

# Semi-annual Report

June 2015

**Publication date**

This report was released for publication on 18 August 2015.

The subsequent event note in the financial statements has been updated to 18 August 2015.

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

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## Castle Alternative Invest AG in the second quarter of 2015

		Quarter to June 2015	Quarter to March 2015
<b>Net asset value per share increased 2.3% year to date</b>	Castle Alternative Invest AG's ("Castle" or the "Company" or "CAI") net asset value per share decreased by 1.3 per cent (USD -0.27 per share) during the second quarter of 2015.	USD 20.15 per share TUSD 208,015	USD 20.42 per share TUSD 221,655
<b>Share price up 5.8% to USD 17.40 on SIX year to date</b>	During the second quarter of 2015, the price in USD increased by 0.9 per cent.	USD 17.40 per share	USD 17.25 per share
<b>Discount decreased further during the quarter</b>	At the end of June 2015 the shares (USD) were trading on SIX at a discount of 13.6 per cent to NAV.	(13.6%)	(15.5%)
<b>Share buy back programme (second line)</b>	<p>On 2 October 2014 the Company started a fifth share buyback programme for cancellation on a second trading line, as approved at the Annual General Meeting ("the AGM"). This programme was terminated early on 20 May 2015 with the Company buying back 658,798 shares; the maximum number of shares approved.</p> <p>On 18 May 2015, it was announced that each shareholder would be granted, free of charge, tradable put options: 1 put option per registered share. 30 put options entitled the holder to tender 1 registered share. 351,079 shares were tendered to the Company on 5 June 2015.</p> <p>On 9 June 2015, the Company started the sixth share buyback programme for cancellation on a second trading line, as approved at the AGM 2015. A maximum of 724,526 shares can be bought back.</p> <p>At the AGM 2015, the shareholders approved the cancellation of 1,622,151 own shares which was completed effective 6 August 2015.</p> <p>Since 6 August 2015, the issued share capital of the company consists of 10,756,059 registered shares with a par value of CHF 5 each.</p>		

## Performance during the second quarter 2015

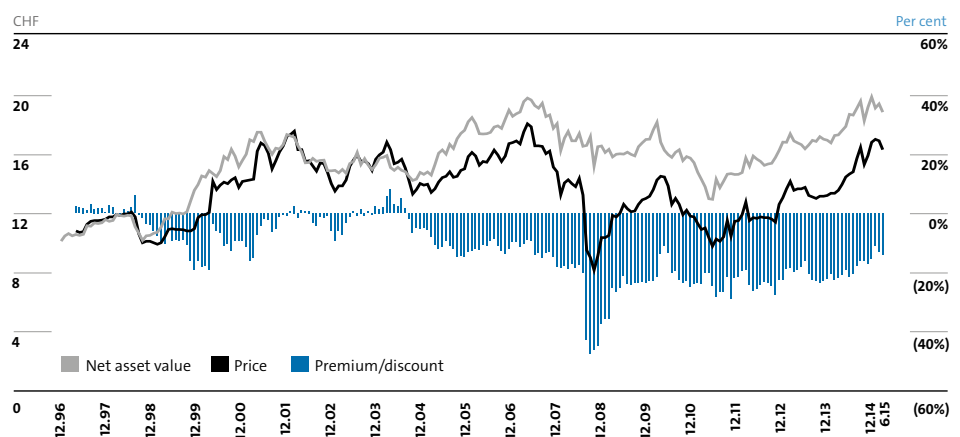
### Overview

The second quarter of the year was lacklustre for most major asset classes. Fixed income suffered losses as global bond prices declined interrupting in some cases a multi-year positive trend. Despite this late rise, yields remain at the low end of historical ranges for most countries. Global equities posted flattish results. However, they were characterised by higher volatility towards the end of the quarter fuelled by the uncertainty surrounding Greece's debt crisis and by the sharp correction in Chinese equities. Within currencies and commodities some recent trends reversed: developed countries currencies strengthened against the US Dollar and commodity prices rebounded, though the outlook for the latter remain bleak.

### Macro backdrop

The macro environment is characterised by slow global growth combined with a highly accommodative monetary policy across the globe. In the US the fundamental data continue to show strength, which could potentially lead to an interest rate hike in the second part of the year. In Europe, ECB's supportive policy seems to be beneficial, creating more favourable economic conditions. However, the deterioration in Greece's debt situation is threatening the recovery path and increasing the risk of contagion to peripheral Europe. The impact from the bursting of the Chinese equity bubble has still to be understood in all its ramifications – one of them seems to be a dampening effect on commodities demand.

Net asset value, price and premium/discount SIX listing to 30 June 2015 in CHF



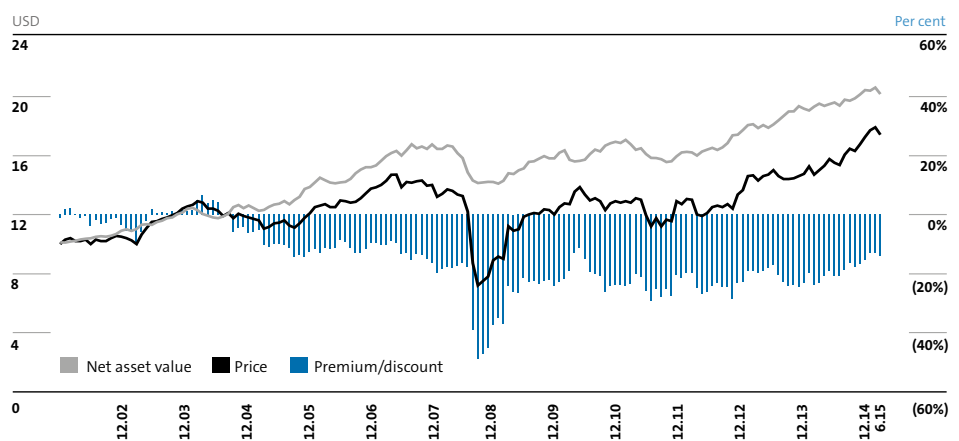
## Ten largest holdings

Fund name	Style	Allocation as of 30 June 2015
Crown Managed Futures Master Segregated Portfolio	CTA	9.30%
Discovery Global Opportunity Fund, Ltd.	Macro	6.90%
Crown/Capeview Segregated Portfolio	L/S Equity	6.70%
Third Point Ultra Ltd.	Event Driven	6.30%
Crown/Zebedee Segregated Portfolio	L/S Equity	6.30%
Indus Pacific Opportunities Fund, Ltd.	L/S Equity	6.00%
Latigo Ultra Fund, Ltd.	Event Driven	5.50%
Tyrus Capital Opportunities Fund Limited	Event Driven	5.10%
HBK Multi-Strategy Offshore Fund Ltd.	Relative Value	3.90%
Crown/NJ Segregated Portfolio	L/S Equity	3.90%
<b>Total net assets</b>		<b>100.00%</b>

## Performance comparison

Fund	Value 30 June 2015	Performance 2 <sup>nd</sup> quarter 2015	Performance year to date
CAI net asset value (USD)	20.15	(1.32%)	2.28%
CAI net asset value (CHF)	18.84	(5.14%)	(3.78%)
CAI closing price (USD)	17.40	0.87%	5.78%
CAI closing price (CHF)	16.30	(2.98%)	(0.91%)

Net asset value, price and premium/discount SIX listing to 30 June 2015 in USD



**Equities**

US equities closed the second quarter with a flattish result with little dispersion across styles and capitalisation. The only exception was a significant decline in REITs, as the rise in long-term interest rates impacted the asset class negatively. The same lacklustre picture can be observed in equity returns – expressed in local currency – across main regions. In Asia, two markets were at the opposite ends of the spectrum: Japan is one of the countries with best equities results, while Chinese stocks suffered a sharp reversal at the end of the quarter.

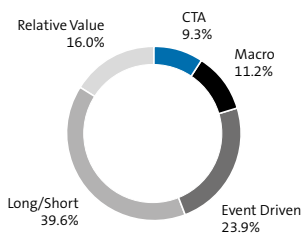
**Fixed income**

Rising rates led to negative returns across fixed income instruments for the quarter, with long duration bonds having the largest decline. The 10 year government bond yields rose to 2.4 per cent in the US, to 2 per cent in the UK and to 0.8 per cent in Germany. The high yield segment held up better, ending the quarter with a flattish result. Credit spreads across categories moved closer to their historical averages.

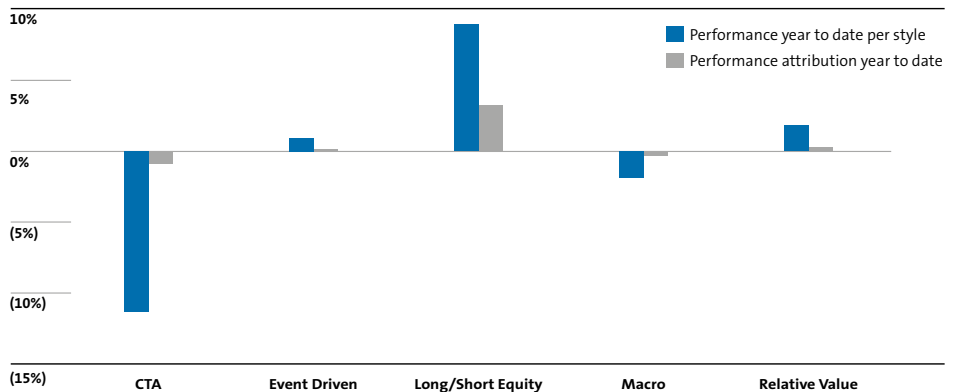
**Commodities**

Measured by the S&P GSCI Commodities Index, the second quarter was a positive one (+4.7 per cent), interrupting a multi-month decline for many commodities. Gold, however, slightly retraced and closed 1.3 per cent lower for the quarter. The outlook for commodities remains bleak: demand is impacted negatively by weaker Chinese growth, the risk of oversupply related to higher production levels in order to compensate for the price declines over the last 12 months, and a potential rate hike in the US leading to a stronger USD, making commodities more expensive and thus further dampening demand.

**Style allocation as of 30 June 2015**



**Estimated performance of styles before costs in USD from 31 December 2014 to 30 June 2015**



## Hedge fund strategies

**Event driven** added 0.1 per cent to Castle's returns. Results were mixed across managers reflecting the idiosyncratic nature of the underlying positions. The strongest contribution came from a European manager, where the portfolio benefitted from positive catalysts around some long-term positions. A US based manager had a more difficult quarter with Puerto Rico related positions being among the largest detractors – particularly in June.

**CTA/macro** had a very challenging month and as a group deducted 2.6 per cent from Castle's returns. CTAs in particular suffered due to several trend reversals in energies, currencies and fixed income and to range-bound markets like the S&P in the last weeks of the quarter. The former were mostly detrimental to trend-following strategies while the latter impacted short-term traders negatively.

**Long/short equity** strategies had a strong quarter, resulting in a contribution of 1.2 per cent to Castle's returns. The average performance of the long/short equity allocation (3.1 per cent) outperformed global equity markets as measured by MSCI World USD TR Index (+0.5 per cent). Strategies focusing on Asia were particularly profitable and one European manager was able to generate significant alpha during challenging markets in Q2. The alpha generation was the result of both active exposure management and superior stock selection.

**Relative value** managers had a mixed quarter with a flattish performance as a group resulting in a minimal deduction from Castle's returns. The largest contributions came from two multi-strategy managers, while a manager focusing on interest rates and FX markets across Asia experienced volatile gains and losses leading to a disappointing overall result for the quarter.

## Castle Alternative Invest

The net asset value per share of Castle Alternative Invest AG in US Dollars decreased by 1.3 per cent in the second quarter of 2015. Converted into Swiss Francs, it lost 5.1 per cent over the same period. At the end of June, Castle's shares in US Dollars were trading at a discount of 13.6 per cent to net asset value. The portfolio was invested in 35 different managers and the level of investment was 102 per cent.

## Unaudited consolidated statement of comprehensive income

For the period ended 30 June 2015 (All amounts in USD thousands unless otherwise stated)

Note	1 April – 30 June 2015	1 April – 30 June 2014	1 January – 30 June 2015	1 January – 30 June 2014
<b>Income</b>				
<b>Net (loss)/gain on investments designated at fair value through profit or loss</b>				
4	(3,073)	4,863	6,170	7,532
<b>Income from current assets:</b>				
Gain/(loss) on foreign exchange, net	4	(3)	(2)	(2)
Interest income	–	–	–	2
Other income	1	2	1	2
<b>Total gain/(loss) from current assets</b>	<b>5</b>	<b>(1)</b>	<b>(1)</b>	<b>2</b>
<b>Total (loss)/income</b>	<b>(3,068)</b>	<b>4,862</b>	<b>6,169</b>	<b>7,534</b>
<b>Expenses</b>				
Management and performance fees	8	(1,287)	(2,086)	(2,419)
Other operating expenses	(407)	(323)	(722)	(620)
<b>Total operating expenses</b>	<b>(821)</b>	<b>(1,610)</b>	<b>(2,808)</b>	<b>(3,039)</b>
<b>Operating (loss)/profit</b>	<b>(3,889)</b>	<b>3,252</b>	<b>3,361</b>	<b>4,495</b>
Finance costs	(9)	(7)	(16)	(7)
<b>(Loss)/profit for the period</b>	<b>(3,898)</b>	<b>3,245</b>	<b>3,345</b>	<b>4,488</b>
<b>Total comprehensive (loss)/income for the period</b>	<b>(3,898)</b>	<b>3,245</b>	<b>3,345</b>	<b>4,488</b>
<b>Profit attributable to:</b>				
Shareholders	(3,652)	3,115	3,434	4,489
Non-controlling interest	2 (d)	130	(89)	(1)
	<b>(3,898)</b>	<b>3,245</b>	<b>3,345</b>	<b>4,488</b>
<b>Total comprehensive (loss)/income attributable to:</b>				
Shareholders	(3,652)	3,115	3,434	4,489
Non-controlling interest	2 (d)	130	(89)	(1)
	<b>(3,898)</b>	<b>3,245</b>	<b>3,345</b>	<b>4,488</b>
<b>Earnings per share (in USD) attributable to equity holders</b>				
Weighted average number of shares outstanding during the period	10,511,007	12,478,707	10,511,007	12,478,707
Basic (loss)/profit per share	USD (0.35)	USD 0.25	USD 0.33	USD 0.36
Diluted (loss)/profit per share	USD (0.35)	USD 0.25	USD 0.33	USD 0.36

The accompanying notes on pages 12 to 26 form an integral part of these consolidated financial statements.



## Unaudited consolidated balance sheet

As of 30 June 2015 (All amounts in USD thousands unless otherwise stated)

	Note	30 June 2015	31 March 2015	31 December 2014
<b>Assets</b>				
<b>Current assets:</b>				
Cash and cash equivalents		2,572	2,968	1,743
Other current assets		—	14,814	7,613
<b>Total current assets</b>		<b>2,572</b>	<b>17,782</b>	<b>9,356</b>
<b>Non-current assets:</b>				
Investments designated at fair value through profit or loss	4	220,843	230,671	220,454
<b>Total assets</b>		<b>223,415</b>	<b>248,453</b>	<b>229,810</b>
<b>Liabilities</b>				
<b>Current liabilities:</b>				
Due to banks: loan		7,600	17,300	1,703
Accounts payable and accrued liabilities		1,672	2,552	1,785
<b>Total current liabilities</b>		<b>9,272</b>	<b>19,852</b>	<b>3,488</b>
<b>Equity</b>				
<b>Shareholders' equity:</b>				
Share capital		45,897	45,897	45,897
Additional paid-in capital		59,693	59,693	59,693
Less treasury shares 2 <sup>nd</sup> line at cost (bought for cancellation)	7	(18,369)	(15,105)	(10,556)
Less treasury shares 2 <sup>nd</sup> line (options) at cost (bought for cancellation)		(16,724)	(10,000)	(10,000)
Retained earnings		137,518	141,170	134,084
<b>Total shareholders' equity</b>		<b>208,015</b>	<b>221,655</b>	<b>219,118</b>
Non-controlling interest		6,128	6,946	7,204
<b>Total equity</b>		<b>214,143</b>	<b>228,601</b>	<b>226,322</b>
<b>Total liabilities and equity</b>		<b>223,415</b>	<b>248,453</b>	<b>229,810</b>
<b>Net asset value per share (in USD)</b>				
Number of shares issued as at the period end		12,378,210	12,378,210	12,378,210
Number of treasury shares 2 <sup>nd</sup> line (bought for cancellation) as at the period end		(2,055,428)	(1,522,151)	(1,253,151)
Number of shares outstanding net of treasury shares as at the period end		10,322,782	10,856,059	11,125,059
<b>Net asset value per share</b>		<b>20.15</b>	<b>20.42</b>	<b>19.70</b>

The accompanying notes on pages 12 to 26 form an integral part of these consolidated financial statements.

## Unaudited consolidated statement of cash flows

For the period ended 30 June 2015 (All amounts in USD thousands unless otherwise stated)

	1 April – 30 June 2015	1 April – 30 June 2014	1 January – 30 June 2015	1 January – 30 June 2014
<b>Cash flows from/(used in) operating activities:</b>				
Purchase of investments	(14,290)	(13,500)	(24,673)	(17,000)
Proceeds from sales of investments	35,859	14,257	38,120	26,232
Interest received	–	1	–	2
Operating expenses paid	(1,852)	(3,291)	(3,131)	(5,057)
<b>Net cash from/(used in) operating activities</b>	<b>19,717</b>	<b>(2,533)</b>	<b>10,316</b>	<b>4,177</b>
<b>Cash flows from/(used in) financing activities:</b>				
Interest paid	(9)	–	(16)	–
Proceeds from bank borrowings	7,600	7,550	7,600	7,550
Repayments of bank borrowings	(17,300)	–	(1,703)	(380)
Non-controlling interest capital transactions, net	(416)	(1,039)	(831)	(3,634)
Purchase of treasury shares 2 <sup>nd</sup> line (bought for cancellation)	(9,988)	–	(14,537)	–
Purchase of treasury shares 2 <sup>nd</sup> line (options) (bought for cancellation)	–	(3,711)	–	(7,670)
<b>Net cash (used in)/from financing activities</b>	<b>(20,113)</b>	<b>2,800</b>	<b>(9,487)</b>	<b>(4,134)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(396)</b>	<b>267</b>	<b>829</b>	<b>43</b>
<b>Cash and cash equivalents, beginning of the period</b>	<b>2,968</b>	<b>6,494</b>	<b>1,743</b>	<b>6,718</b>
<b>Cash and cash equivalents, end of the period</b>	<b>2,572</b>	<b>6,761</b>	<b>2,572</b>	<b>6,761</b>
<b>Cash and cash equivalents consist of the following as at 30 June:</b>				
Cash at banks	2,572	6,761	2,572	6,761
<b>Total</b>	<b>2,572</b>	<b>6,761</b>	<b>2,572</b>	<b>6,761</b>

The accompanying notes on pages 12 to 26 form an integral part of these consolidated financial statements.

## Unaudited consolidated statement of changes in equity

For the period ended 30 June 2015 (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 2014</b>	<b>49,581</b>	<b>59,693</b>	<b>(9,291)</b>	<b>141,711</b>	<b>12,072</b>	<b>253,766</b>
Total comprehensive income for the period	—	—	—	4,489	(1)	4,488
Purchase of treasury shares 2 <sup>nd</sup> line (bought for cancellation)	—	—	(7,670)	—	—	(7,670)
Non-controlling interest transactions:	—	—	—	—	—	—
Capital transactions	—	—	—	—	(3,634)	(3,634)
<b>30 June 2014</b>	<b>49,581</b>	<b>59,693</b>	<b>(16,961)</b>	<b>146,200</b>	<b>8,437</b>	<b>246,950</b>
<b>1 January 2015</b>	<b>45,897</b>	<b>59,693</b>	<b>(20,556)</b>	<b>134,084</b>	<b>7,204</b>	<b>226,322</b>
Total comprehensive income for the period	—	—	—	3,434	(89)	3,345
Purchase of treasury shares 2 <sup>nd</sup> line (bought for cancellation)	—	—	(7,812)	—	—	(7,812)
Purchase of treasury shares 2 <sup>nd</sup> line (options) (bought for cancellation)	—	—	(6,725)	—	—	(6,725)
Non-controlling interest transactions:	—	—	—	—	—	—
Capital transactions	—	—	—	—	(987)	(987)
<b>30 June 2015</b>	<b>45,897</b>	<b>59,693</b>	<b>(35,093)</b>	<b>137,518</b>	<b>6,128</b>	<b>214,143</b>

The accompanying notes on pages 12 to 26 form an integral part of these consolidated financial statements.

## Notes to the unaudited consolidated financial statements for the period ended 30 June 2015

### 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. Following an extraordinary general meeting of the Company on 31 January 2014, the London listing was cancelled on 3 March 2014.

### 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 SIX Swiss Exchange’s Directive on Financial Reporting (DFR) for investment companies.

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 June 2015 correspond to those in the annual report 2014, 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 2014, which have been prepared in accordance with International Financial Reporting Standards (IFRS) formulated by the International Accounting Standards Board (IASB).

#### a) Standards and amendments to published standards that are mandatory for the financial year beginning on or after 1 January 2015

There are no IFRS or IFRIC interpretations that are effective for the first time for the financial year beginning 1 January 2015 that would be expected to have a material impact on the Group.

#### b) Standards and amendments to published standards effective after 1 January 2015 that have not been early adopted

- IFRS 9, “Financial instruments”, (effective 1 January 2018). 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; and

- Amendments to IFRS 10, IFRS 12 and IAS 28, "Investment Entities: Applying the Consolidation Exception", (effective for annual periods beginning on or after 1 January 2016).

These amendments clarify the following:

**Exemption from preparing consolidated financial statements.** The amendments confirm that the exemption from preparing consolidated financial statements for an intermediate parent entity is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all of its subsidiaries at fair value.

**A subsidiary providing services that relate to the parent's investment activities.** A subsidiary that provides services related to the parent's investment activities should not be consolidated if the subsidiary itself is an investment entity.

**Application of the equity method by a non-investment entity investor to an investment entity investee.** When applying the equity method to an associate or a joint venture, a non-investment entity investor in an investment entity may retain the fair value measurement applied by the associate or joint venture to its interests in subsidiaries.

**Disclosures required.** An investment entity measuring all of its subsidiaries at fair value provides the disclosures relating to investment entities required by IFRS 12.

The Group is currently assessing the full impact of this standard.

There are no other standards, interpretations or amendments to existing standards that are not yet effective that would be expected to have a material impact on the Group.

#### **c) 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.

#### **d) 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.

### 3. Basis of consolidation

The consolidated interim financial statements per 30 June 2015 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 2014.

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 16 and 17.

### 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 nonrefundable 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:

Tax expense	30.6.2015 TUSD	30.6.2014 TUSD
Profit for the period before income tax	3,345	4,488
Applicable tax rate	7.8%	7.8%
Income tax	261	350
Effect from non-taxable income	(261)	(350)
<b>Total</b>	—	—

## 6. Due to banks

As of 30 June 2015, the Subsidiaries have a credit line of TUSD 15,000 (31 December 2014: TUSD 15,000). The credit line is granted by LGT Bank (Ireland) Ltd., Dublin and is 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 Ltd., Vaduz and pledged in favour of the lender.

As of 30 March 2015 the Ireland Subsidiary had borrowed TUSD 7,600 (31 December 2014: TUSD 1,703) from LGT Bank (Ireland) Ltd.

Due to banks – fixed advance	Interest rate	Maturity	Amount in TUSD
As of 30 June 2015	2.3000% (USD)	7 July 2015	7,600
<b>Total</b>			<b>7,600</b>

Due to banks – fixed advance	Interest rate	Maturity	Amount in TUSD
As of 31 December 2014	2.4000% (USD)	9 January 2015	1,703
<b>Total</b>			<b>1,703</b>

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

As of 30 June 2015 (All amounts in USD thousands unless otherwise stated)

Amounts in TUSD	Geography	Shares as at 1.1.2015	Shares as at 30.6.2015	Total net paid in as at 1.1.2015	Invest- ments 2015	Redemp- tions 2015	Realised gain/(loss) 2015	Total net paid in as at 30.6.2015	Unrealised gain/(loss) accumulat- ed 2015	Fair value as at 30.6.2015	% of invest- ments
<b>CTA</b>											
Crown Managed Futures Master Segregated Portfolio	Global	8,550	7,169	14,776	—	(1,590)	3,160	13,186	7,278	20,464	9.3%
<b>Total CTA</b>				<b>14,776</b>	<b>—</b>	<b>(1,590)</b>	<b>3,160</b>	<b>13,186</b>	<b>7,278</b>	<b>20,464</b>	<b>9.3%</b>
<b>Macro</b>											
Caxton Global Investments Ltd. Class SI	Global	58,483	58,483	1,330	—	(16)	—	1,314	99	1,414	0.6%
Crown/Koppenberg Segregated Portfolio	Global	5,163	5,490	5,594	450	—	—	6,044	1,407	7,451	3.4%
Discovery Global Opportunity Fund Ltd.	Global	18,571	18,571	8,394	—	—	—	8,394	6,800	15,194	6.9%
The Rohatyn Group Global Opportunity Fund Ltd.	Global	1	1	398	—	—	—	398	(16)	382	0.2%
Tudor BVI Global Fund Ltd. Legacy Class	Global	161	155	152	3	—	3	154	89	243	0.1%
<b>Total Macro</b>				<b>15,867</b>	<b>453</b>	<b>(16)</b>	<b>3</b>	<b>16,304</b>	<b>8,379</b>	<b>24,683</b>	<b>11.2%</b>
<b>Event Driven</b>											
Bennelong Asia Pacific Multi Strategy Equity Fund Ltd.	Asia	7,632	7,632	872	—	—	—	872	(190)	682	0.3%
Cerberus Asia Partners L.P.	Asia	1	1	—	—	—	432	—	—	—	0.0%
Crown Distressed Credit Opportunities plc <sup>2)</sup>	Global	14,581	11,727	1,270	—	(248)	364	1,021	1,592	2,613	1.2%
Crown/GLG Segregated Portfolio	Europe	7,478	7,478	7,500	—	—	—	7,500	924	8,424	3.8%
Highland Crusader Fund II Ltd.	America	1	1	694	—	—	—	694	2,246	2,940	1.3%
Latigo Ultra Fund Ltd.	America	9,613	9,613	11,870	157	—	157	12,027	229	12,256	5.5%
OZ Asia Overseas Fund Ltd.	Asia	1	1	729	—	(49)	—	680	(130)	550	0.2%
OZ Overseas Fund Ltd. Tranche C shares	Global	2	2	187	—	(22)	16	165	(50)	114	0.1%
Third Point Ultra Ltd.	Global	2,720	2,720	7,058	—	—	—	7,058	6,887	13,944	6.3%
Tyrus Capital Opportunities Fund Ltd.	Global	86,627	86,627	8,516	—	—	—	8,516	2,678	11,194	5.1%
Winston Partners PE Investment Ltd.	Global	7,615	7,615	3,662	—	—	—	3,662	(3,662)	—	0.0%
<b>Total Event Driven</b>				<b>42,356</b>	<b>157</b>	<b>(319)</b>	<b>970</b>	<b>42,194</b>	<b>10,523</b>	<b>52,717</b>	<b>23.9%</b>



Amounts in TUSD	Geography	Shares as at 1.1.2015	Shares as at 30.6.2015	Total net paid in as at 1.1.2015	Invest- ments 2015	Redemp- tions 2015	Realised gain/(loss) 2015	Total net paid in as at 30.6.2015	Unrealised gain/(loss) accumulat- ed 2015	Fair value as at 30.6.2015	% of invest- ments
<b>Long/Short</b>											
Crown/Capeview Segregated Portfolio	Europe	9,340	9,340	9,454	—	—	—	9,454	5,404	14,858	6.7%
Crown/Japan Opportunities Segregated Portfolio	Asia	5,120	4,402	5,219	—	(717)	283	4,501	2,786	7,287	3.3%
Crown/LBN Segregated Portfolio	Asia	6,500	6,500	6,500	—	—	—	6,500	342	6,842	3.1%
Crown/Tyrian Segregated Portfolio	Global	8,280	8,280	9,000	—	—	—	9,000	(472)	8,528	3.9%
Crown/NJ Segregated Portfolio	Asia	8,392	5,876	11,639	—	(3,156)	279	8,483	157	8,640	3.9%
Crown/Zebedee Segregated Portfolio	Europe	—	14,000	—	14,000	—	—	14,000	(170)	13,830	6.3%
Galleon Technology Offshore Ltd.	America	57	57	1,278	—	—	—	1,278	(630)	648	0.3%
Indus Pacific Opportunities Fund Ltd.	Asia	4,687	4,687	8,115	—	—	—	8,115	5,185	13,300	6.0%
Nevsky Fund plc	Global	5,359	5,359	7,104	—	—	—	7,104	717	7,821	3.5%
Polo Fund	America	41,403	41,403	8,117	—	—	—	8,117	(2,446)	5,671	2.6%
Raptor Private Holdings Ltd.	America	431	431	295	—	—	—	295	(76)	220	0.1%
Zebedee Focus Fund Ltd.	Europe	61,853	—	11,471	—	(11,471)	3,411	—	—	—	0.0%
<b>Total Long/Short</b>				<b>78,192</b>	<b>14,000</b>	<b>(15,344)</b>	<b>3,973</b>	<b>76,848</b>	<b>10,798</b>	<b>87,646</b>	<b>39.6%</b>
<b>Relative Value</b>											
Alphadyne Investment Strategies Fund Ltd.	Asia	—	1,405	—	2,793	—	—	2,793	(14)	2,780	1.3%
Crown/Alphadyne Segregated Portfolio	Asia	—	5,822	—	7,430	(1,608)	(8)	5,822	(118)	5,704	2.6%
Crown/Linden Segregated Portfolio	Global	4,687	4,687	5,480	—	—	—	5,480	2,837	8,316	3.8%
D.E. Shaw Composite International Ltd.	Global	1	1	—	—	—	—	—	148	148	0.1%
D.E. Shaw Composite International Ltd.											
Side Pocket Series	Global	1	1	1,172	—	(720)	—	452	1,153	1,605	0.7%
Double Black Diamond Ltd.	Global	17,984	17,984	6,284	—	—	—	6,284	1,799	8,083	3.7%
Drake Absolute Return Fund Ltd.	Global	96	43	198	—	(109)	(41)	89	(33)	56	0.0%
HBK Multi-Strategy Offshore Fund Ltd.	Global	10,926	8,194	6,520	—	(1,630)	1,221	4,890	3,751	8,640	3.9%
<b>Total Relative Value</b>				<b>19,653</b>	<b>10,223</b>	<b>(4,067)</b>	<b>1,172</b>	<b>25,809</b>	<b>9,524</b>	<b>35,333</b>	<b>16.0%</b>
<b>Total</b>				<b>170,844</b>	<b>24,833</b>	<b>(21,336)</b>	<b>9,278</b>	<b>174,341</b>	<b>46,502</b>	<b>220,843</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 commitment to an investment fund:  
– Crown Distressed Credit Opportunities plc – USD 16.5 million of which USD 4.1 million is unfunded

## 7. Shareholders' equity

### Shareholders' equity

As of 30 June 2015 the authorised, issued and fully paid up share capital of the Company amounts to TCHF 61,891 (TUSD 45,897) and as of 31 December 2014 to TCHF 61,891 (TUSD 45,897) consisting of 12,378,210 (2014: 12,378,210) 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 214,143 as of 30 June 2015 (2014: TUSD 226,322).

During the period from 21 June 2010 to 30 June 2015 the Company purchased treasury shares on its second trading line. According to the programme periods the second line treasury shares were cancelled in August 2011, August 2012, August 2013 and August 2014.

### 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 fully redeemed its holding in the Class I shares. As per 30 June 2015 Swiss Life AG's holding in the remaining Class RI shares comprised 3.13 per cent (2014: 3.19 per cent) of the net asset value of the Ireland Subsidiary. The Cayman Subsidiary's holding in Class O and Class RO comprised 96.87 per cent of the net asset value of the Ireland Subsidiary (2014: 96.81 per cent). The Company controls the Ireland Subsidiary and consolidates it in compliance with IFRS 10. Swiss Life AG's holding in the Ireland Subsidiary is shown as a non-controlling interest in the Group's consolidated financial statements.

**Share buyback second line (bought for cancellation)**

Since 2010, the Company has announced openings of second trading lines on a yearly basis for the Company's shares on the SIX Swiss Exchange. The Company is always the exclusive buyer on these trading lines and repurchases shares for the purpose of subsequently reducing its share capital. The Company has purchased treasury shares on its second trading lines according to the following summaries. These treasury shares are treated as a deduction from shareholders' equity using cost values.

On 12 September 2014, the Company announced its decision to issue put options tradable on the SIX Swiss Exchange. Every 20 put options entitled shareholders to tender one registered share at the exercise price of CHF 16.50 until 30 September 2014. The put options were traded from 17 September 2014 up to and including 30 September 2014. On 18 Mai 2015, the Company announced its decision to issue further put options tradable on the SIX Swiss Exchange. Every 30 put options entitled shareholders to tender one registered share at the exercise price of CHF 17.80 until 4 June 2015. The put options were traded from 21 May 2015 up to and including 4 June 2015.

**Treasury shares 2<sup>nd</sup> line (bought for cancellation)**

Programmes	From	To	Cancelled	Number	Cost TUSD
Programme initiated on 28 June 2012, decided on 15 May 2012					
Additions 2012	28.6.2012	31.12.2012	23.8.2013	923,500	11,532
Additions 2013	1.1.2013	2.5.2013	23.8.2013	611,356	8,431
Additions 2013	21.5.2013	5.6.2013	12.8.2014	82,500	1,219
<b>Total</b>				<b>1,617,356</b>	<b>21,182</b>
Programme initiated on 6 June 2013, decided on 14 May 2013					
Additions 2013	6.6.2013	31.12.2013	12.8.2014	546,000	8,072
Additions 2014	1.1.2014	1.5.2014	12.8.2014	365,000	5,472
Additions 2014	2.5.2014	16.9.2014	—	416,128	6,423
<b>Total</b>				<b>1,327,128</b>	<b>19,967</b>
Programme initiated on 2 October 2014, decided on 13 May 2014					
Additions 2014	2.10.2014	31.12.2014	—	258,000	4,133
Additions 2015	1.1.2015	8.5.2015	—	369,000	6,335
Additions 2015	11.5.2015	20.5.2015	—	31,798	574
<b>Total on 30 June 2015</b>				<b>658,798</b>	<b>11,042</b>
Programme initiated on 9 June 2015, decided on 18 May 2015					
Additions 2015	15.6.2015	30.6.2015	—	50,400	904
<b>Total on 30 June 2015</b>				<b>50,400</b>	<b>904</b>
<b>Movement of treasury shares 2<sup>nd</sup> line (bought for cancellation)</b>					
<b>Shares held as of 1 January 2014</b>				<b>628,500</b>	<b>9,291</b>
Additions 2014				1,039,128	16,028
Additions 2014 (options)				579,023	10,000
Cancellation on 12 August 2014				(993,500)	(14,763)
<b>Shares held as of 31 December 2014</b>				<b>1,253,151</b>	<b>20,556</b>
Additions 2015				451,198	7,813
Additions 2015 (options)				351,079	6,724
<b>Shares held as of 30 June 2015</b>				<b>2,055,428</b>	<b>35,093</b>

## 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.

### Related party transactions

Entity	Related party Relationship/Agreement(s) Direct/indirect	Transaction type	30.6.2015 TUSD	31.12.2014 TUSD	30.6.2014 TUSD	
Castle Alternative Invest AG	LGT Bank Ltd./	Administration fee	11	22	8	
	Administrative Services Agreement/direct	Cash at banks	85	51	13	
	LGT Capital Partners Ltd./	Domicile Agreement/direct	5	10	5	
	Directors/direct	Directors' fee	169	223	119	
Castle Alternative Invest (Overseas) Limited	LGT Capital Partners (Ireland) Ltd./	Investment management fee	1	5	2	
	Investment Management Agreement/direct	Investment management fee payable	1	2	1	
	LGT Bank Ltd./Administrative Services Agreement and Loan Agreement/direct	Cash at banks	9	15	48	
	Directors/indirect	Directors' fee	10	10	10	
Castle Alternative Invest (International) plc	LGT Bank (Ireland) Ltd./	Due to banks: loan	7,600	1,703	7,550	
	Loan Agreement/direct	Interest expense	16	35	7	
		Credit facility standby fee	23	48	26	
		Credit facility standby fees payable	11	11	9	
		LGT Capital Partners (Ireland) Ltd./	Investment management fee	1,692	3,636	1,874
	Alternative Investment Fund Management Agreement/direct	Investment management fee payable	268	284	312	
		Performance fee	393	468	544	
		Performance fee payable	393	468	544	
		Directors/indirect	Directors' fee	—	1	1
	LGT Capital Partners Ltd./	Advisory Agreement/indirect	Advisory fee (no direct fees)	—	—	—
	LGT Fund Managers (Ireland) Ltd./	Management Agreement/indirect	Secretarial services (no direct fees)	—	—	—

LGT Group Foundation, Vaduz, is the controlling shareholder of the alternative investment fund manager ("AIFM"), LGT Capital Partners (Ireland) Ltd., Dublin, who acts as the AIFM for the Ireland Subsidiary and as the investment manager ("IM") for the Cayman Subsidiary. The AIFM and the IM are entitled to a management fee from the Subsidiaries (1.5 per cent of net assets in USD before deduction of the accrual of the performance fee) and a performance fee.

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

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

The Ireland Subsidiary is invested in the Segregated Portfolios, mentioned on the next page, which are all advised by LGT Capital Partners Ltd., an affiliate of Castle's AIFM.

- Crown Managed Futures Master Segregated Portfolio
- Crown Distressed Credit Opportunities plc
- Crown/Alphadyne Segregated Portfolio
- Crown/Capeview Segregated Portfolio
- Crown/GLG Segregated Portfolio
- Crown/Japan Opportunities Segregated Portfolio
- Crown/Koppenberg Segregated Portfolio
- Crown/LBN Segregated Portfolio
- Crown/Linden Segregated Portfolio
- Crown/NJ Segregated Portfolio
- Crown/Tyrian Segregated Portfolio
- Crown/Zebedee 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.

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

	America TUSD	Asia TUSD	Europe TUSD	Global TUSD	Total TUSD
<b>As of 30 June 2015</b>					
<b>Income</b>					
Net (loss)/gain on investments designated at fair value through profit or loss	(1,215)	4,130	2,709	546	6,170
Other (loss)/gain	–	–	(2)	1	(1)
<b>Total (loss)/income</b>	<b>(1,215)</b>	<b>4,130</b>	<b>2,707</b>	<b>547</b>	<b>6,169</b>
<b>As of 30 June 2014</b>					
<b>Income</b>					
Net gain on investments designated at fair value through profit or loss	1,396	413	1,340	4,383	7,532
Other income	–	–	–	2	2
<b>Total income/(loss)</b>	<b>1,396</b>	<b>413</b>	<b>1,340</b>	<b>4,385</b>	<b>7,534</b>

The assets are geographically allocated as follows:

	30.6.2015		31.12.2014	
	TUSD	in %	TUSD	in %
<b>Assets</b>				
America	21,735	10%	22,949	10%
Asia	45,786	20%	37,948	17%
Europe	39,684	18%	44,480	19%
Global	116,210	52%	124,433	54%
<b>Total assets</b>	<b>223,415</b>	<b>100%</b>	<b>229,810</b>	<b>100%</b>

## 10. Fair value estimation

IFRS 13 requires the Group to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the fair value measurements. The hierarchy has the following levels:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included with 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 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes “observable” requires significant judgement by the Group. The Group considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The following table analyses within the fair value hierarchy the Group’s financial assets (by class) measured at fair value at 30 June 2015 and 31 December 2014.

As of 30 June 2015	Level 1 TUSD	Level 2 TUSD	Level 3 TUSD	Total TUSD
<b>Assets</b>				
<b>Assets designated at fair value through profit or loss:</b>				
Fund investments	—	209,228	11,615	220,843
<b>Total</b>	<b>—</b>	<b>209,228</b>	<b>11,615</b>	<b>220,843</b>
As of 31 December 2014	Level 1 TUSD	Level 2 TUSD	Level 3 TUSD	Total TUSD
<b>Assets</b>				
<b>Assets designated at fair value through profit or loss:</b>				
Fund investments	—	206,906	13,548	220,454
<b>Total</b>	<b>—</b>	<b>206,906</b>	<b>13,548</b>	<b>220,454</b>

Investments whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities. The Group did not hold level 1 investments as at 30 June 2015 and 31 December 2014.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations, or alternative pricing sources such as the binding and executable underlying net asset values provided by the managers/administrators of these instruments, supported by observable inputs are classified within level 2. These include listed equities, over-the-counter derivatives and fund investments for which market quotations are not readily available. As level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

Fund investments for which market quotations are not readily available are valued at their fair values as described in the process below. The fund investments are normally valued at the underlying net asset value as advised by the managers/administrators of these funds, unless the directors are aware of good reason why such a valuation would not be the most appropriate indicator of fair value. Such valuations are necessarily dependent upon the reasonableness of the valuations provided by the underlying managers/administrators of such funds and whether the valuation bases used are IFRS and fair value compliant. The responsibility for determining the fair value lies exclusively with the board of directors. The board of directors, under advice from the AIFM, may perform additional procedures on fund investments, including but not limited to underlying manager/administrator due diligence and other analytical procedures. The board of directors together with the AIFM also reviews management information provided by fund investments on a regular basis. If the directors are aware of a good reason why a particular fund valuation would not be the most appropriate indicator of fair value the directors will work with the underlying manager of that investment in an attempt to obtain more meaningful fair value information.

The board of directors, together with the AIFM, will determine, in good faith, fair value by considering all appropriate and applicable factors relevant to the valuation of fund investments including, but not limited to, the following:

- Reference to fund investment reporting information;
- Reference to appropriate investment monitoring tools used by the AIFM; and
- Reference to ongoing investment and business due diligence.

Notwithstanding the above, the variety of valuation bases that may be adopted, the quality of management information provided by fund investments and the lack of liquid markets for such fund investments means that there are inherent difficulties in determining the fair values of these investments that cannot be fully eliminated. Therefore, the amounts realised on the sale or redemption of fund investments may differ from the fair values reflected in these financial statements and the differences may be significant.

Because fund investments are typically not publicly traded, redemptions can only be made by the Subsidiaries on the redemption dates and subject to the required notice periods specified in the offering documents of each fund investment. The rights of the Subsidiaries to request redemption from fund investments may vary in frequency from monthly to annual redemptions. As a result, the carrying values of such fund investments may not be indicative of the values ultimately realised on redemption. In addition, the Subsidiaries' ability to redeem its investments may ultimately be materially affected by the actions of other investors who have also invested in these fund investments.

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently. Level 3 instruments include hedge fund investments that, due to various events and/or the illiquid nature of the underlying assets, are not readily realisable.

There were no transfers in 2015 and 2014 between the different levels.

The following table shows the allocation of the level 3 investments according to geography, in percentage of the total fair value of these investments.

Diversification by geography	30.6.2015 % of financial assets at fair value through profit or loss	31.12.2014 % of financial assets at fair value through profit or loss
America	33%	31%
Asia	5%	7%
Global	62%	62%
<b>Total</b>	<b>100%</b>	<b>100%</b>

As at 30 June 2015, the Group had an investment in Highland Crusader Fund II Limited ("Highland") for which the valuation is complex as the fund holds a large number of illiquid investments. The Group redeemed its entire position as of 30 June 2008, however, due to the illiquidity of the portfolio and increasing redemption requests, the investment manager of Highland decided to suspend redemption payments. After further losses, the investment manager proposed that the fund be wound up in its entirety making the value of all outstanding balances including prior redemption requests dependent on the realised value of assets as the fund is liquidated. Investors accepted this distribution scheme in the summer of 2011 and the investment was therefore classified as a level 3 investment in the 2011 annual report. Since the acceptance of the distribution plan, up to 30 June 2015, the Group had received redemption proceeds amounting to TUSD 10,281.

In the case of D.E. Shaw Composite International Ltd. and Caxton Global Investments Ltd., redemptions from these funds during 2011 resulted in a proportion of the redemption proceeds being distributed in the form of side-pockets which are illiquid. These side-pocket positions were classified as level 3 in the annual report of 2011.

The Group's investments in Crown Distressed Credit Opportunities plc and SerVertis Fund I Ltd. were reclassified from level 2 to level 3 in the 2011 annual report. Though these investments are of very good quality, their liquidity terms imply that they can only be liquidated over a prolonged timeframe due to their private equity like nature. These investments were made at a time when all the assets of the Group belonged to the closed ended listed Company and thus such liquidity terms were deemed compatible with the Group's liquidity requirements. In 2014, SerVertis Fund I Ltd. was fully paid back.



The following table presents a reconciliation disclosing the changes during the year for financial assets and liabilities classified as being level 3.

<b>As of 30 June 2015</b>	<b>Investments designated at fair value through profit or loss TUSD</b>
<b>Assets</b>	
At 1 January	13,548
Total gain	3
Sales	(1,936)
Transfers in/out	—
<b>At 31 December</b>	<b>11,615</b>
<b>Total unrealised gain for the period included in the statement of comprehensive income for investments held at the end of the period</b>	<b>775</b>
<b>As of 31 December 2014</b>	
<b>Investments designated at fair value through profit or loss TUSD</b>	
<b>Assets</b>	
At 1 January	21,528
Total gain	631
Sales	(8,611)
Transfers in/out	—
<b>At 31 December</b>	<b>13,548</b>
<b>Total unrealised gain for the year included in the statement of comprehensive income for investments held at the end of the year</b>	<b>1,729</b>

The table below analyses within the fair value hierarchy the financial assets and liabilities (by class) not measured at fair value, but for which fair values are disclosed at 30 June 2015 and 31 December 2014.

<b>AS of 30 June 2015</b>	<b>Level 1 TUSD</b>	<b>Level 2 TUSD</b>	<b>Level 3 TUSD</b>	<b>Total TUSD</b>
<b>Assets</b>				
Cash and cash equivalents	2,572	—	—	2,572
<b>Total</b>	<b>2,572</b>	<b>—</b>	<b>—</b>	<b>2,572</b>
<b>Liabilities</b>				
Due to banks	7,600	—	—	7,600
Accounts payable and accrued liabilities	—	1,672	—	1,672
<b>Total</b>	<b>7,600</b>	<b>1,672</b>	<b>—</b>	<b>9,272</b>
<b>As of 31 December 2014</b>				
	<b>Level 1 TUSD</b>	<b>Level 2 TUSD</b>	<b>Level 3 TUSD</b>	<b>Total TUSD</b>
<b>Assets</b>				
Cash and cash equivalents	1,743	—	—	1,743
Other current assets	—	7,613	—	7,613
<b>Total</b>	<b>1,743</b>	<b>7,613</b>	<b>—</b>	<b>9,356</b>
<b>Liabilities</b>				
Due to banks	1,703	—	—	1,703
Accounts payable and accrued liabilities	—	1,785	—	1,785
<b>Total</b>	<b>1,703</b>	<b>1,785</b>	<b>—</b>	<b>3,488</b>

The assets and liabilities included in the above table are carried at amortised cost; their carrying values are a reasonable approximation of fair value. Cash and cash equivalents comprise demand, call and term deposits with a maturity of three months or less. Cash and cash equivalents are recorded at nominal value. Other current assets are recognised initially at fair value and subsequently measured at amortised cost. Amounts due to banks are recognised initially at fair value, net of transaction costs incurred and are subsequently stated at amortised cost. Accounts payable and accrued liabilities are recognised initially at fair value and subsequently stated at amortised cost.

## 11. Subsequent events

During the period from 1 July to 17 August 2015 Castle Alternative Invest AG purchased 157,500 treasury shares on its second trading line for a total consideration of TUSD 2,752. As of 17 August 2015 the Company held a total of 540,377 such shares in treasury shares.

At the annual meeting on 12 May 2015, a share capital reduction was approved by way of cancellation of 1,622,151 shares held in treasury. The cancellation was completed effective 6 August 2015.

Since the balance sheet date of 30 June 2015, 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 0.9352

	2009	2010	2011	2012	2013	2014	June 2015	Since inception
<b>Share information</b>								
Number of bearer shares at year-end	38,501,000	19,707,060	17,481,596	16,352,817	13,371,710	12,278,310	12,278,310	
CAI NAV (USD)	15.95	16.66	15.60	16.83	18.97	19.70	20.15	
CAI NAV (CHF)	16.50	15.56	14.64	15.39	16.86	19.58	18.84	
CAI Closing price (USD)	12.35 <sup>3)</sup>	12.30 <sup>3)</sup>	11.65 <sup>3)</sup>	12.70 <sup>3)</sup>	14.40 <sup>3)</sup>	16.45 <sup>3)</sup>	17.40 <sup>3)</sup>	
CAI Closing price (CHF)	12.60	11.90	11.50	11.60	13.00	16.45	16.30	
<b>Share performance</b>								
CAI NAV (USD)	12.56%	4.45%	(6.40%)	7.88%	12.70%	3.85%	2.28% <sup>1)</sup>	212.80%
CAI NAV (CHF)	8.63%	8.12%	(5.90%)	5.12%	9.60%	16.13%	(3.78%) <sup>2)</sup>	88.40%
CAI Closing price (USD)	64.67% <sup>3)</sup>	(0.40%) <sup>3)</sup>	(5.30%) <sup>3)</sup>	9.01% <sup>3)</sup>	13.40% <sup>3)</sup>	14.24%	5.78% <sup>3)</sup>	74.00%
CAI Closing price (CHF)	54.60%	(5.60%)	(3.40%)	0.87%	12.10%	26.54%	(0.91%)	63.00%

<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"

### Listing

SIX Swiss Exchange: 509.275 (Swiss security number)

### Market maker

LGT Bank (Schweiz) AG, Lange Gasse 15, 4002 Basel, Switzerland, Telephone +41 61 277 5600

### Publication of net asset value

www.castleai.com

### Registered office

Castle Alternative Invest AG, Schützenstrasse 6, 8808 Pfäffikon/SZ, Switzerland

Telephone +41 55 415 9487, Fax +41 55 415 9488, www.castleai.com

### Board of directors

Tim Steel (chairman)

Dr Konrad Bächinger (deputy chairman)

Reto Koller (audit committee chairman)

Dr André Lagger (remuneration committee chairman)

Kevin Mathews

### Investment manager

LGT Capital Partners (Ireland) Ltd., Third Floor, 30 Herbert Street, Dublin 2, Ireland

Telephone +353 1 433 7420, Telefax +353 1 433 7425, E-mail lgt.nta@lgt.com

### Auditor

PricewaterhouseCoopers Ltd., Birchstrasse 160, CH-8050 Zurich, Switzerland

www.castleai.com

**Registered office**

Castle Alternative Invest AG  
Schuetzenstrasse 6, 8808 Pfaeffikon/SZ  
Switzerland  
Telephone +41 55 415 9487  
Fax +41 55 415 9488

**Investment manager**

LGT Capital Partners (Ireland) Ltd.  
Third Floor, 30 Herbert Street  
Dublin 2, Ireland  
Telephone +353 1 433 7420  
Fax +353 1 433 7425

[www.castleai.com](http://www.castleai.com)