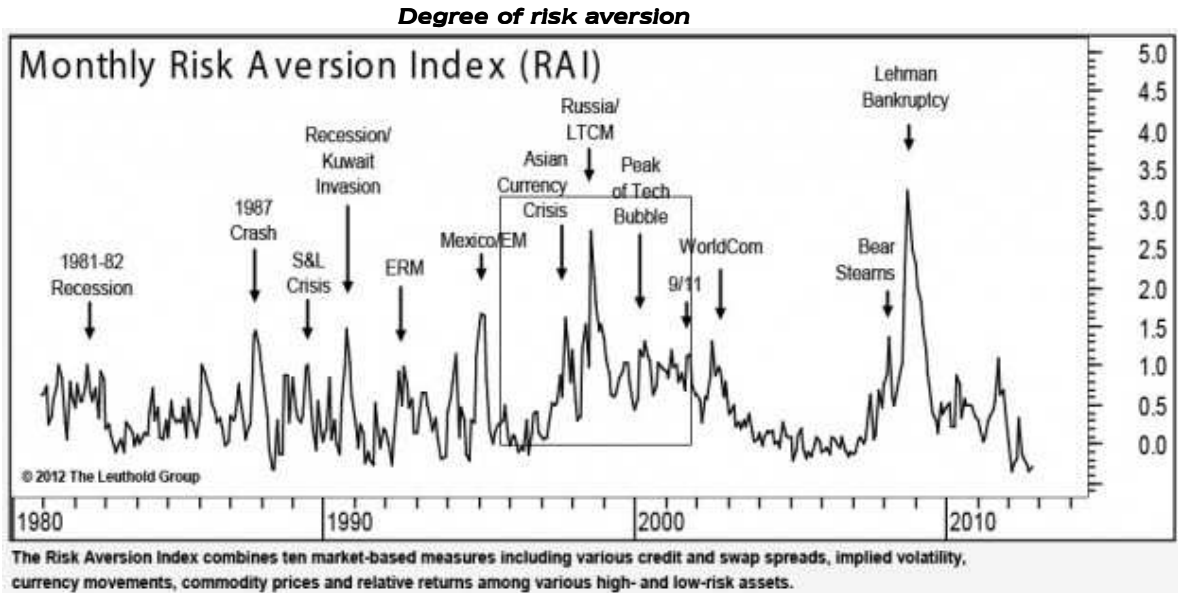
Source: Bloomberg

Other indicators confirm the easing of tensions in the crisis, like the Bloomberg European Financial Conditions Index, which has virtually rebounded after a major panic in 2008, followed by a less severe reoccurrence at the end of 2011, to its level before the crisis.

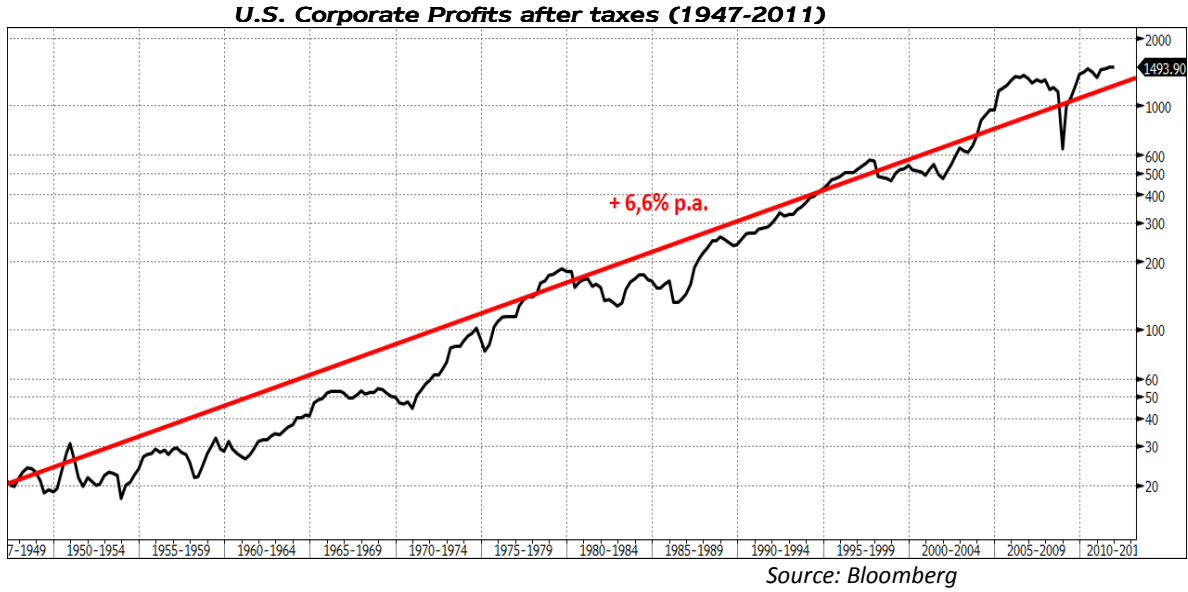


But the sceptics continue to doubt...

And yet, the Risk Aversion Index, as measured by the Leuthold Group, has also returned to normal levels.



In this respect, it is interesting to note that crises come and go, but this does not prevent the growth of corporate profits, at a rate around twice that of inflation over the long term, or 6.6% per year in the United States for 50 years...



On the economic front, some hope is emerging from the countries of Southern Europe. Current account balances are recovering spectacularly, while wage reductions have restored some of the lost competitiveness. However, overall European consumption remains too sluggish. Indices with substantial inertia such as unemployment or the rate of bankruptcies continue to worsen, to the extent that Europe has entered a recession.

Despite this unfavourable environment, corporate profits continue to grow on average. This is due to the fact that Europe harbours a considerable number of well-managed companies, holding leading positions globally, in promising sectors such as technology and healthcare, as well as in more traditional sectors such as consumer goods or industry.

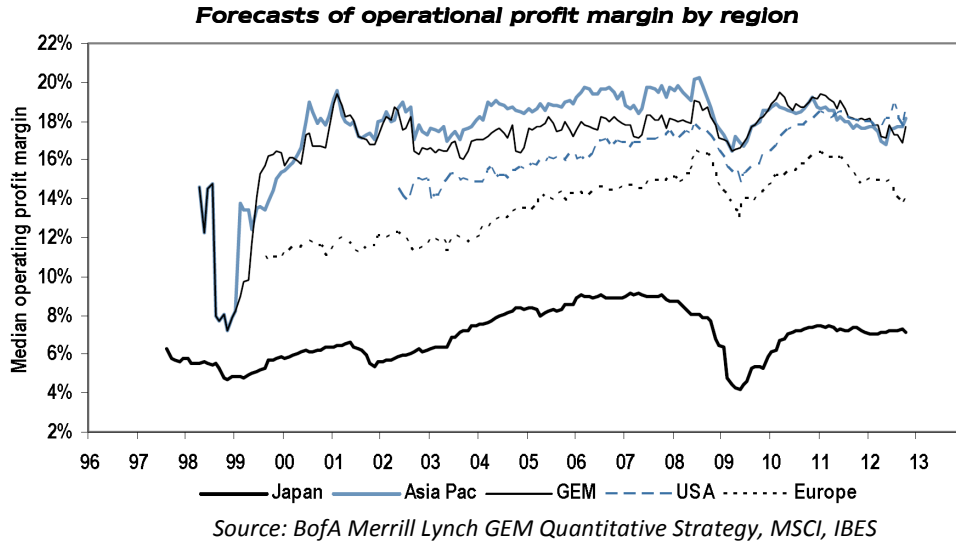
This good performance of profits is found globally:

Growth of corporate profits

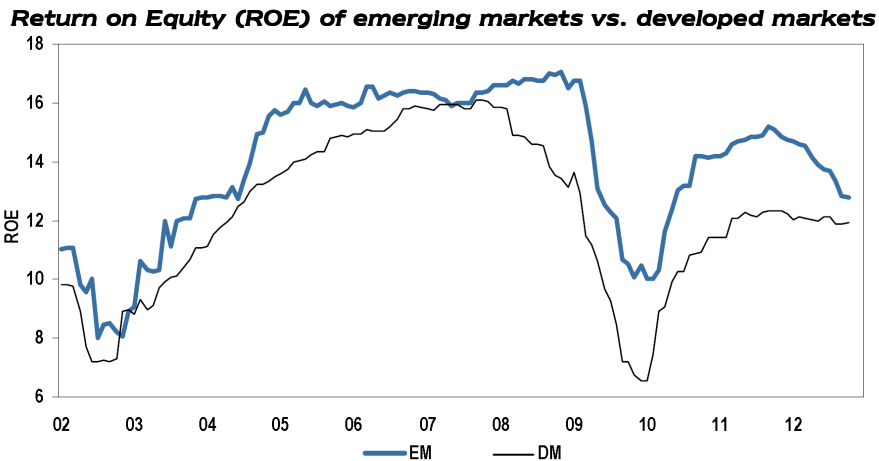
	2012	2013
USA (S&P 500)	6.2%	10.1%
EUROPE (Eurostoxx 600)	2.1%	10.5%
JAPAN (Nikkei 225)	22.4%	26.4%

Source: JCF, Banque Degroof

Maintaining, despite successive crises, the high level of intrinsic profitability of companies, is key to the future of equities. It is interesting to note in this regard that the operational profit margin remains structurally higher in emerging countries (GEM) and the United States as compared to Europe, and especially Japan.

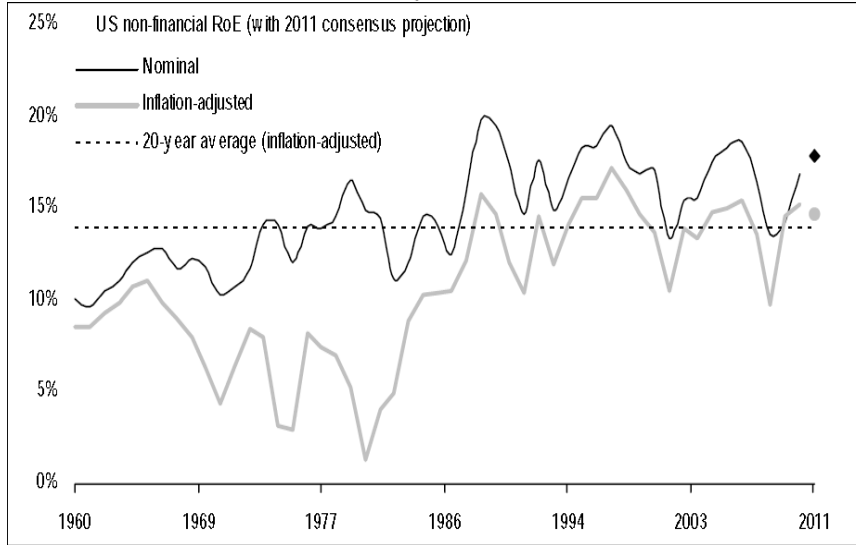


However, for 18 months we have seen a decrease in the comparative advantage of emerging countries in comparison with developed countries in terms of Return on Equity (ROE). As we explained in our last quarterly report, emerging economies are experiencing a phase of consolidation, after a phase of extremely vigorous growth, which is necessary for rebalancing certain excesses arising from this period. This transitional phase, which makes emerging stock markets temporarily less attractive, does not detract from their long-term prospects, which remain superior to those of developed countries due to a growth differential which will continue.



This return on equity is particularly significant when adjusted for inflation. Thus, we see that the United States has practically doubled on average compared to its level during the years 1960/70. As a result, actual profitability (after inflation) of equities has never been higher as compared to bonds. This is primarily due to better corporate management during a historic rise in profit margins and greater efficiency in their asset management (“asset turnover”) to generate more revenue.

**Return on Equity (ROE) of non-financial corporations in the United States
(nominal and adjusted for inflation)**

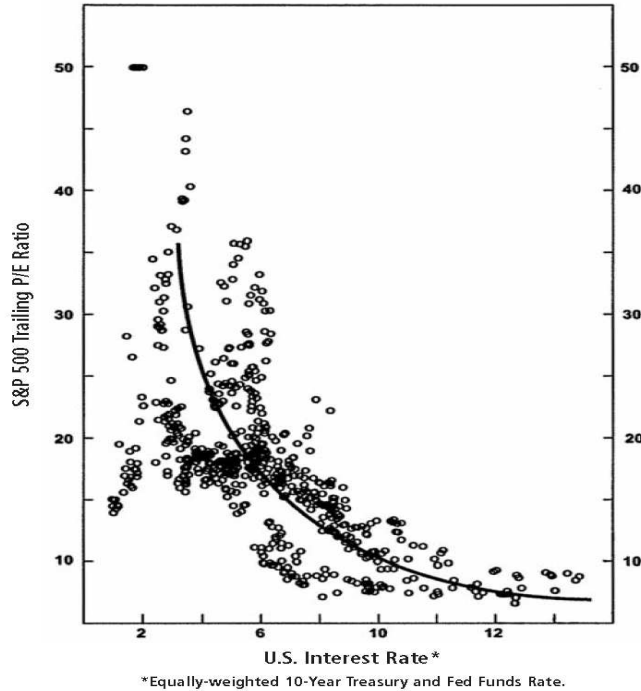


Source: Thomson Reuters, IBES estimates, Credit Suisse Research

This very satisfactory corporate profitability makes the global valuation of equities even more attractive and which, despite the progression of prices recorded in 2012, remains well below the average of the last 25 years.

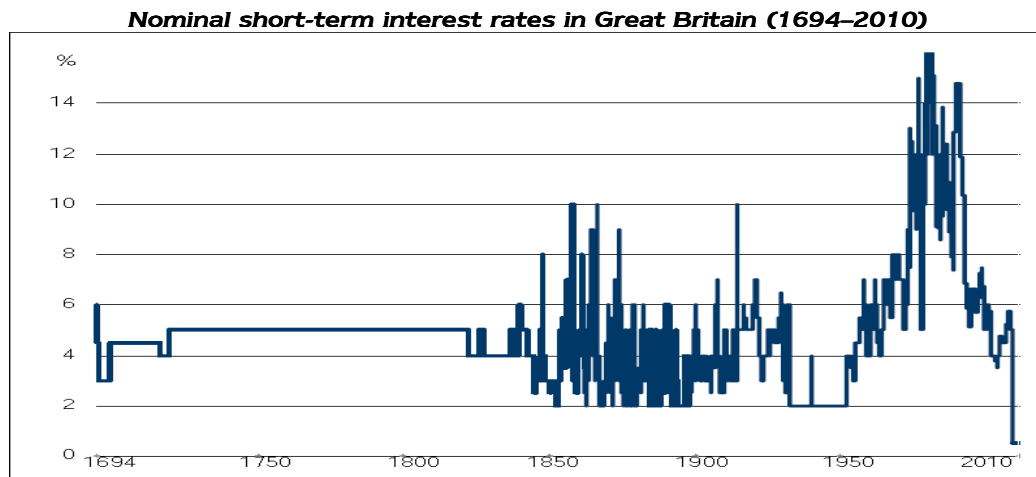
The current low valuation of equities is even more evident when compared historically to current interest rates. There is in fact a logical inverse relationship between the average price-earnings ratio of equities and the level of interest rates. In the case of the United States, the estimated PE for 2013 of 13.2 (or a net earnings yield of 7.6%) is unusually inexpensive compared to a 10-year bond rate of 1.9%...

Inverse correlation between interest rates and PE ratios (1960-2012)



Source: Bloomberg, BCA Research, Skylands Capital

But it is true that the markets are venturing into unknown territory... Interest rates have never been so low globally, even during the great depression of the 30's, when deflation was rampant.



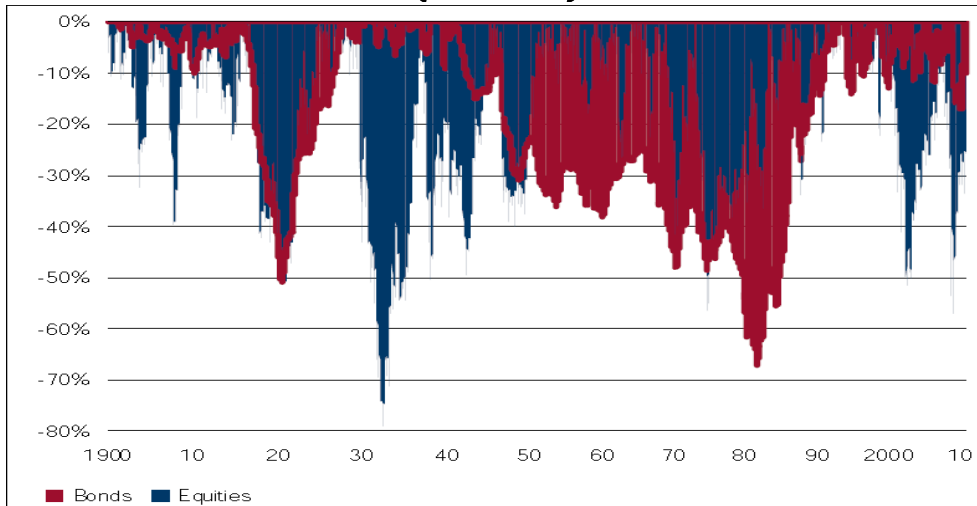
Source: Bank, minimum lending, minimum band 1, repo and official bank rates from Bank of England, Credit Suisse Research

The “security” of bonds ?

This brings us to an important question, born of a paradox: Which is the need for security by investors who, through generating demand, push “safe” government bond yields to levels this low. But what is the actual security offered by bonds when they offer such yields?

In its *Global Investment Returns Yearbook 2011*, Crédit Suisse, in collaboration with the London Business School, published a very interesting study on the comparative risks long-term of equities and bonds. Contrary to popular belief, it turns out that, adjusted for inflation, the magnitude of losses that one can incur with bonds is as high as that of equities and notably, can be much longer-lasting... Defining a drawdown as the difference between the value of a portfolio at a given moment and its historic maximum (high watermark), after inflation but integrating the dividends or interest, the study highlights major crashes in the stock market (in blue on the graph below) and the bond market (in red) in the United States since 1900. The major stock market declines are characterised by their rapidity, but equally by their relatively rapid recovery. In contrast, the major bond market declines are much longer-lasting: from 1940 to 1980, a portfolio of U.S. state bonds lost, in purchasing power, two thirds of its value! The same calculation, applied to Great Britain, gives a loss of more than 70% over this period.

Magnitude of the drawdown of U.S. equities and bonds in actual terms (1900–2010)

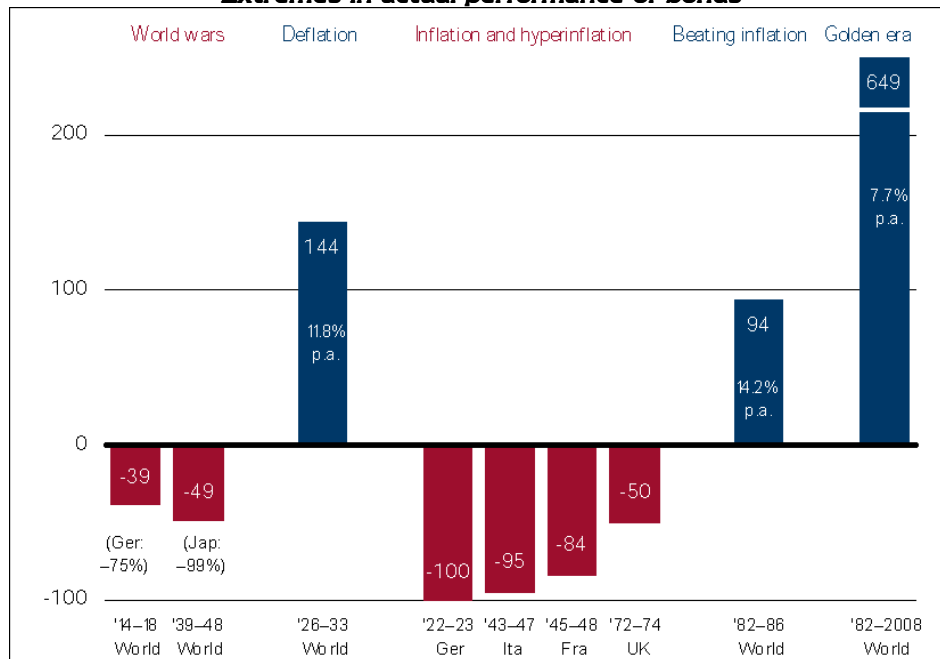


Source: Elroy Dimson, Paul Marsh, and Mike Staunton, Credit Suisse Research

There are two countries that have not experienced a default. In the 20th century few countries have escaped from a periodic bankruptcy driven by a near total loss from bonds. The graph below pinpoints extreme bond performances recorded from 1900 to 2010. The two major causes of substantial losses are:

- Wars: Germany (-75% in 14-18), Japan (-99% in 40-45).
- Inflation: Germany (-100% in 22-24), Italy (-95% in 43/47), France (-84% in 45/48), Great Britain (-50% in 72/74).

Extremes in actual performance of bonds

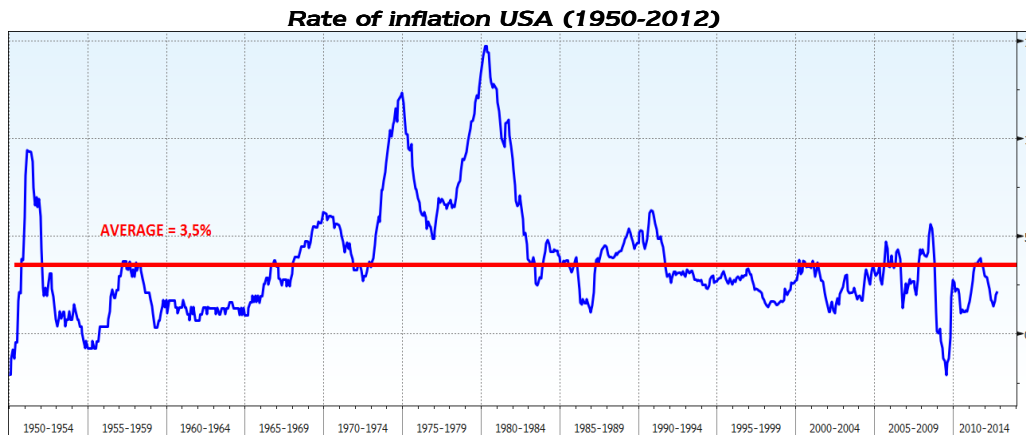


Source: Elroy Dimson, Paul Marsh, and Mike Staunton, Credit Suisse Research

Over the whole period, six countries (Germany, Belgium, Finland, France, Italy and Japan) posted a negative actual performance of bonds for 111 years !

The only truly good times for bonds are those that are characterised by deflation (1926-1933) or disinflation (1982-2012). It is now clear that, nominally, "serious" bonds have little potential for performance with yields of less than 2%. A fortiori, their prospects are even extremely bleak since their actual yield, after inflation, has been negative since 2009 and is likely to remain so for a long time. Indeed, as was the case for resolving the problem of public debt at the end of the World War II, governments and central banks favour "financial repression" (channelling of savings toward sovereign bonds, restrictive regulations regarding institutions' risky investments, negative real interests rates...), thus confiscating a portion of the savings for public borrowers, to the posthumous joy of the economist, Keynes, who called for the euthanasia of the rentier... Recent statements from the major central banks seem to make their intentions clear by focusing on economic growth, evidence of a bit more flexibility regarding the maximum tolerable rate of inflation.

In this regard it is interesting to note that the rate of inflation is well below its long-term average and that a very large consensus believes in maintaining rates this low very long-term. The weakness of the recovery calls for this scenario in the near future, but we would not extrapolate this situation to long-term. History teaches us in fact to be wary of a consensus so large, typically based on the simple extrapolation of the recent past...



Consequently, it is paradoxical to note that bond investments now draw record subscriptions, in both Europe and the United States as well as Asia; so many investors are traumatised by the risk of equities and short-sighted due to the recent positive bond performance. In good "contrarian" spirits, we see a cause for rejoicing: the bull equity market initiated in 2009 is indeed developing without excess in the scepticism of the majority of investors. As quite rightly pointed out by the pioneer of investment funds, Sir John Templeton : "Bull-markets are born on pessimism, grow on scepticism, mature on optimism and die on euphoria"...

Some attractive prospects for equities...

Yet the recovery from the crisis is gradually building. The three major risks that economist Nouriel Roubini saw converging to burst simultaneously, into a "perfect storm", in 2013 seems to be waning:

- The euro crisis is losing its intensity and the appropriate measures, while taken too slowly indeed, were at least in the right direction.
- The U.S. fiscal cliff has been the subject of a last minute agreement. Heavy tensions will still intervene in resolving other issues (debt ceiling, federal spending cuts...), but the direction taken offers a little time to address these problems gradually.

- The risk of a hard landing in China is also waning. The latest statistics indicate a stabilisation of the growth rate around 7% to 8%. This transitional period should be conducive to the implementation of reforms necessary to rebalance the different poles of growth in this country, while continuing to reduce international imbalances (current account balances, excessive distortions of competitiveness, upward pressure on commodities...) arising from the last decade.

Accordingly, we approach 2013 with confidence. Turbulence will reoccur because the crisis is far from over, but equities still seem to offer much better prospects than fixed income investments.

Investment Strategy

Our strategy is unchanged from that which we enumerated in the third quarter report. In a global environment of deceleration, we concentrate our investments in companies with dominate positions in niches with high added value, benefiting from significant barriers to entry, and endowed with a high Return on Equity:

- In Asia, our central focus remains that of the developing middle class, favourable to the sectors of consumer goods and infrastructure. We maintain a significant weighting in the Korean stock market, where growth and profitability do not cost too much (estimated PE of 9.7).
- United States and Northern Europe, we favour companies in niche markets with high added value. Three securities have been added during the quarter:
 - o Autozone (spare parts for cars, United States): Very regular growth (16%) thanks to a leading position and the highest profitability in the sector (net margin of 10.9%).
 - o Union Pacific (rail transport, south-western United States): Heavy investments in recent years have greatly increased capacity, to address the growing demand for less polluting rail transport, to the detriment of truck transport. Expected long-term growth of 13%, net margin of 18.6%, ROE of 19.7.
 - o Deutsche Post (Mail and logistics services, Germany): thanks to its subsidiary, DHL, this company has good prospects for growth (9.5% long term) in a stable sector with good profitability (ROE of 14.2).

It is interesting, and encouraging, to note that, despite a rather gloomy market environment in recent years, several securities in the portfolio have experienced new historic highs in 2012, reflecting their outperformance relative to indices:

- Alliance Data Systems
- Brenntag
- Hannover Rueckversicherung
- Lanxess
- Hyundai Motor
- Samsung
- Regeneron (sold in May 2012)
- Union Pacific

The most important contributions to the performance of the fund (excluding exchange rates) for this year were concentrated on a few particularly high-yield securities that were heavily weighted in the portfolio.

Ageas Fortis Cashes	+4.78%
Alliance Data Systems	+3.14%
Ageas Fresh	+2.19%
Aberdeen Asset Management	+1.38%
Hannover Rueckversicherung	+1.36%
Tui Travel	+1.05%
Daimler	+1.02%
Kepeco	+0.98%

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The negative contributions were minor because the securities concerned were not heavily weighted in the portfolio:

Salix Pharmaceuticals	-0.42%
Simplo Technology	-0.16%
361 Degrees International	-0.13%

Taken as a whole, the fund recorded an appreciable increase in 2012, superior to that of its benchmark (MSCI World All Countries local currency).

	NAV 31/12/2012	Perf 3 months	Perf (return) 12 months
Class A EUR	€ 2.424,15	+5.69%	+22.82%
Class B USD	\$ 3.124,94	+6.17%	+22.97%

Report of the Réviseur d'entreprises agréé

To the holders of redeemable shares of
Perinvest Convertible Fund Limited
12, rue Eugène Ruppert, L-2453 Luxembourg

Following our appointment throughout the letter of engagement dated October 5th, 2012, we have audited the accompanying financial statements of Perinvest Convertible Fund Limited ("the Company"), which comprise the statement of financial position as at December 31st, 2012, and the statement of comprehensive income, statement of changes in net assets and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Responsibility of the Board of Directors' of the Company for the financial statements

The Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards relating to the preparation of the Financial Statements and for such internal control as the Board of Directors of the Fund determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibility of the "Réviseur d'entreprises agréé"

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier". Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the "réviseur d'entreprises agréé"'s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the "réviseur d'entreprises agréé" considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors of the Fund, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Report of the Réviseur d'entreprises agréé (continued)

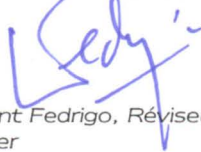
Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Perinvest Convertible Fund Limited as of December 31st, 2012, and of the results of its operations, changes in its net assets and its cash flows for the year then ended, in accordance with International Financial Reporting Standards.

Other matter

Supplementary information included in the annual report has been reviewed in the context of our mandate but has not been subject to specific audit procedures carried out in accordance with the standards described above. Consequently, we express no opinion on such information. However, we have no observation to make concerning such information in the context of the financial statements taken as a whole.

For Deloitte Audit, Cabinet de révision agréé.



*Laurent Fedrigo, Réviseur d'entreprises agréé
Partner*

June 11th, 2013

*560, Rue de de Neudorf
L - 2220 Luxembourg*

PERINVEST CONVERTIBLE FUND LIMITED

Statement of Financial Position
as at December 31st, 2012

	Amounts in EUR As at 31.12.12	Amounts in EUR As at 31.12.11
ASSETS		
Financial assets at fair value through profit or loss (note 2a)	30.204.403,19	25.217.293,21
Cash at Banks	881.047,46	557.055,44
Interest Receivable on Bonds	84.481,00	124.933,33
Dividend Receivable on Shares	18.926,56	0,00
Unrealised Gain on Forward Foreign Exchange	36.923,16	15.711,56
Guaranty Deposit	152.685,07	191.349,22
Fees Paid in Advance	22,58	0,00
Total ASSETS	31.378.489,02	26.106.342,76
LIABILITIES		
Taxes and Expenses Payable (note 4)	136.459,77	131.024,89
Overdraft Interest Payable	11,60	10,02
Borrowings (note 10)	5.516.990,28	4.770.327,00
Unrealised Loss on Forward Foreign Exchange	26.238,21	177.415,15
Thai Capital Gain Tax Payable	2.845,72	2.854,45
Interest Payable on Loans (note 10)	1.024,31	1.004,40
Total LIABILITIES (excluding net assets attributable to holders of redeemable shares)	5.683.569,89	5.082.635,91
NET ASSETS attributable to holders of redeemable shares	25.694.919,13	21.023.706,85
Number of Shares Outstanding (at the end of the Financial Year)		
- Class "A" Euro denominated Ordinary Shares	8.167,067	8.483,807
- Class "B" US\$ denominated Ordinary Shares	2.487,794	2.186,054
Net Asset Value per Share (at the end of the Financial Year)		
- Class "A" Euro denominated Ordinary Shares	2.424,15	1.973,70
- Class "B" US\$ denominated Ordinary Shares	3.124,94	2.541,14

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

PERINVEST CONVERTIBLE FUND LIMITED

Statement of Comprehensive Income
from January 1st to December 31st, 2012

	Amounts in EUR 31.12.12	Amounts in EUR 31.12.11
INCOME		
<i>Dividends, net of taxes (note 2h)</i>	108.308,38	87.509,42
<i>Interest on Bonds, net of taxes (note 2h)</i>	649.948,86	715.226,35
<i>Interest on Call Accounts</i>	87,51	150,35
<i>Other Income</i>	1.317,21	0,00
Total	759.661,96	802.886,12
EXPENSES		
<i>Management Fees (note 5)</i>	285.340,92	304.173,14
<i>Custodian Fees (note 6)</i>	54.356,01	60.067,99
<i>Administration Fees (note 6)</i>	57.570,76	54.208,20
<i>Miscellaneous Fees</i>	39.421,30	24.573,79
<i>Interest on Loans</i>	1.024,31	1.004,40
<i>Overdraft Interest</i>	55.043,40	90.507,22
<i>Taxes paid to Foreign Authorities</i>	4.159,04	624,02
<i>Performance Fees (note 5)</i>	0,00	254.548,41
Total	496.915,74	789.707,17
NET INVESTMENT PROFIT / LOSS	262.746,22	13.178,95
<i>Net Realised Profit / (Loss)</i>		
- on Investments (note 2b)	2.828.072,80	2.198.322,50
- on Currencies	-27.590,44	209.584,95
- on Forward Foreign Exchange Contracts	-637.612,33	-116.553,98
- on Futures	-45.910,40	-203.499,11
NET REALISED PROFIT / (LOSS)	2.379.705,85	2.101.033,31
<i>Change in Net Unrealised Appreciation / (Depreciation)</i>		
- on Investments (note 2b)	2.047.433,56	-4.699.321,25
- on Currencies	0,00	-45.742,63
- on Forward Foreign Exchange Contracts	172.388,54	-157.390,41
- on Futures	86.524,90	-69.765,20
RESULT OF OPERATIONS	4.686.052,85	-2.871.186,18

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

Statement of Changes in Net Assets
From January 1st to December 31st, 2012

	Amounts in EUR 31.12.12	Amounts in EUR 31.12.11
NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS (at the beginning of the Financial Year)	21.023.706,85	26.131.417,37
Net investment profit / (Loss)	262.746,22	13.178,95
Net Realised Profit / (Loss)		
- on Investments (note 2b)	2.828.072,80	2.198.322,50
- on Currencies	-27.590,44	209.584,95
- on Forward Foreign Exchange Contracts	-637.612,33	-116.553,98
- on Futures	-45.910,40	-203.499,11
Sub-total	23.403.412,70	28.232.450,68
Subscriptions / Redemptions		
- Subscriptions	1.727.890,42	2.514.807,23
- Redemptions	-1.742.730,99	-4.751.331,57
Net Subscriptions / Redemptions	-14.840,57	-2.236.524,34
Change in Net Unrealised Appreciation / (Depreciation)		
- on Investments (note 2b)	2.047.433,56	-4.699.321,25
- on Currencies	0,00	-45.742,63
- on Forward Foreign Exchange Contracts	172.388,54	-157.390,41
- on Futures	86.524,90	-69.765,20
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES (at the end of the Financial Year)	25.694.919,13	21.023.706,85

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

Statement of Cash Flows
from January 1st to December 31st, 2012

	Amounts in EUR 31.12.12	Amounts in EUR 31.12.11
Result of operations for the year	4.686.052,85	-2.871.186,18
<i>Adjustments for :</i>		
<i>Unrealised (appreciation)/depreciation on investments</i>	-2.047.433,56	4.699.321,25
<i>Unrealised (appreciation)/depreciation on currencies</i>	0,00	45.742,63
<i>Unrealised (appreciation)/depreciation on forward foreign exchange contracts</i>	-172.388,54	157.390,41
<i>Realised (gain)/loss on investments - net</i>	-2.828.072,80	-2.198.322,50
<i>Realised (gain)/loss on currencies</i>	27.590,44	-209.584,95
<i>Dividend income</i>	-112.467,42	-88.133,44
<i>Withholding tax on dividends and other investment Income</i>	4.159,04	624,02
<i>Interest income</i>	-650.036,37	-715.376,70
<i>Interest expense</i>	56.067,71	91.511,62
<i>Changes in working capital :</i>		
<i>Increase / decrease in accrued expenses</i>	5.434,88	-35.316,02
<i>Increase/decrease on other receivable</i>	0,00	0,00
<i>Dividend received</i>	108.308,38	87.509,42
<i>Interest received</i>	690.488,70	712.648,57
<i>Interest paid</i>	-56.046,22	-91.755,67
Net cash provided by operating activities	-288.342,91	-414.927,53
<i>Cash flows from investing activities</i>		
<i>Purchase of investments</i>	-17.391.157,16	-8.997.632,70
<i>Sale proceeds of investments</i>	17.260.595,67	12.948.589,81
Net cash provided by investing activities	-130.561,49	3.950.957,11
<i>Cash flows from financing activities</i>		
<i>Proceeds from issue of shares</i>	1.727.890,42	2.514.807,23
<i>Payments on redemption of shares</i>	-1.742.730,99	-4.751.331,57
Net cash used by financing activities	-14.840,57	-2.236.524,34
Net increase/(decrease) in cash	-433.744,97	1.299.505,24
<i>Net overdraft at the beginning of the year</i>	-4.021.922,34	-5.531.012,53
<i>Effect of exchange rate fluctuations</i>	-27.590,44	209.584,95
Net overdraft at the end of the year	-4.483.257,75	-4.021.922,34
<i>Made up of :</i>		
<i>Cash at banks</i>	881.047,46	557.055,44
<i>Overdraft at banks</i>	0,00	0,00
<i>Debts and loans</i>	-5.516.990,28	-4.770.327,00
<i>Guaranty deposit on cash</i>	152.685,07	191.349,22
Net overdraft	-4.483.257,75	-4.021.922,34

PERINVEST CONVERTIBLE FUND LIMITED

Schedule of Investments
as at December 31st, 2012

Ccy	INVESTMENT	NOMINAL	COST IN EUR	MARKET VALUE AS AT 31.12.2012 IN EUR	PERCENTAGE OF NET ASSETS
	Transferable Securities admitted to an Official Stock Exchange or dealt in on Another Regulated Market				
	Shares & Related Securities				
EUR	HANNOVER RUECKVERS A.G. -REG-	12.700	415.123,97	748.792,00	2,91
	HYUNDAI -MORGAN STANLEY 12-110517	8.588	429.877,32	462.836,52	1,80
	Total EURO		845.001,29	1.211.628,52	4,71
GBP	ABERDEEN ASSET MANAGEMENT PLC	216.216	622.342,65	978.583,33	3,81
	REGUS GROUP PLC	648.820	911.931,74	875.119,07	3,41
	Total BRITISH POUND		1.534.274,39	1.853.702,40	7,22
SGD	CHINA SKY CHEMICAL FIBRE CO LTD	402.300	336.753,83	6.370,05	0,02
	FIBRECHEM TECHNOLOGIES LTD	137.000	44.973,37	0,00	0,00
	Total SINGAPORE DOLLAR		381.727,20	6.370,05	0,02
TWD	SIMPLO TECHNOLOGY CO LTD	96.411	153.539,31	367.663,73	1,43
	Total TAIWAN DOLLAR		153.539,31	367.663,73	1,43
USD	ALLIANCE DATA SYSTEMS CORP.	24.716	2.762.031,33	2.713.810,80	10,56
	BNP -CALL- 10-070514 (HYUNDAI MOTOR)	4.185	134.545,09	206.817,22	0,80
	BNP -CALL- 10-070514 (HYUNDAI MOTOR)	3.500	95.067,66	188.689,66	0,73
	CLSA FINANCE -CALL- 09-040314 (HYUNDAI MOTOR)	9.063	124.143,47	447.730,35	1,74
	CLSA FINANCE -CALL- 09-240914 (KOREA ELECTRIC)	10.200	203.825,91	221.410,56	0,86
	JP MORGAN 12-220217 (HYUNDAI)	300	14.031,80	16.080,86	0,06
	JP MORGAN 12-220217 (HYUNDAI)	2.236	101.725,58	109.866,57	0,43
	KOREA ELECTRIC POWER CORP.	24.100	240.757,22	255.367,87	0,99
	MACQUARIE -CALL- 10-181013 (HYUNDAI)	6.185	520.062,09	1.268.869,36	4,94
	MERRILL LYNCH 10-190115 (KOREA ELECTRIC)	14.970	310.771,79	325.062,70	1,29
	Total U.S. DOLLAR		4.506.961,94	5.753.705,95	22,40
	Total Shares & Related Securities		7.421.504,13	9.193.070,65	35,78

PERINVEST CONVERTIBLE FUND LIMITED

Schedule of Investments
as at December 31st, 2012

Ccy	INVESTMENT	NOMINAL	COST IN EUR	MARKET VALUE AS AT 31.12.2012 IN EUR	PERCENTAGE OF NET ASSETS
	Bonds				
EUR	BRENNTAG -GOLDMAN SACHS 12-100815	400.000	474.963,00	466.800,00	1,82
	DAIMLER BANK 4,00 11-270516 (AABAR INV)	1.400.000	1.378.437,34	1.431.220,00	5,57
	DEUTSCHE POST 0,6 12-061219	400.000	403.435,20	418.502,00	1,63
	FORTIS BANQUE -FRN 07- PERPETUAL (FORTIS)	6.000.000	2.738.430,05	3.184.200,00	12,39
	FORTIS LUXEMBOURG -FRN 02- PERPETUAL (FORTIS)	4.500.000	1.763.364,28	1.957.072,50	7,62
	GEDEON -HUNGARIAN STATE HOLDING CO 4,40 09-250914	1.400.000	1.288.962,27	1.399.286,00	5,45
	HANNOVER RUECKVER -BARCLAYS 12-270715	500.000	556.125,00	623.125,00	2,43
	LANXESS -DEUTSCHE BANK CONV 12-050914	580.000	709.473,00	692.056,00	2,69
	LANXESS -GOLDMAN SACHS 12-240815	400.000	492.598,20	489.200,00	1,90
	Total EURO		9.805.788,34	10.661.461,50	41,50
GBP	TUI-TUI TRAVEL 6,00 09-051014	400.000	435.149,27	530.284,80	2,06
	TUI-TUI TRAVEL CONV BONDS 10-270417	100.000	113.872,04	132.371,47	0,52
	Total BRITISH POUND		549.021,31	662.656,27	2,58
HKD	REXLOT HOLDINGS 6,00 11-280916	1.400.000	162.246,15	155.672,54	0,61
	SOHO CHINA 3,75 09-020714	12.700.000	1.235.063,40	1.533.726,30	5,97
	Total HONG KONG DOLLAR		1.397.309,55	1.689.398,84	6,58
JPY	SAWAI PHARMACEUTICAL 0,00 10-170915	4.000.000	44.428,84	38.449,96	0,15
	Total JAPANESE YEN		44.428,84	38.449,96	0,15
USD	361 DEGREES CONV 4,00 12-020417	800.000	611.503,26	558.704,49	2,17
	AUTOZONE -BNP PARIBAS 0,00 12-280915	550.000	483.106,79	451.463,90	1,76
	CHINA-CHINA HUIYUAN 4,00 11-290416	800.000	561.370,44	568.874,39	2,21
	INMARSAT VRN CONV 07-161117	500.000	323.732,37	494.119,76	1,92
	KOREA ELECTRIC -BARCLAYS 12-221015	650.000	582.369,37	587.928,55	2,29
	KOREA ELECTRIC -MORGAN STANLEY 12-290615	600.000	563.233,03	625.212,38	2,43
	SALIX PHARMACEUTICAL CONV 1,50 12-150319	817.000	686.598,87	602.060,34	2,34

PERINVEST CONVERTIBLE FUND LIMITED

Schedule of Investments
as at December 31st, 2012

Ccy	INVESTMENT	NOMINAL	COST IN EUR	MARKET VALUE AS AT 31.12.2012 IN EUR	PERCENTAGE OF NET ASSETS
USD	SALIX PHARMACEUTICAL CONV 2,75 10-150515	525.000	556.619,98	458.694,06	1,79
	SAMSUNG ELECTRIC -STANDARD CHARTERED 12-120514	1.400.000	1.256.966,14	1.274.271,84	4,96
	SAMSUNG ELECTRIC -STANDARD CHARTERED 12-300415	1.400.000	1.280.146,91	1.393.734,83	5,42
	SIMPLO TECHNO -UBS LONDON 12-090814	300.000	297.083,18	247.092,69	0,96
	UNION PACIFIC -DEUTSCHE BANK 12-021115	800.000	711.462,35	697.208,74	2,71
	Total U.S. DOLLAR		7.914.192,69	7.959.365,97	30,96
	Total Bonds		19.710.740,73	21.011.332,54	81,77
	Total Transferable Securities admitted to an Official Stock Exchange or dealt in on Another Regulated Market		27.132.244,86	30.204.403,19	117,55
	Total Portfolio		27.132.244,86	30.204.403,19	117,55

PERINVEST CONVERTIBLE FUND LIMITED

Schedule of Investments
as at December 31st, 2011

Ccy	INVESTMENT	NOMINAL	COST IN EUR	MARKET VALUE AS AT 31.12.2011 IN EUR	PERCENTAGE OF NET ASSETS
	Transferable Securities admitted to an Official Stock Exchange or dealt in on Another Regulated Market				
	Shares & Related Securities				
EUR	HANNOVER RUECKVERS A.G. -REG-	12.700	415.123,97	486.727,50	2,32
	Total EURO		415.123,97	486.727,50	2,32
GBP	REGUS GROUP PLC	648.820	911.931,74	656.354,48	3,12
	Total BRITISH POUND		911.931,74	656.354,48	3,12
SGD	CHINA SKY CHEMICAL FIBRE CO LTD	402.300	336.753,83	12.189,10	0,06
	FIBRECHEM TECHNOLOGIES LTD	137.000	44.973,37	0,00	0,00
	Total SINGAPORE DOLLAR		381.727,20	12.189,10	0,06
TWD	SIMPLO TECHNOLOGY CO LTD	87.647	153.539,31	394.678,74	1,88
	Total TAIWAN DOLLAR		153.539,31	394.678,74	1,88
USD	ALPHA NATURAL RESOURCES INC.	6.200	163.965,43	97.574,24	0,46
	ARCH COAL INC.	4.800	70.133,39	53.651,74	0,26
	BNP -CALL- 10-070514 (HYUNDAI MOTOR)	4.365	116.575,06	184.201,56	0,88
	BNP -CALL- 10-070514 (HYUNDAI MOTOR)	3.500	95.067,66	156.072,26	0,74
	BNP -CALL- 09-070514 (SHINHAN FINANCIAL)	4.500	127.244,58	118.873,63	0,57
	CITIGROUP WARRANT 05-200115 (SHINHAN FINANCIAL)	574	15.091,41	15.123,91	0,07
	CLSA FINANCE -CALL- 09-040314 (HYUNDAI MOTOR)	9.063	124.143,47	384.762,98	1,83
	CLSA FINANCE -CALL- 09-240914 (KOREA ELECTRIC)	32.300	645.448,71	551.748,64	2,62
	JP MORGAN 08-010413 (HYUNDAI)	2.300	46.642,40	97.136,31	0,46
	JP MORGAN 08-040413 (HYUNDAI)	300	11.841,13	13.388,21	0,06
	JP MORGAN -CERTIFICATE- 09-151014 (MAHINDRA)	6.635	74.035,20	65.166,78	0,31
	KOREA ELECTRIC POWER CORP.	24.100	240.757,22	203.842,39	0,97
	MACQUARIE -CALL- 10-181013 (HYUNDAI)	7.255	610.032,41	1.415.725,66	6,73
	MERRILL LYNCH -CALL- 10-141015 (HYUNDAI MOTOR)	4.130	688.226,77	801.435,07	3,81

PERINVEST CONVERTIBLE FUND LIMITED

Schedule of Investments
as at December 31st, 2011

Ccy	INVESTMENT	NOMINAL	COST IN EUR	MARKET VALUE AS AT 31.12.2011 IN EUR	PERCENTAGE OF NET ASSETS
USD	MERRILL LYNCH 10-190115 (KOREA ELECTRIC)	14.600	317.072,23	247.901,40	1,18
	PEABODY ENERGY CORP.	6.900	177.843,74	175.988,14	0,84
	UBS LONDON -CERTIFICATE- 10-030613 (SHINHAN FINANCIAL)	3.600	104.672,54	95.097,79	0,45
	Total U.S. DOLLAR		3.628.793,35	4.677.690,71	22,24
	Total Shares & Related Securities		5.491.115,57	6.227.640,53	29,62
	Bonds				
CNY	FUFENG GROUP 4,50 10-010415	6.400.000	881.980,82	702.617,08	3,34
	GOME ELECTRICAL / GOME ELECTRICAL 3,00 09-250914	9.200.000	1.188.302,61	1.138.381,14	5,41
	Total CHINA, YUAN RENMINBI		2.070.283,43	1.840.998,22	8,75
EUR	DAIMLER BANK 4,00 11-270516 (AABAR INV)	1.200.000	1.186.433,74	1.051.836,00	5,00
	FORTIS BANQUE -FRN 07-PERPETUAL (FORTIS)	5.750.000	2.624.295,05	2.036.650,00	9,69
	FORTIS LUXEMBOURG -FRN 02-PERPETUAL (FORTIS)	4.250.000	1.667.609,28	1.401.352,50	6,67
	GOLDMAN SACHS INTERNATIONAL 08-040612 (HUNDAI MOTOR)	190.000	242.216,75	384.214,22	1,83
	Total EURO		5.720.554,82	4.874.052,72	23,19
GBP	ABERDEEN ASSET MANAGEMENT CONV 3,50 09-171214	200.000	266.443,15	294.682,15	1,40
	TUI / TUI TRAVEL 6,00 09-051014	900.000	979.085,86	943.830,96	4,49
	TUI / TUI TRAVEL CONV BONDS 10-270417	100.000	113.872,04	93.850,11	0,45
	Total BRITISH POUND		1.359.401,05	1.332.363,22	6,34
HKD	HENGDELI / HENGDELI HOLDINGS CONV 2,50 10-201015	7.000.000	695.386,34	683.010,65	3,25
	INTIME DEPARTMENT CONV 1,75 10-271013	3.000.000	288.714,56	300.083,31	1,43
	MAOYE INTERNATIONAL / MAOYE CONV 3,00 10-131015	5.300.000	527.863,84	436.313,50	2,08
	SOHO CHINA / SOHO CHINA CONV 3,75 09-020714	17.900.000	1.731.699,36	1.948.508,26	9,27
	Total HONG KONG DOLLAR		3.243.664,10	3.367.915,72	16,03

PERINVEST CONVERTIBLE FUND LIMITED

Schedule of Investments
as at December 31st, 2011

CCY	INVESTMENT	NOMINAL	COST IN EUR	MARKET VALUE AS AT 31.12.2011 IN EUR	PERCENTAGE OF NET ASSETS
USD	ALLIANCE DATA SYSTEMS / ALLIANCE DATA SYSTEMS CONV 1,75 08-010813	2.500.000	2.000.445,24	2.649.154,57	12,60
	CHINA HUIYUAN / CHINA HUIYUAN 4,00 11-290416	800.000	561.370,44	434.464,43	2,07
	EDUCOMP SOLUTIONS / EDUCOMP SOLUTIONS CONV 0,00 07-260712	1.394.000	1.200.852,08	1.280.549,24	6,09
	HOLOGIC / HOLOGIC CONV 2,00 07-151237	1.080.000	562.583,95	793.117,59	3,77
	INMARSAT / INMARSAT CONV 1,75 07-161117	800.000	517.971,81	713.889,77	3,40
	LONKING HOLDING / LONKING HOLDING CONV 0,00 09-240814	1.290.000	1.089.469,21	1.206.845,36	5,74
	OMNICARE / OMNICARE CONV 3,25 05-151235	328.000	159.288,79	235.379,76	1,12
	REGENERON PHARMA CONV 1,875 11-011016	100.000	71.357,68	72.962,29	0,35
	ROLTA INDIA / ROLTA INDIA CONV 0,00 07-130612	200.000	144.210,27	187.959,79	0,88
	Total U.S. DOLLAR		6.307.549,47	7.574.322,80	36,02
	Total Bonds		18.701.452,87	18.989.652,68	90,33
	Total Transferable Securities admitted to an Official Stock Exchange or dealt in on Another Regulated Market		24.192.568,44	25.217.293,21	119,95
	Total Portfolio		24.192.568,44	25.217.293,21	119,95

PERINVEST CONVERTIBLE FUND LIMITED

Geographic Allocation of Investments (*)

as at December 31st, 2012

(expressed as a percentage of net assets)

	AMOUNTS IN EUR	% TOTAL NET ASSETS
UNITED KINGDOM	7.914.721,01	30,78
UNITED STATES OF AMERICA	4.399.777,58	17,12
BELGIUM	3.184.200,00	12,39
CAYMAN ISLANDS	3.130.511,75	12,18
LUXEMBOURG	1.957.072,50	7,62
GERMANY	1.859.350,00	7,24
UNITED ARAB EMIRATES	1.431.220,00	5,57
HUNGARY	1.399.286,00	5,45
SOUTH KOREA	1.320.015,66	5,14
AUSTRALIA	1.268.869,36	4,94
JERSEY	875.119,07	3,41
NETHERLANDS	577.411,33	2,25
TAIWAN	367.663,73	1,43
NETHERLANDS ANTILLES	325.062,70	1,27
BERMUDAS	155.672,54	0,61
JAPAN	38.449,96	0,15
Total Portfolio	30.204.403,19	117,55

(*)The geographical allocation is based on the legal country of the security, and not on the original issue of its underlying

PERINVEST CONVERTIBLE FUND LIMITED

Economic Allocation by Industry Group of Investments

as at December 31st, 2012

(expressed as a percentage of net assets)

	AMOUNTS IN EUR	% TOTAL NET ASSETS
BANKS	9.236.176,92	35,96
FINANCIAL SERVICES - HOLDINGS	8.838.588,30	34,40
MISCELLANEOUS	4.251.586,14	16,55
REAL ESTATE	1.533.726,30	5,97
OIL & DERIVED	1.431.220,00	5,57
PHARMACOLOGY & PERSONAL CARE	1.099.204,36	4,28
INSURANCE COMPANIES	748.792,00	2,91
FOOD & CLEANING MATERIALS	568.874,39	2,21
TEXTILE & GARMENTS	558.704,49	2,17
TELECOMMUNICATIONS	494.119,76	1,92
ROAD & RAILWAY TRANSPORTS	418.502,00	1,63
OTHER SERVICES	395.506,88	1,54
ELECTRIC & ELECTRONIC MATERIALS	367.663,73	1,43
ENERGY SOURCES	255.367,87	0,99
MISCELLANEOUS CONSUMER GOODS	6.370,05	0,02
Total Portfolio	30.204.403,19	117,55

Allocation by Currency as at December 31st, 2012

(expressed as a percentage of net assets)

	AMOUNTS IN EUR	% TOTAL NET ASSETS
U.S. DOLLAR	13.713.071,92	53,38
EURO	11.873.090,02	46,21
BRITISH POUND	2.516.358,67	9,79
HONG KONG DOLLAR	1.689.398,84	6,57
TAIWAN DOLLAR	367.663,73	1,43
JAPANESE YEN	38.449,96	0,15
SINGAPORE DOLLAR	6.370,05	0,02
Total Portfolio	30.204.403,19	117,55

Changes in the Number of Shares
from January 1st to December 31st, 2012

<i>Number of shares at the beginning of the Financial Year</i>	<i>Class A Euro</i>	8.483,807
	<i>Class B US\$</i>	2.186,054
<i>Number of shares issued during the Financial Year</i>	<i>Class A Euro</i>	373,280
	<i>Class B US\$</i>	388,860
<i>Number of shares redeemed during the Financial Year</i>	<i>Class A Euro</i>	690,020
	<i>Class B US\$</i>	87,120
<i>Number of shares at the end of the Financial Year</i>	<i>Class A Euro</i>	8.167,067
	<i>Class B US\$</i>	2.487,794

Statistics - Net Asset Value per Share

		Net Asset Value Per Share
<i>At the end of the Financial Year</i>	<i>Class A Euro</i>	2.424,15
	<i>Class B US\$</i>	3.124,94
<i>The highest of the Financial Year</i>	<i>Class A Euro</i>	2.424,15 (31/12/12)
	<i>Class B US\$</i>	3.124,94 (31/12/12)
<i>The lowest of the Financial Year</i>	<i>Class A Euro</i>	2.004,72 (05/01/12)
	<i>Class B US\$</i>	2.575,50 (05/01/12)

PERINVEST CONVERTIBLE FUND LIMITED

Calculation of Total Net Assets and of the Net Asset Value per Share

SUB-FUND	DATE	NUMBER OF SHARES OUTSTANDING	TOTAL NET ASSETS (IN EUR)	NET ASSET VALUE PER SHARE (IN EUR)
<i>Perinvest Convertible Fund Limited</i>	19.09.02	10.000,000	10.000.000,00	1.000,00
	31.12.02	10.449,980	10.109.950,08	967,46
	30.06.03	11.673,170	11.715.744,49	1.003,65
	31.12.03	13.621,920	15.533.135,65	1.140,30
	30.06.04	17.812,330	22.764.139,28	1.278,00
	31.12.04	43.636,350	59.495.529,81	1.363,44
	30.06.05	55.262,000	83.767.065,45	1.515,82
	31.12.05	62.969,560 <i>Cl. A Euro</i>	130.513.897,95	1.921,71 <i>Cl. A Euro</i>
		4.831,810 <i>Cl. B US\$</i>		2.320,22 <i>Cl. B US\$</i>
	30.06.06	97.781,400 <i>Cl. A Euro</i>	214.114.519,03	1.995,83 <i>Cl. A Euro</i>
		9.755,590 <i>Cl. B US\$</i>		2.436,76 <i>Cl. B US\$</i>
	31.12.06	89.752,310 <i>Cl. A Euro</i>	193.622.008,32	1.981,51 <i>Cl. A Euro</i>
		8.478,300 <i>Cl. B US\$</i>		2.453,76 <i>Cl. B US\$</i>
	30.06.07	61.417,579 <i>Cl. A Euro</i>	144.651.110,96	2.211,13 <i>Cl. A Euro</i>
		4.341,200 <i>Cl. B US\$</i>		2.752,90 <i>Cl. B US\$</i>
	31.12.07	26.576,701 <i>Cl. A Euro</i>	67.212.821,75	2.200,34 <i>Cl. A Euro</i>
		4.605,720 <i>Cl. B US\$</i>		2.772,90 <i>Cl. B US\$</i>
	30.06.08	19.928,943 <i>Cl. A Euro</i>	45.265.938,31	1.982,69 <i>Cl. A Euro</i>
		3.629,000 <i>Cl. B US\$</i>		2.496,90 <i>Cl. B US\$</i>
	31.12.08	16.871,490 <i>Cl. A Euro</i>	22.777.628,52	1.188,08 <i>Cl. A Euro</i>
		2.473,260 <i>Cl. B US\$</i>		1.536,01 <i>Cl. B US\$</i>
	30.06.09	11.170,035 <i>Cl. A Euro</i>	20.547.345,84	1.528,43 <i>Cl. A Euro</i>
		2.473,260 <i>Cl. B US\$</i>		1.970,59 <i>Cl. B US\$</i>
	31.12.09	9.953,368 <i>Cl. A Euro</i>	23.115.017,58	1.898,09 <i>Cl. A Euro</i>
		2.473,260 <i>Cl. B US\$</i>		2.449,56 <i>Cl. B US\$</i>
	30.06.10	9.765,451 <i>Cl. A Euro</i>	24.178.318,61	1.930,85 <i>Cl. A Euro</i>
		2.664,430 <i>Cl. B US\$</i>		2.446,99 <i>Cl. B US\$</i>
	31.12.10	9.150,271 <i>Cl. A Euro</i>	26.131.417,37	2.243,94 <i>Cl. A Euro</i>
		2.600,060 <i>Cl. B US\$</i>		2.888,80 <i>Cl. B US\$</i>
	30.06.11	9.048,865 <i>Cl. A Euro</i>	28.013.458,62	2.429,41 <i>Cl. A Euro</i>
		2.770,377 <i>Cl. B US\$</i>		3.133,48 <i>Cl. B US\$</i>
	31.12.11	8.483,807 <i>Cl. A Euro</i>	21.023.706,85	1.973,70 <i>Cl. A Euro</i>
	2.186,054 <i>Cl. B US\$</i>		2.541,14 <i>Cl. B US\$</i>	
30.06.12	8.531,297 <i>Cl. A Euro</i>	23.169.548,91	2.165,89 <i>Cl. A Euro</i>	
	2.098,934 <i>Cl. B US\$</i>		2.777,65 <i>Cl. B US\$</i>	
31.12.12	8.167,067 <i>Cl. A Euro</i>	25.694.919,13	2.424,15 <i>Cl. A Euro</i>	
	2.487,794 <i>Cl. B US\$</i>		3.124,94 <i>Cl. B US\$</i>	

PERINVEST CONVERTIBLE FUND LIMITED

Forward Foreign Exchange Contracts as at December 31st, 2012

VALUE DATE	CURRENCIES	NOMINAL	NOMINAL	FORWARD	UNREALISED
	BUY / SELL	BOUGHT	SOLD	EXCHANGE RATE	GAIN / LOSS (IN EUR)
15/03/2013	JPY / EUR	20.000,00	189,13	114,0212241	-13,72
15/03/2013	EUR / KRW	158.744,72	225.000.000,00	0,00070551	5,73
15/03/2013	USD / TWD	10.373,44	300.000,00	0,03455355	5,59
15/03/2013	USD / KRW	62.448,34	68.000.000,00	0,00093073	-638,25
15/03/2013	EUR / TWD	28.956,25	1.090.000,00	0,02619201	406,95
15/03/2013	TWD / EUR	85.000,00	2.271,15	38,2031619	-46,11
15/03/2013	USD / EUR	95.830,74	74.000,00	1,31951103	-1.375,21
15/03/2013	EUR / SGD	10.063,08	16.000,00	0,6209955	127,15
15/03/2013	USD / SGD	3.603,60	4.400,00	0,81924203	-0,81
15/03/2013	USD / GBP	658.862,96	408.800,00	1,62577212	-4.363,38
15/03/2013	EUR / JPY	32.063,20	3.450.000,00	0,0087748	1.790,12
15/03/2013	USD / JPY	11.315,50	935.000,00	0,01157607	373,08
15/03/2013	EUR / HKD	1.261.532,67	12.730.000,00	0,09780667	16.453,78
15/03/2013	EUR / KRW	2.528.021,61	3.556.800.000,00	0,00070551	18.675,74
15/03/2013	USD / KRW	917.090,10	990.870.000,00	0,00093073	-3.902,24
15/03/2013	USD / EUR	1.801.970,52	1.383.800,00	1,31951103	-18.180,25
15/03/2013	USD / TWD	96.707,82	2.796.500,00	0,03455355	59,78
15/03/2013	EUR / TWD	264.798,83	9.971.000,00	0,02619201	3.638,26
15/03/2013	TWD / EUR	95.000,00	2.514,56	38,2031619	-27,79
15/03/2013	SGD / EUR	200,00	125,30	1,61131063	-1,18
15/03/2013	JPY / EUR	60.000,00	551,12	114,0212241	-24,90
15/03/2013	USD / SGD	245,70	300,00	0,81924203	-0,06
15/03/2013	USD / EUR	207.854,34	159.000,00	1,31951103	-1.477,48
15/03/2013	USD / JPY	816,52	68.000,00	0,01157607	22,27
15/03/2013	USD / KRW	82.560,30	89.000.000,00	0,00093073	-208,49
15/03/2013	USD / GBP	53.196,00	33.000,00	1,62577212	-344,72
15/03/2013	TWD / EUR	400.000,00	10.488,78	38,2031619	-18,40
15/03/2013	KRW / USD	48.000.000,00	44.485,63	1074,994731	126,24
15/03/2013	JPY / USD	40.000,00	476,93	86,42237355	-10,68
15/03/2013	SGD / USD	2.500,00	2.050,90	1,22129271	-2,95
15/03/2013	GBP / USD	3.500,00	5.692,82	0,6153551	-3,83
15/03/2013	TWD / USD	140.000,00	4.861,11	28,95608227	-19,82
15/03/2013	SGD / EUR	7.800,00	4.832,41	1,61131063	8,38
15/03/2013	JPY / EUR	10.000,00	88,15	114,0212241	-0,45
15/03/2013	USD / TWD	9.708,74	280.000,00	0,03455355	25,60
15/03/2013	USD / GBP	48.246,00	30.000,00	1,62577212	-399,85
15/03/2013	USD / EUR	120.110,90	91.000,00	1,31951103	26,85
				Total	10.684,95

Notes to the Financial Statements
as at December 31st, 2012

NOTE 1 - GENERAL INFORMATION

PERINVEST CONVERTIBLE FUND LIMITED (the « Company ») is incorporated as an open-ended investment company having the status of an International Business Company in the British Virgin Islands. The Company was incorporated on September 12th, 2002, and is subject to regulations as a Private Fund under the 1996 Mutual Funds Act of the British Virgin Islands (BVI).

The Company has eleven classes of shares being one class of Management Shares and ten classes of Ordinary Shares designated Class "A" Ordinary Shares through to Class "J" Ordinary Shares.

As at December 31st, 2012, only Class "A" Euro denominated Ordinary Shares and Class "B" US\$ denominated Ordinary Shares are offered to investors in this placing. The Company's Class "C" through to Class "J" Ordinary Shares may be issued in the future at such times and on such terms and conditions as the Directors may determine, but without adversely affecting the rights of the Class "A" Euro denominated Ordinary Shares and Class "B" US\$ denominated Ordinary Shares (cf. note 16).

The objective of the Company is to seek capital appreciation by investing primarily in listed and unlisted convertible bonds. The Company is listed on the Irish Stock Exchange.

The Net Asset Value ("NAV") of the Shares is calculated once a week, every Thursday. If a NAV Day is not a business day in Luxembourg, the NAV is calculated on the immediately preceding business day.

Additional determination of the Net Asset Value per Share is made on each June 30th and December 31st for reporting purposes.

The Company had no employees as at December 31st, 2012.

A copy of the Statement of Changes in the Schedule of Investments for the year ended December 31st, 2012 can be obtained free of charge at the registered office of the Company.

NOTE 2 - ACCOUNTING PRINCIPLES

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS). The preparation of financial statements in conformity with International Financial Reporting Standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities, and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

a) Valuation of securities

Securities held by the Fund have been designated by management as financial assets and financial liabilities at fair value through profit or loss. Financial assets or financial liabilities held for trading are acquired or incurred principally for the purpose of selling or repurchasing in the short term. Derivatives are categorized as held for trading, as the Company does not designate any derivatives as hedges in a hedging relationship.

Investments sold short are liabilities held for trading and as such are considered financial liabilities at fair value through profit or loss.

Notes to the Financial Statements
as at December 31st, 2012 (continued)

NOTE 2 - ACCOUNTING PRINCIPLES (continued)

a) Valuation of securities (continued)

The value of any security traded or admitted to official quotation is based on the last available bid price on valuation date, or, if there are several markets, on the last available price of the main relevant market.

The value of securities not listed on any stock exchange or quoted on any organised market, or for which the last available price is not representative of the fair value of the relevant security is determined by the Board of Directors based on the reasonably sale price determined prudently and in good faith.

Unlisted convertible bonds are valued in terms of the market price of the shares they can be converted into, taking into account the conversion ratio.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the inputs to estimate the fair value are observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As of December 31st, 2012	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit and loss				
Shares and related securities	9.193.070,65			9.193.070,65
Bonds	21.011.332,54			21.011.332,54
Forward foreign exchange contracts		36.923,16		36.923,16
Futures		75.441,82		75.441,82
Total	30.204.403,19	112.364,98		30.316.768,17

There was no transfer between Level 1 and 2 during the year.

As of December 31st, 2011	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit and loss				
Shares and related securities	6.227.640,53			6.227.640,53
Bonds	18.989.652,68			18.989.652,68
Forward foreign exchange contracts		15.711,56		15.711,56
Futures		(11.083,08)		(11.083,08)
Total	25.217.293,21	4.628,48		25.221.921,69

There was no transfer between Level 1 and 2 during the year.

Notes to the Financial Statements
as at December 31st, 2012 (continued)

NOTE 2 - ACCOUNTING PRINCIPLES (continued)

b) Net realised and unrealised profit or loss on sale of investments

The net realised and unrealised profit or loss on sale of investments is determined on the basis of the average cost of investments sold.

c) Conversion of foreign currencies

The Company maintains its accounting records in EURO. Cash deposits, other net assets and the market value of investments expressed in currencies other than EURO are converted into EURO at the average exchange rate prevailing at the closing date of the accounts (note 3).

Income and expenses in currencies other than EURO are converted into EURO at the exchange rate prevailing on payment date.

d) Acquisition cost of investments

The costs of investments expressed in currencies other than EURO are converted into EURO at the exchange rate prevailing on purchase date.

e) Forward foreign exchange contracts

The forward foreign exchange contracts are valued at the difference of the contracted exchange rate and the exchange rate as at December 31st, 2012. Valuations are performed on a monthly basis and changes in the carrying amount are recognized as income or expense in the statement of operations.

f) Interest on borrowings

Interest expense is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable.

g) Transactions costs

Some transaction costs are included in the cost of the investments in determining the net asset value per share in accordance with the Company's prospectus. The amount was not material. Therefore, the initial measurement was not adjusted to be as per IFRS.

h) Investment income

Interest income is accrued on a day-to-day basis and dividends are accrued on an ex-dividend basis. Interest and dividend are stated net of irrecoverable withholding taxes, if any.

The captions "Dividends" and "Interests on Bonds" are split as follows, net of withholding :

Amounts in EUR	Dividends on Shares		Interests on Bonds	
	2012	2011	2012	2011
Total amounts	119.934,16	103.607,54	650.179,22	716.107,62
Tax amounts	-11.625,78	-16.098,12	-230,36	-881,27
Net amounts	108.308,38	87.509,42	649.948,86	715.226,35

i) Allocation of expenses

When the Company incurs any expenses, which relate to a particular Portfolio or to any action taken in connection with a particular Portfolio, such expense shall be allocated to the relevant Portfolio.

Expenses of the Company, which cannot be considered as being attributable to a particular Portfolio, shall be allocated to all the Portfolios pro rata to the net asset value of each Portfolio.

Notes to the Financial Statements
as at December 31st, 2012 (continued)

NOTE 2 - ACCOUNTING PRINCIPLES (continued)

j) Redeemable shares and Net assets attributable to holders of redeemable shares

In addition to the management shares, the Company has two classes of redeemable shares in issue: Class A and Class B. Both have the same terms and conditions other than:

- Class A is expressed in EUR, whereas class B is expressed in USD
- Administration fees (see note 6)

Redeemable shares can be put back to the Company at any time for cash equal to a proportionate share of the Company's net asset value attributable to the share class. As the manager shares are the most subordinated class, the redeemable shares are classified as financial liabilities and are measured at the present value of the redemption amounts.

Redeemable shares are issued and redeemed based on the Company's net asset value per share, calculated by dividing the net assets of the Company, calculated in accordance with the Company's offering memorandum, by the number of redeemable shares in issue. The Company's offering memorandum requires the net asset value per redeemable share to be calculated using last traded prices.

k) Adoption of new and revised International Financial Reporting Standards (IFRSs)

1/ Standards and interpretations effective in the current period

- IFRS 1 First Time Adoption of IFRS & IAS 27 Consolidated and Separate Financial Statements amended for Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate.
- IFRS 3 Business Combinations.
- IAS 27 Consolidated and Separate Financial Statements.
- IAS 39 Financial Instruments : Recognition and Measurement amended for Eligible Hedged Items.
- IFRIC 17 Distribution of Non-Cash Assets to Owners.
- IFRS 8 Operating Segments.
- IAS 24 (revised), "Related party disclosures" (effective 1 January 2011)

The adoption of these Interpretations has not led to any changes in the Fund's accounting policies

2/ Early adoption of standards and interpretations

In the current year, the Portfolio has not adopted any standards in advance of its effective date.

3/ Standards and Interpretations in issue not yet adopted

All the dates of authorization of these financial statements, the following Standards and Interpretations were in issue.

"Improvements to IFRS" contain numerous amendments to IFRS, which the IASB consider non-urgent but necessary. "Improvement to IFRS" comprise amendments that result in accounting changes for presentation, recognition or measurement purposes as well as terminology or editorial amendments related to a variety of individual standards. Most of the amendments are effective for annual periods beginning on or after 1 January 2011 respectively, with earlier application permitted. No material changes to accounting policies are expected as a result of these amendments.

- . IFRS 9, "Financial Instruments" (revised effective 1 January 2015)

Notes to the Financial Statements
as at December 31st, 2012 (continued)

NOTE 2 - ACCOUNTING PRINCIPLES (continued)

- . Amendments to IFRS 7, Financial instruments Disclosures (effective 1 July 2011)
- . IFRS 10 replaces the consolidation requirements in SIC-12 Consolidation-Special Purpose Entities and IAS 27 Consolidated and Separate Financial Statements and is effective for annual periods beginning on or after 1 January 2013.
- . IFRS 11 establishes principles for the financial reporting by parties to a joint arrangement. IFRS 11 supersedes IAS 31 Interests in Joint Ventures and SIC-13-Jointly Controlled Entities-Non-Monetary Contributions by Ventures. IFRS 11 is effective from 1 January 2013.
- . IFRS 12 Disclosure of Interests in Other Entities is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including subsidiaries, joint arrangements, associates and unconsolidated structured entities. IFRS 12 is effective for annual periods beginning on or after 1 January 2013.
- . IFRS 13 Fair Value Measurement, effective May 2011

The directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material financial impact on the financial statements of the Portfolio.

NOTE 3 - EXCHANGE RATES AS AT DECEMBER 31ST, 2012

1 EUR =	4,84255	AED	1 EUR =	113,99545	JPY
1 EUR =	1,20680	CHF	1 EUR =	1,411,44610	KRW
1 EUR =	8,21405	CNY	1 EUR =	1,61045	SGD
1 EUR =	0,81110	GBP	1 EUR =	38,28500	TWD
1 EUR =	10,21870	HKD	1 EUR =	1,31840	USD
1 EUR =	72,23515	INR			

NOTE 4 - TAXES AND EXPENSES PAYABLE

	31.12.2012	31.12.2011	
Administration fees (note 6)	11.650,01	22.400,00	EUR
Management fees (note 5)	73.963,29	64.296,97	EUR
Custodian fees (note 6)	13.868,12	12.055,67	EUR
Other fees	36.978,35	32.272,25	EUR
Total	136.459,77	131.024,89	EUR

NOTE 5 - MANAGEMENT AND PERFORMANCE FEES

In relation to the Shares and pursuant to the Management Agreement, the Company pays:

- A fixed fee of 1,2% per annum on the aggregate NAV of the Shares on each NAV Day calculated and accrued on each NAV Day, after the deduction of general expenses, and payable quarterly in arrears;

Notes to the Financial Statements
as at December 31st, 2012 (continued)

NOTE 5 - MANAGEMENT AND PERFORMANCE FEES (continued)

- The performance fee is of twelve per cent (12%) per annum of the increase between the NAV per share before the performance fee (for the relevant week) and the Reference NAV per share. The Reference NAV per share is defined as the highest NAV per share previously attained by the Company and adjusted to take into account any eventual dividend distribution to the Company's shareholders. The performance fee is calculated and accrued on each NAV Day and payable annually within fifteen days of the first business day of the fiscal Year of the Company.

For the year under review, the performance fees have been charged to the Fund.

NOTE 6 - CUSTODIAN AND ADMINISTRATION FEES

The Custodian is entitled to charge out of the assets of the Company, a custodian fee payable at the end of each quarter at an annual rate of:

- 0,225% per annum on the first Euro 35 million of average net assets of the Company;
 - 0,20% per annum on the average net assets comprised between Euro 35 million and Euro 125 million;
 - 0,175% per annum on the average net assets over Euro 125 million;
- with an annual minimum amount of Euro 25.000;
plus a securities transaction fee of Euro 65,- per transaction.

Any fees charged to the Custodian by any Correspondent (Clearing System or Bank) with which assets and securities of the Company are deposited, are included in the above fees.

The Custodian is further entitled to charge out of the assets of the Company, the following fees in case of receipt and cashing of dividends on equities and interest on debt securities, and in case of reimbursement of securities held in portfolio of the Company:

- 0,50% on the total amount of the dividend, with a minimum of Euro 10,- and a maximum of Euro 100,- per receipt and cashing operation;
- 0,50% on the total amount of the interest, with a minimum of Euro 10,- and a maximum of Euro 150,- per receipt and cashing operation;
- 0,50% on the total amount of the reimbursement of the security, with a minimum of Euro 10,- and a maximum of Euro 200,- per operation.

In consideration of the services performed by the Administrator under this agreement, the Company shall pay to the Administrator the following fee:

- Class A Shares
 - . a fixed minimum of EUR 20.000 per annum, plus
 - . a transaction fee per share register entry, whether subscription or redemption of EUR 100 per transaction, plus
 - . a fee relating to liaising with the Company's auditor, if necessary, in connection with preparing the Company's annual financial statements charged on a time spent basis in accordance with the Administrator's standard schedule of fees in circulation from time to time, plus
 - . annual corporate secretarial fees of EUR 5.000, payable monthly in arrears, plus
 - . its out-of-pocket expenses.

The above fees exclude Value Added Tax (if applicable) and shall be paid at each quarter end.

**Notes to the Financial Statements
as at December 31st, 2012 (continued)**

NOTE 6 - CUSTODIAN AND ADMINISTRATION FEES (continued)

- *Class B Shares*
- . *a fixed minimum of EUR 5.000 per annum, plus*
- . *a transaction fee per share register entry, whether subscription or redemption of EUR 100 per transaction.*
- . *annual corporate secretarial fees of EUR 5.000, payable monthly in arrears, plus*
- . *its out-of-pocket expenses.*

The above fees exclude Value Added Tax (if applicable) and shall be paid at each quarter end.

The Administrative Agent will be paid an administrative agent fee payable quarterly in arrears at the annual rate of:

- *0,080% per annum on the first EUR 125 million of average net assets of the Company;*
- *0,065% per annum on the average net assets over EUR 125 million of the Company;*
- *with an annual minimum amount of EUR 25.000, plus*
- *any reasonable disbursement and out-of-pocket expenses incurred by it in the performance of its duties.*

NOTE 7 - TAXATION

Under current laws of the British Virgin Islands, the Company is not liable for any taxes. On this basis, there is no policy for deferred taxation.

NOTE 8 - DIRECTORS' FEES

The Company pays to the Directors fees which are currently fixed at USD 5.000 per annum per Director.

NOTE 9 - CONVERTIBLE BONDS

The Company holds a number of convertible bonds or equity linked notes (81,77% of the total net assets) as detailed in the schedule of investments. The nominal values of these convertible bonds are convertible into shares at various terms up to the last date of conversion, which ranges from October 18th, 2013 to December 6th, 2019.

Notes to the Financial Statements
as at December 31st, 2012 (continued)

NOTE 10 - DEBTS AND LOANS

The Company is authorized to use leverage, i.e. to borrow cash for investment purposes.

As at December 31st, 2012, the Company has the loans hereunder:

CURRENCY	CAPITAL (IN CURRENCY)	DUE DATE	EXCHANGE RATE	LOAN (IN EUR)	INTEREST (IN EUR)
EUR	500.000,00	07.01.2013	1	500.000,00	(287,67)
USD	1.000.000,00	10.01.2013	0,7584951	758.495,14	(426,08)
EUR	500.000,00	17.01.2013	1	500.000,00	(167,22)
EUR	1.000.000,00	28.01.2013	1	1.000.000,00	(95,56)
EUR	500.000,00	28.01.2013	1	500.000,00	(47,78)
EUR	1.000.000,00	31.01.2013	1	1.000.000,00	0,00
EUR	500.000,00	31.01.2013	1	500.000,00	0,00
USD	1.000.000,00	31.01.2013	0,7584951	758.495,14	0,00
Total					(1.024,31)

As at December 31st, 2011, the Company had the loans hereunder:

CURRENCY	CAPITAL (IN CURRENCY)	DUE DATE	EXCHANGE RATE	LOAN (IN EUR)	INTEREST (IN EUR)
USD	1.000.000,00	23.01.2012	0,770327	770.327,00	(221,97)
EUR	1.000.000,00	19.01.2012	1	1.000.000,00	(629,67)
EUR	1.500.000,00	31.01.2012	1	1.500.000,00	(76,38)
EUR	1.500.000,00	31.01.2012	1	1.500.000,00	(76,38)
Total					(1.004,40)

NOTE 11 – TRANSACTIONS ON FUTURES

Futures are not included in the balance sheet, these are valued at each NAV calculation. The net unrealised gain or loss emerging from this valuation will be booked as a margin call.

The following transactions on futures are outstanding as at December 31st, 2012 :

CCY	NUMBER OF CONTRATS	DESCRIPTION	VALUATION 31.12.2012	UNREALISED GAIN OR LOSS (IN EUR)	COMMITMENT (IN EUR)
USD	61	IMM EUR/USD 31 MARCH 2013	1,3231	75.441,82	7.652.182,57

Notes to the Financial Statements
As at December 31st, 2012 (continued)

NOTE 11 – TRANSACTIONS ON FUTURES (continued)

The following transactions on futures were outstanding as at December 31st, 2011:

CCY	NUMBER OF CONTRACTS	DESCRIPTION	VALUATION 31.12.2011	UNREALISED GAIN OR LOSS (IN EUR)	COMMITMENT (IN EUR)
USD	46	IMM EUR/USD 31 MARCH 2012	1,2968	(11.083,08)	5.744.020,34

NOTE 12 - DERIVATIVE ASSETS AND LIABILITIES

The Company may utilize bank credit and derivatives such as forward foreign exchange contracts, futures, options and other derivatives to hedge its non-European denominated securities back to the Euro.

As at December 31st, 2012, the Company had a commitment of EUR 7.520.193,64 (31/12/11 : 10.749.108,24) in forward foreign exchange contracts and details of open contracts together with the maturity dates are given in the schedule of forward foreign exchange contracts.

The commitment of the Company throughout transactions on futures are detailed in the previous note 11.

NOTE 13 - RISK MANAGEMENT

Investment objective and financial risk

The Company's strategy relating to the management of financial risk is driven by the Company's investment objective. The investment objective of the Company is to achieve long term capital appreciation. The Company seeks to achieve its investment objective by investing primarily in convertible bond securities of a broad range of companies located worldwide. Securities may be both investment grade and non-investment grade, as well as listed and unlisted. The Fund may invest in equity and debt securities of a highly speculative nature.

The Fund may employ certain investment techniques, such as "hedging" and "leveraging", options transactions, loans of portfolio securities and trading on margins, to minimize the effect of general market fluctuations and to maximize return. Use of these techniques, which are described more fully in the Company's Offering Memorandum may increase the volatility of the Fund's Net Asset Value. The Fund may invest a portion of its funds in high quality, short-term debt securities and money market instruments.

Given its investment objective the Company is primarily exposed to market risk, credit risk, interest rate risk and liquidity risk arising from the financial instruments it holds.

The Company financial risk is managed by the Investment Manager in accordance with policies and procedures in place and monitored by the Board of Directors of the Fund. The risk management policies employed by the company to manage these risks are discussed below.

Notes to the Financial Statements
as at December 31st, 2012 (continued)

NOTE 13 - RISK MANAGEMENT (continued)

1. Market risk

Market risk embodies the potential for both loss and gains and includes market price risk, currency risk and interest rate risk.

1.1. Market price risk

Market price risk is the risk that value of the instrument will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market. As the majority of the company's financial instruments are carried at fair value with fair value changes recognized in net realized profits/(losses), all changes in market conditions will directly affect the result of operations.

All securities investments present a risk of loss of capital. The Manager mitigates this risk through a disciplined and rigorous method of equity selection. Equities are evaluated via models which include the analysis of companies' earnings, valuation, technical metrics and fundamental research. The securities in portfolio are monitored on a daily basis by the Manager. On a quarterly basis the Manager reviews the rationale of each investment in portfolio.

The Company's market risk is also managed through diversification of the investment portfolio. The Manager seeks to hold exposure to 20 to 30 equity stocks in portfolio, either through direct holdings of equity stocks or indirectly through convertible bonds or long call options or warrants. As per the offering memorandum of the Company the Manager can invest up to 20% of the gross assets in securities of any one issuer. However, the Manager generally seeks not to invest more than 10% of the gross assets in securities of any one issuer and that the sum of the positions representing more than 6,25% of the gross assets does not exceed 50% of the gross assets. These limits are applied both of the level of the issuers of financial instruments and at the level of their underlying securities.

The Company will be directly or indirectly exposed to equity stocks from the following geographical regions: Europe, Asia and America. The Managers seeks that no one region will represent more than 60% of the gross assets of the Company.

On a weekly basis, the Manager reviews management information provided by its Risks and Operations Department to ensure the Company is within its limits and that investment view and intended positioning of the Manager is being fully reflected.

In the event that such limits are exceeded, the Manager adopts as a priority objective the remedying of such situation if deemed prudent by the Management Company in view of prevailing market conditions and liquidity, taking due account of the interests of each Fund's Shareholders.

Main investment types, in percentage of total net assets:

	31/12/2012	31/12/2011
Equities	35,78%	29,62%
Convertible Bonds	81,77%	90,33%
Option contracts	0,00%	0,00%
Total	117,55%	119,95%

The sensitivity of the Company compared to market (represented here by the Bloomberg Active Index BBOCONV) is 2,04 (2011 : 1,89)(one year Beta), meaning the performance of the Company will change of 2,04% for a 1% change of the market.

Notes to the Financial Statements
as at December 31st, 2012 (continued)

NOTE 13 - RISK MANAGEMENT (continued)

The sensitivity analysis is based on historical data and cannot take into account the fact that future market price movements, correlations between markets and levels of market liquidity in conditions of market stress may bear no relation to historical patterns. The information provided represents a hypothetical outcome and is not intended to be predictive as the Manager has a non-benchmarked investment strategy and future market conditions could vary significantly from those experienced in the past.

1.2. Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

As a fund with a Global investment objective, the Company may invest in financial instruments and enter into transactions denominated in currencies other than its functional currency. Consequently, the Company is exposed to risks that the exchange rate of its currency relative to other foreign currencies may change in a manner that has an adverse affect on the value of that portion of the Company's assets or liabilities denominated in currencies other than the USD.

For the Euro denominated share class, the Manager seeks to hedge the non-European currencies (i.e. practically HKD, TWD, USD and KRW) against the EUR, via forward exchange contracts. For the USD denominated share class, the Manager seeks to hedge non USD correlated currencies (i.e. practically EUR, HKD, TWD, and KRW) against the USD. The sensitivity of the Company to foreign currencies is therefore limited through this hedging policy.

The share class currency exposure of each share class is assessed and hedged once a week through forward exchange contracts. The Manager seeks to hedge at least 95% of the currency exposure of each share class at the time the contracts are taken. Should the currency exposure change over the week as a result of the appreciation / depreciation of the market value of securities in foreign currencies, the Manager does not adjust its hedge before the end of the weekly period.

1.3. Interest rate risk

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

The Manager's strategy is to hold bonds with short term duration to limit the interest rate risk.

The Manager's Risk & Operations Department monitors on a monthly basis the sensitivity of the Fund to interest rates, including a monitoring of the impact of a credit shift and of fluctuations on the interest rate curve.

Details of interest rates and maturity dates are given in the schedule of investments.

Here is an indicative analysis of the impact of an interest rate shift:

Yield Curve shift (bps)	Portfolio impact % NAV	Impact on the Company (theoretical 1,20 leverage) in % of the NAV
-100	2,72%	3,26%
-50	1,36%	1,63%
50	1,36%	1,63%
100	2,72%	3,26%

Notes to the Financial Statements
as at December 31st, 2012 (continued)

NOTE 13 - RISK MANAGEMENT (continued)

The information provided in the sensitivity analysis represents a hypothetical outcome and assumes a parallel shift in the yield curve. It is not intended to be predictive as shift in the yield curve may be larger and the yield curve may take different shapes.

2. Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company. The Partnership's Investment Manager has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Impairment provisions are provided for losses that have been incurred by the period end date, if any.

The Company's credit risk is mostly concentrated on convertible bonds and to a lesser extent to cash and derivative products. At the time of investing in a convertible bonds issued by financial institutions (exchangeable bonds) the Manager seeks issuers whose credit rating is at least A+. Thereafter the Manager monitors on a weekly basis the credit spread of the issuers in portfolio. Should the difference between the JPSEL2AA INDEX and the credit spread of the issuer exceed 250 bps, the Manager will adopt as a priority objective the remedying of such situation by either converting the bond into the shares or selling the bond if deemed prudent by the Manager in view of prevailing market conditions and liquidity, taking due account of the interests of Fund's holders of redeemable shares.

For convertible bonds issued by corporate issuers, the Manager adopts strict selection criteria including the ability of the issuer to meet its obligations or commitments (profitability, future cash flows, interest coverage, quality of management, sales and earnings growth, etc).

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet their obligation.

3. Liquidity risk

The Company's redeemable shares are redeemable at the shareholders option at any time for cash equal to a proportionate share of the Company's net asset value. The Company is therefore potentially exposed to weekly redemptions by its shareholders. The Company may not be able to liquidate quickly its investments at an amount close to their fair value in order to meet its liquidity requirements or to respond to specific events such as deterioration in the creditworthiness of any particular issuer.

Stock markets in developing countries may have substantially less volume of trading and securities of companies in developing markets are generally less liquid. The Company may invest in unlisted securities including investments in new and early stage companies which may involve a high degree of business and financial risk and may take longer to liquidate than normally would be the case for publicly traded securities. In addition, restrictions on repatriation of investment income, assets and the proceeds of sales could adversely affect the Company.

Notes to the Financial Statements
as at December 31st, 2012 (continued)

NOTE 13 - RISK MANAGEMENT (continued)

The Company liquidity risk is mitigated by the fact that the portfolio is primarily invested in securities listed on regulated markets or in financial instruments that can be converted in shares traded on regulated markets. The Manager monitors the liabilities of the Fund and ensures sufficient cash and liquid assets are held to face commitments at maturity. The Company also has the ability to borrow in the short term to ensure settlement. More over the Company seeks not to invest in more than 20% of the securities of the same type issued by any one issuer.

	As of December 31st, 2012	As of December 31st, 2011
60-90 days	-	-
90-120 days	-	-
+ 120days	21.011.332,54	18.989.652,68

NOTE 14- EARNINGS PER SHARE

The Manager monitors on a weekly basis the total holdings in listed securities across all portfolio it manages compared to the average trading volume on the exchange.

No earnings per share information is given as the main indicator of performance for this Company is the net asset value per share.

NOTE 15 - MANAGEMENT SHARE CAPITAL

The Company has an authorized management share capital of 800.000 voting management shares, with a par value of USD 0,01 per share. Upon purchase, redemption or other acquisition by the Company or winding-up of the Company, the holders of the management shares are entitled only to the par value of the management shares. The holders of the management shares are entitled to vote at all general meetings of members without restrictions.

At December 31st, 2012, 2 management shares were issued at par value and fully paid up.

NOTE 16 - ORDINARY SHARE CAPITAL

The Company has an authorized ordinary share capital of 420.000 ordinary shares, designated Class « A » through « J », with a par value of USD 0,01 per share. Upon purchase, redemption or other acquisition by the Company or winding-up of the Company, the holders of the ordinary shares are entitled to receive in cash an amount per affected ordinary share which is no less than the pro rata proportion of the net assets of the Company. The holders of the ordinary shares are only entitled to vote at general meetings of members on specific resolutions as detailed in the Explanatory Memorandum and Articles of Association of the Company.

At December 31st, 2012, 8.167,067 Class « A » ordinary shares and 2.487,794 Class « B » ordinary shares were issued and fully paid up.

*Notes to the Financial Statements
as at December 31st, 2012 (continued)*

NOTE 17 - RELATED PARTY TRANSACTIONS

Under IFRS parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. Therefore, the following parties should be considered related parties : the members of the Board of Directors and the Manager (TreeTop Asset Management S.A.).The fees accrued and fee structures of the services rendered by these parties are described in Note 4, 5 and 8 and in the Statement of Operations.