

**GAVEKAL MULTI-FUND PLC**  
**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**  
**For the financial year ended 30 June 2016**

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Note: It should be noted that for the further sub-fund GaveKal Dynamic Futures (Euro Currency) Fund no notification has been filed according to § 310 Investment Code (Kapitalanlagegesetzbuch) and that the Units of these Sub-Funds may not be distributed to investors in Germany within the scope of applicability of the German Investment Code.

**GAVEKAL MULTI-FUND PLC**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 30 June 2016**

**General Information**

**Directors of the Company**

David Hammond (Irish resident)  
John Mahon (Irish resident)  
Louis-Vincent Gave (French resident)  
*(All Directors are non-executive)*

**Registered Office**

33 Sir John Rogerson's Quay  
Dublin 2, Ireland

**Manager**

GaveKal Fund Management (Ireland) Limited  
33 Sir John Rogerson's Quay  
Dublin 2, Ireland

**Company Secretary**

Tudor Trust Limited  
33 Sir John Rogerson's Quay  
Dublin 2, Ireland

**Independent Auditors**

Deloitte  
Chartered Accountants and Statutory Audit Firm  
Deloitte & Touche House  
Earlsfort Terrace  
Dublin 2, Ireland

**Investment Advisor and Promoter**

GaveKal Capital Limited  
Suite 3101, Central Plaza  
18 Harbour Road  
Wanchai  
Hong Kong

**Sub-Investment Advisor**

**(GaveKal Knowledge Leaders Fund)**

GaveKal Capital LLC  
370 17<sup>th</sup> Street  
Suite 2780  
Denver CO 80202  
United States

**Sub-Investment Advisor**

**(GaveKal Dynamic Futures Fund)**

GaveKal Investments S.A.  
47 Boulevard du Prince Henri,  
L-1724 Luxembourg

**Administrator, Registrar and Transfer Agent**

Société Générale Securities Services,  
SGSS (Ireland) Limited  
3rd Floor, IFSC House  
International Financial Services Centre  
Dublin 1, Ireland

**Distributor**

GaveKal Limited  
Sea Meadow House  
Blackburne Highway  
P O Box 116  
Road Town  
Tortola

**Depository**

Société Générale S.A (Dublin Branch)  
3rd Floor, IFSC House  
International Financial Services Centre  
Dublin 1, Ireland

**Sub-Depository**

Société Générale S.A.  
29 Boulevard Haussmann  
75009 Paris, France

**Legal Advisors (Hong Kong)**

Deacons Solicitors  
Alexandra House  
5th Floor  
16-20 Chater Road  
Central  
Hong Kong

**Legal Advisors (Cayman)**

Conyers Dill & Pearman, Cayman  
Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

**GAVEKAL MULTI-FUND PLC**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 30 June 2016**

**General Information (continued)**

**Legal Advisors (Ireland)**

Dillon Eustace  
33 Sir John Rogerson's Quay  
Dublin 2, Ireland

**Swiss Representative Agent**

Hugo Fund Services SA  
6, Cours de Rive  
CH-1204 Geneva

**Governance Service Provider**

Bridge Consulting Limited  
33 Sir John Rogerson's Quay,  
Dublin 2, Ireland

**GAVEKAL MULTI-FUND PLC**  
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**General Information (continued)**

**Background**

GaveKal Multi-Fund plc (the “Company”) is an open-ended umbrella variable capital investment company with segregated liability between sub-funds incorporated with limited liability in Ireland under the Companies Act 2014 with registration number 422577 and established as an undertaking for collective investment in transferable securities pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 and Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015, the “Central Bank UCITS Regulations).

The Company currently has one sub-fund, GaveKal Knowledge Leaders Fund. The Company did have two other sub-funds in existence during the financial year; GaveKal Dynamic Futures Fund and GaveKal Dynamic Futures (Euro Currency) Fund (the “Funds”). The GaveKal Knowledge Leaders Fund was launched on 26 June 2006, GaveKal Dynamic Futures Fund launched on 21 February 2013 and GaveKal Dynamic Futures (Euro Currency) Fund launched on 29 August 2013. On 16 December 2015, the GaveKal Dynamics Futures (Euro Currency) Fund merged into the GaveKal Dynamic Futures Fund. On 26 May 2016, the GaveKal Dynamic Futures Fund redeemed in full and closed with effect from that date.

GaveKal Fund Management (Ireland) Limited (the “Manager”) may create more than one class of shares in the Funds to which different levels of subscription fees (if any) and expenses (including the management fee), minimum subscription, minimum holding, designated currency, hedging strategy (if any) applied to the designated currency of the Class, distribution policy and such other features as the Manager may determine may be applicable. Only Class A shares in all Funds are currently active.

**Investment Objective and Policies**

GaveKal Knowledge Leaders Fund

The investment objective of GaveKal Knowledge Leaders Fund is to outperform the MSCI World Index, a free float-adjusted market capitalisation index, composed of companies representative of the market structure of 23 developed market countries in North America, Europe, and the Asia / Pacific region, that is designed to measure global developed market equity performance by capital appreciation through direct investment in listed equities around the world. The Fund measures its performance against the index.

The Fund's strategy for achieving its investment objective is by direct investment in equities listed on a Recognised Exchange, concentrating on OECD countries, Hong Kong and Singapore. Over any long period of time, listed equities have consistently outperformed all other liquid asset classes.

The investment policy of the Fund is to first identify, analyze and then invest in twenty to thirty of the world's leading Platform Companies, whose performance should beat the global equity markets' performance. Second, identify and invest in twenty to thirty companies in the process of shedding their vertically integrated business model and adopting the Platform Company model. Around 50% of the Fund's invested assets will be invested in the equities of companies identified as being in the midst of a business model transformation.

Platform Companies are business models, which entail producing nowhere, but selling everywhere. Producing is labour-intensive and ties up a lot of capital. Platform Companies keep the high value-added elements of the business such as research and development, treasury and marketing and outsource production. Platform Companies then simply organize the ordering by the clients and the delivery by the producers (and they place their own logo on the product just before delivery). Manufacturing businesses typically trade at discounts to non-manufacturing businesses in the market place, as they are typically more volatile and offer lower returns on invested capital, Platform Companies are a more popular business model.

## **GAVEKAL MULTI-FUND PLC**

### **ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 30 June 2016**

#### **General Information (continued)**

##### **Investment Objective and Policies (continued)**

###### GaveKal Dynamic Futures Fund

The investment objective of GaveKal Dynamic Futures Fund was to achieve capital growth by investing in or gaining exposure to a diversified portfolio of international equity indices. GaveKal Investments S.A. sought to achieve the investment objective of the Fund by investing in or gaining exposure to a diversified portfolio of international equity indices, primarily through the use of futures.

###### GaveKal Dynamic Futures (Euro Currency) Fund

The investment objective of GaveKal Dynamic Futures (Euro Currency) Fund was to achieve capital growth by investing in or gaining exposure to a diversified portfolio of international equity indices. GaveKal Investments S.A. sought to achieve the investment objective of the Fund by investing in or gaining exposure to a diversified portfolio of international equity indices, primarily through the use of futures.

# **GAVEKAL MULTI-FUND PLC**

## **ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 30 June 2016**

### **Director's Report**

The Directors submit their annual report together with the audited financial statements for the financial year ended 30 June 2016.

#### **Statement of Directors' responsibilities**

The Directors are responsible for preparing the annual report and audited financial statements in accordance with the Companies Act 2014 and applicable regulations.

Irish company law requires the Directors to prepare financial statements for each financial year. Under the law, the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union. Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company as at the financial year end date and of the profit or loss for the financial year and otherwise comply with the Companies Act 2014. In preparing those financial statements, the Directors are required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether the financial statements have been prepared in accordance with the applicable accounting standards, identify those standards and note the effect and reasons for any material departure from those standards; and
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for ensuring that the Company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Company, enable at any time the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy, enable them to ensure that the financial statements and Directors' report comply with the Companies Act 2014 and with the European Communities (Undertaking for Collective Investment in Transferable Securities) Regulations, 2011 (the "UCITS Regulations"). They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under the UCITS Regulations the Directors are required to entrust the assets of the Company to the Depositary for safekeeping. In carrying out this duty, the Directors have delegated custody of the Company's assets to Société Générale S.A. (Dublin Branch).

#### **Risk management objectives and policies**

The main risks arising from the Company's financial instruments as defined by IFRS 7 for financial reporting purposes are market price, foreign currency, interest rate, credit risk and liquidity risks. The Board reviews and agrees policies for managing each of these risks. These policies have remained unchanged since the beginning of the financial year to which these financial statements relate (See note 11 for details of the risks facing the Company).

#### **Directors' statement on proper books of account**

The measures that the Directors have taken to ensure compliance with the requirements of sections 281 to 285 of the Companies Act with regard to keeping of accounting records include the use of appropriate systems and procedures and employment of a fund administration company. The books of account are retained at Société Générale Securities Services, SGSS (Ireland) Limited, 3<sup>rd</sup> Floor, IFSC House, Dublin 1, Ireland.

#### **Principal activities and review of the business**

A detailed review of the Company's activities for the financial year ended 30 June 2016 is included in the Investment Advisor's Report on pages 10-14.

#### **Results**

The results of operations for the financial year are set out in the Statement of Comprehensive Income on pages 22-25.

## **GAVEKAL MULTI-FUND PLC**

### **ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 30 June 2016**

#### **Director's Report (continued)**

##### **Dividends**

It is the present intention of the Directors not to declare or pay dividends, and income earned will be reinvested and reflected in the value of the shares for each Fund (2015: No dividends declared or paid).

##### **Directors**

The Directors of the Company are as stated on page 3.

##### **Directors' interests in shares of the Company**

Directors' interests in the share capital of the Company are outlined in note 16.

##### **Statement on relevant audit information**

So far as the Directors are aware, there is no relevant audit information of which the Company's statutory auditors are unaware, and have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's statutory auditors are aware of that information.

##### **Audit Committee**

The Board is ultimately responsible for overseeing the establishment and maintenance of adequate internal control and risk management systems of the Company in relation to the financial reporting process. As all directors serve in a non-executive capacity, all functions including the preparation of the financial statements have been outsourced to the Administrator.

The annual financial statements of the Company are required to be approved by the Board and filed with the Central Bank of Ireland.

##### **Connected Parties Disclosure**

The Central Bank UCITS Regulations require that any transaction carried out with the Company by a manager, depositary or an associated company ("connected parties") are carried out as if negotiated at arm's length and are in the best interests of the shareholders.

The Directors of the Company are satisfied that there are arrangements in place to ensure that this requirement is applied to transactions with connected parties, and that transactions with connected parties during the period complied with this requirement.

##### **Significant events during the financial year**

On 16 December 2015, the GaveKal Dynamics Futures (Euro Currency) Fund merged into the GaveKal Dynamic Futures Fund. On 26 May 2016, the GaveKal Dynamic Futures Fund redeemed in full and closed with effect from that date.

##### **Events since the financial year-end**

The Prospectus, Key Investor Document and Depositary Agreement were all updated for UCITS V requirements by the Central Bank of Ireland on 27 September 2016.

##### **Independent Auditors**

The auditors, Deloitte, Chartered Accountants and Statutory Audit Firm, have expressed their willingness to continue in office in accordance with Section 383 of the Companies Act 2014.

## GAVEKAL MULTI-FUND PLC

### ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

For the financial year ended 30 June 2016

#### Director's Report (continued)

##### Corporate Governance

The Board of the Manager has applied the voluntary Irish Funds (IF) Corporate Governance Code for Irish domiciled Collective Investment Schemes and Management Companies (the "Code") throughout the financial year. The Board has reviewed and assessed the measures included in the Code and considers its corporate governance practices and procedures consistent with the Code.

##### Directors' Compliance Statement (made in accordance with Section 225 of the Companies Act, 2014)

The Directors acknowledge that they are responsible for securing compliance by Gavekal Multi-Funds plc (hereinafter called the "Company") with its Relevant Obligations as defined with the Companies Act 2014 (hereinafter called the "Relevant Obligations").

The Directors confirm that they have drawn up and adopted a compliance policy statement setting out the Company's policies that, in the Directors' opinion, are appropriate to the Company in respect of its compliance with its Relevant Obligations.


The Directors further confirm the Company has put into place appropriate arrangements or structures that are, in the Directors' opinion, designed to secure material compliance with its Relevant Obligations [including reliance on the advice of persons employed by the Company and external legal and tax advisers as considered appropriate from time to time] and that they have reviewed the effectiveness of these arrangements or structures during the financial year to which this Report relates.

During the financial year ended 30 June 2016 the Company did not have an audit committee in place. The Board considered the need for an audit committee, however the Board decided to retain responsibility for the audit committee role as outlined in Section 167 of the Companies Act, 2014.

On behalf of the Board

  
David Hammond

26 October 2016

  
John Mahon

26 October 2016

## **GAVEKAL MULTI-FUND PLC**

### **ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 30 June 2016**

#### **Investment Advisor's Report**

##### **GaveKal Knowledge Leaders Fund**

From July 2015 through June 2016, the Gavekal Knowledge Leaders UCITS Fund gained 6.53%. Over that same time period, the MSCI World Index lost 2.78%, resulting in the Fund's relative outperformance of more than 9%. In addition, the Fund's volatility of just over 10% is less than two-thirds that for the benchmark (15.85%) and the Fund's maximum loss over the last year (9.22%) is about half that of the benchmark (16.80%). The GaveKal Knowledge Leaders Fund has generated a beta of 0.50 with an alpha of 7.75% over the last year. Overall, the Fund has produced a superior risk-adjusted return, as measured by a Sharpe ratio of 0.61 (compared to -0.20 for the MSCI World Index).

While Cyclical sectors such as Materials and Energy have managed to reclaim some of the losses they generated into the beginning of this year, the Consumer Staples sector has proven especially resilient. Structurally declining interest rates around the world, in the context of steady to increasing levels of economic and financial uncertainty have no doubt contributed to an environment in which defensive groups have asserted themselves as clear leadership in global markets. The largest source of fund outperformance over the last year can be attributed to its exposure to Japanese equities and, in particular, those belonging to Growth Counter-Cyclical sectors. Japanese Consumer Staples and Health Care sectors each gained nearly 30% on average over the last year, making them the best performing groups globally. More specifically, Knowledge Leaders in Japan have outperformed the MSCI World Index across all sectors while the broader Developed Market Knowledge Leaders group has seen some weakness—particularly in Cyclical sectors such as Materials, Information Technology, Industrials, and Consumer Discretionary. Over the last year, all but one Japanese Consumer Staples Knowledge Leaders outperformed relative to the MSCI World Index and 86% of the Japanese Health Care Knowledge Leaders beat the benchmark.

The Fund's complete lack of exposure to Financial sector stocks, down an average of more than 8% over the last year, has also helped generate relative outperformance. In particular, new concerns about DM EMEA banks have driven a nearly 23% average decline in European Financials since a year ago. Absent a comprehensive reform and relief package from the European Commission, the outlook for this group does not appear disposed to any significant turnaround. The second worst performing sector over the last year, Energy, fell only slightly less than 8%. Once again, the fund held no positions in the sector, thereby avoiding any participation in the decline.

On average, developed world stocks fell 6.70% over the year ended 30 June 2016. Even worse, emerging market equities declined more than 12% during the same time period. DM Asia was the best performing region, up 0.72%, while EM EMEA fell the most (-18.02% YoY) and DM EMEA was not far behind (-17.24% YoY). DM Americas fell an average of 4.90% but the Fund's individual stock selection in the region was accretive to overall performance.

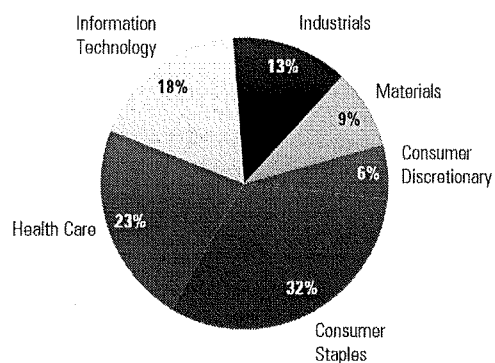
# GAVEKAL MULTI-FUND PLC

## ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

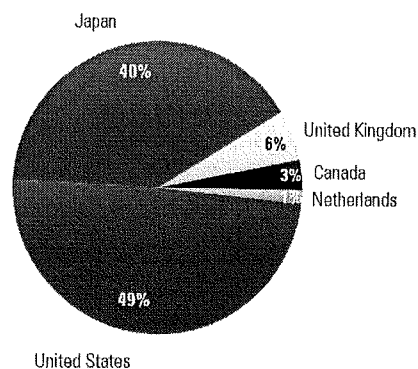
For the financial year ended 30 June 2016

### Investment Advisor's Report (continued)

Equity Allocations by Sector



Equity Allocations by Country



Sector	Percent
Consumer Staples	31.71%
Health Care	22.51%
Information Technology	17.87%
Industrials	13.09%
Materials	8.80%
Consumer Discretionary	6.01%

Country	Percent
United States	49.17%
Japan	40.46%
United Kingdom	5.57%
Canada	3.36%
Netherlands	1.44%

### Developed World Equity Performance By Sector as 6/30/2016

SECTOR	1 Week	1 Month	1 Year
Consumer Staples	-2.1	-1.1	14.2
Utilities	-3.5	-1.3	5.8
Health Care	-3.1	-4.2	1.7
Information Technology	-6.4	-6.2	-4.4
Materials	-6.2	-4.5	-5.1
Industrials	-7.2	-7.7	-6.9
Telecommunication Services	-5.4	-6.6	-9.2
Consumer Discretionary	-7.9	-7.6	-12.6
Financials	-8.7	-10.5	-15.1
Energy	-6.3	-4.5	-19.1
Region Average	(6.5)	(6.5)	(6.7)

# GAVEKAL MULTI-FUND PLC

## ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

For the financial year ended 30 June 2016

### Investment Advisor's Report (continued)

#### Emerging Markets Equity Performance by Sector at 30 June 2016

SECTOR	1 Week	1 Month	1 Year
Health Care	-5.1	-2.1	0.8
Consumer Staples	-2.7	-2.0	-6.0
Materials	-3.9	-1.5	-8.2
Information Technology	-3.4	-1.5	-10.1
Consumer Discretionary	-4.4	-3.8	-11.4
Utilities	-2.9	0.1	-12.4
Energy	-3.1	-2.5	-15.5
Industrials	-3.1	-1.5	-15.9
Telecommunication Services	-2.8	-0.8	-18.1
Financials	-3.0	-1.2	-18.5
<b>Region Average</b>	<b>(3.4)</b>	<b>(1.8)</b>	<b>(12.4)</b>

When considering the balance of the data, we do not currently see anything that would prompt meaningful changes in the Fund's overall positioning. Global growth continues to muddle along, highlighting the Knowledge Leaders that are able to generate positive performance—even in a challenging environment. While the Fed has taken its first steps toward rate normalization, recent events in Europe and continued concerns about the Chinese economy have clearly impacted its ability to complete the process. Inflation remains generally low among developed market economies and, while they have rebounded from levels seen earlier this year, commodity prices don't appear to be poised for any meaningful breakouts. As a result, the Cyclical sectors (Energy, Materials) that are particularly dependent on monetizing price increases in order to generate performance should continue to struggle. We continue to favor the Growth Counter-Cyclicals (Health Care and Consumer Staples) as there is little reason to believe a major shift in market leadership is on the horizon. While more than half of the Fund's holdings are devoted to equities from these more defensive sectors, we are also confident in the more cyclically-inclined portion of the portfolio, led by Information Technology stocks. The Fund's holdings of Knowledge Leaders in this sector invest an average of more than 14% on R&D activities (compared to less than 10% for all DM Information Technology companies), generating a stock of intellectual property equivalent to nearly one quarter of total assets. The market's complete underappreciation of these highly productive resources presents a unique opportunity for those who seek to take advantage of the significant mis-pricings out there. All in all, we believe the Fund remains well-positioned to continue outperforming its benchmark, with respect to both the macroeconomic environment and in its focus on investing in the most knowledge-rich companies around the world.

#### GaveKal Dynamic Futures Fund

The second half of 2015 continued to be challenging, yet the last three months of the year saw the return of a healthier market environment which allowed the Fund to stabilize.

The Fund performed well in July, posting a +1.23% monthly performance, with equity markets developing short but tradable trends. The month of July confirmed a continuation of the market normalization. While equity indexes are highly correlated it does not prevent them from exhibiting differences. This was true in July when Nasdaq and Topix trended upward while DJIA and FTSE100 trended downward. These behaviors were encouraging since they are typical of a more normal environment.

As was the case for most CTAs, the Fund's performance in August was negative (-5.83%) but the damage was somewhat contained even during one of the worst months for equities in a long time. Due to the dynamic structure of the Fund, exposure was quickly cut and reversed during the sell-off. The drop was too quick for the Fund to benefit from it. Nevertheless, reversing the long exposure protected the Fund from additional hits. A -10% correction on the S&P500 has not occurred for a long time, and the fact that this unfolded at an ultra-fast pace (-11% in only 5 days) makes this occurrence of great importance. This kind of panic move is often present in bear market environments; August might have triggered the start of a new phase.

## GAVEKAL MULTI-FUND PLC

### ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

For the financial year ended 30 June 2016

#### Investment Advisor's Report (continued)

In September the Fund was challenged by extremely fast sideways market action (-3.90%). Following the August selloff, the Fund kept a net short exposure for the whole month. This position proved rewarding until the very last day of the month when a significant rally erased the progress made.

Thanks to a net long exposure kept for most of October, the Fund benefited from rallying equity markets (+1.78%). After two months of extreme moves, equity markets calmed down in terms of behavior. October's rally was strong, but more importantly it unfolded in a more orderly fashion. It was directional and exhibited a decreasing number of intraday and daily swings. This behavior is better for the Fund since the information extracted from the markets is less distorted.

The rally put most indexes above their medium term moving averages and the quality and consistency of trends improved.

November proved trendless; markets were initially down before recovering in the second part of the month. In this environment, it is usually difficult for a trend-following system to deliver positive performance (-0.80%). After starting the month with net long exposures at 100%, the Fund gradually reduced its exposure as the trend weakened. Yet by the middle of the month, equity markets started to regain some ground and the model acknowledged this by reinstating a net long exposure.

Market behavior eased further in November. Daily returns were not extreme and moves unfolded in an orderly fashion. The trend weakness observed in all equity markets during the first half of the month proved to be a false alarm.

In light of a tough month for equity markets (and CTA Funds), the GaveKal Dynamic Futures Fund managed to avoid most of the traps and delivered a slightly negative performance in December (-0.54%). The Fund rapidly cut its net long exposure in the early days of the month to adopt a short exposure for all equity indexes. The position was correct and gave reward until a late Santa Claus rally rapidly unfolded. The short was neutralized on the 23rd and helped to limit the turbulence.

Equity markets started 2016 with the worst month of January since the last bear market. Indices fell between -5 and -9%. The model was able to capture the first leg down by adopting a short exposure but the rewarding position did not last. A couple of bear rally false starts pushed the Fund to switch its exposure back and forth. Therefore the Fund gave back its advance in the last days of the month due to chaotic market action. January performance -2.64%.

In February, most equity indices delivered their second negative monthly return of 2016. The Fund behaved correctly by posting a slight gain (+0.59% in February) thanks to its short exposure during the first days of the month. The position was then neutralized on the V-shape rebound and avoided too much damage. By the end of the month confirmation of a bear rally pushed the Fund to initiate a moderate net long bias.

At the time, the bear outlook adopted by the Fund was carefully monitored because historically, a bear market environment is also characterized by strong and fast bear rallies like the one that started in mid-February.

On average, bear rallies rise around 10% with extreme ones going above 20% in the advanced stage of bear market.

In terms of length, despite the rare one or two-day jump occurring on Central Bank or Government announcements, bear rallies can last from five days to a month, with some extreme cases lasting for a couple of months.

These moves are quick to materialize and emphasize why the model must be on the alert for any significant signal that a bear rally has started.

In March, performance was mixed for equities. European indices quickly lost their upside momentum from the bear rally move that started mid-February. In the US, equities continued their rally, creating diverging trends.

The Fund posted a small negative performance (-0.35%) in March as a result of the rapid directional changes in European indices. The losses were contained thanks to a limitation on the size of exposure due to high volatility and mixed market signals.

# GAVEKAL MULTI-FUND PLC

## ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

For the financial year ended 30 June 2016

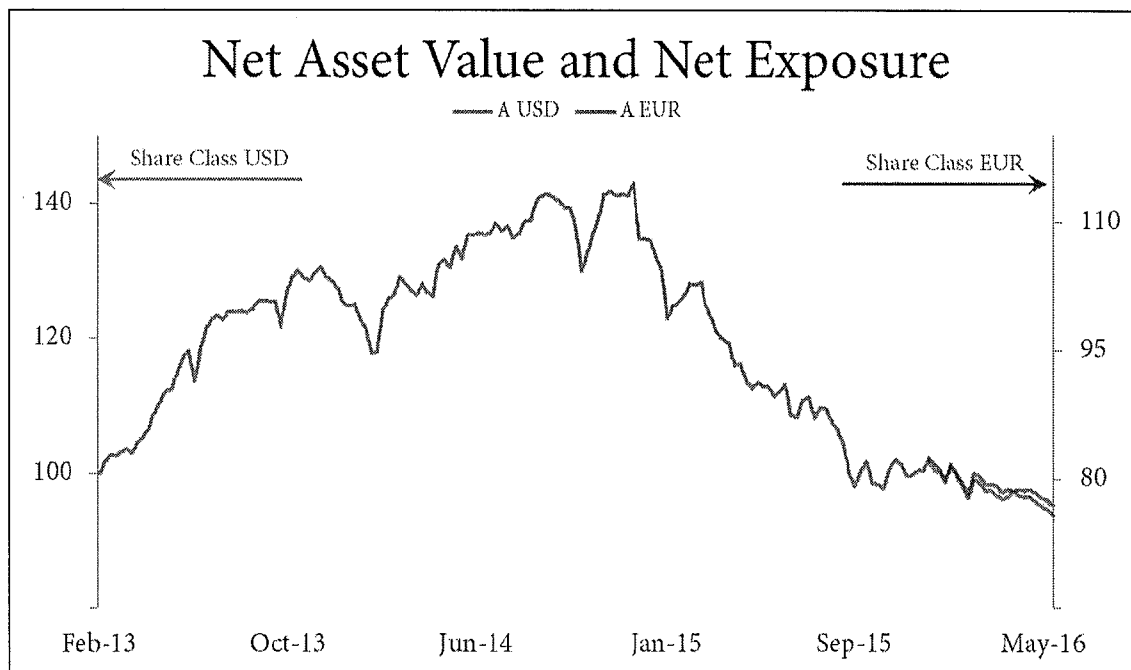
### Investment Advisor's Report (continued)

In the first weeks of April, the divergence in terms of trend intensified before equities rallied again to finish the month with a slightly positive return. In this volatile environment the Fund's exposure was capped to avoid the risk associated with these kind of rollercoaster markets. The back and forth moves in equities could have damaged the performance significantly by pushing the Fund to switch exposure and being whipsawed. The Fund posted a slightly negative performance of -0.66% in April.

In May, equity indices were stuck within a tight consolidation pattern showing no directional move. In absence of a clear trend, the Fund suffered from false signals and finally adopted a neutral position for most of the month. Equities broke the pattern to the upside on the last week of the month opening the door to the start of a new rally. May's performance was -2.13%.

### GaveKal Dynamic Futures Fund

#### Net Asset Value vs. Net Exposure



### GaveKal Dynamic Futures Fund

#### Monthly Performance Since Inception

GDF	USD	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Total
2013	Performance		0.47%	3.13%	2.93%	7.19%	2.62%	4.36%	0.74%	0.47%	4.17%	1.33%	-4.64%	24.74%
	Nav		100.47	103.61	106.65	114.32	117.32	122.43	123.34	123.92	129.09	130.81	124.74	124.74
2014	Performance	-5.46%	7.66%	0.17%	3.64%	2.66%	0.64%	0.95%	2.60%	-1.24%	-0.48%	1.97%	-5.13%	7.50%
	Nav	117.93	126.96	127.18	131.81	135.31	136.17	137.46	141.04	139.29	138.62	141.35	134.1	134.1
2015	Performance	-7.50%	3.14%	-5.67%	-4.99%	-1.79%	-3.55%	1.23%	-5.83%	-3.90%	1.78%	-0.80%	-0.54%	-25.49%
	Nav	124.04	127.94	120.68	114.66	112.61	108.61	109.95	103.54	99.60	101.27	100.46	99.92	99.92
2016	Performance	-2.64%	0.59%	-0.35%	-0.66%	-2.13%								-5.11%
	Nav	97.28	97.85	97.51	96.87	94.81								94.81

# **GAVEKAL MULTI-FUND PLC**

## **ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 30 June 2016**

### **Depository's Report to the Shareholders of GaveKal Multi-Fund plc**

We have enquired into the conduct of GaveKal Multi-Fund Plc (the "Company") for the financial year ended 30 June 2016 in our capacity as Depositary of the Company.

In our opinion the Company has been managed, in all material respects, during the financial year in accordance with the provisions of the Memorandum & Articles of Association and the UCITS Regulations including specifically the provisions relating to the limitations imposed on the investment and borrowing powers of the Company.

This report including the opinion has been prepared for and solely for the shareholders in the Company as a body, in accordance with the Central Banks UCITS Regulations 7 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown.

### **Statement of the Depositary's Responsibilities**


The Depositary is required to:

- Take responsibility for safe-keeping the assets of the Company in accordance with the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (the "Regulations");
- Ensure that the Company has been managed, in all material respects, in that period, in accordance with its constitutional documentation and the appropriate UCITS Regulations;
- Prepare a report for inclusion in the annual report on the conduct of the Company in accordance with its constitutional documentation and the appropriate UCITS Regulations;
- If the Company has not complied, in all material respects, with its constitutional documentation or the appropriate regulations, the Depositary must state why this is the case and outline the steps which it has taken to rectify the situation.

### **Basis of Depositary Opinion**

The Depositary conducts its reviews on a test basis to ensure that it adheres to the duties outlined in UCITS Regulations 7 and to ensure that the Company is managed, in all material respects, in accordance with its constitutional documentation and the appropriate regulations.

On behalf of the Depositary

  
Société Générale S.A. (Dublin Branch)

26 October 2016

## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF GAVEKAL MULTI-FUND PLC

We have audited the financial statements of GaveKal Multi-Fund Plc for the financial year ended 30 June 2016 which comprise the Statement of Financial Position, the Statement of Comprehensive Income, Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares, the Statement of Cash Flows and the related notes 1 to 19. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2014 and International Financial Reporting Standards (IFRSs) as adopted by the European Union ("relevant financial reporting framework").

This report is made solely to the company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014. Our responsibility is to audit and express an opinion on the financial statements in accordance with the Companies Act 2014 and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 30 June 2016 and of the profit for the financial year then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework and, in particular, with the requirements of the Companies Act 2014 and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 and Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations, 2015.

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**Matters on which we are required to report by the Companies Act 2014**

- We have obtained all the information and explanations we considered necessary for the purpose of our audit.
- In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited.
- The company's Statement of Financial Position and its Statement of Comprehensive Income are in agreement with the accounting records.
- In our opinion the information given in the Directors' Report is consistent with the financial statements.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the provisions in the Companies Act 2014 which requires us to report to you if, in our opinion the disclosures of directors' remuneration and transactions specified by law are not made.



Brian Forrester  
For and on behalf of Deloitte  
Chartered Accountants and Statutory Audit Firm  
Dublin

26 October 2016

**GAVEKAL MULTI-FUND PLC**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 30 June 2016**

**Notes to the Financial Statements**

**Statement of Financial Position**

	Notes	<b>GaveKal Knowledge Leaders Fund</b>	
		<b>30-Jun-2016</b>	<b>30-Jun-2015</b>
		<b>USD</b>	<b>USD</b>
<b>Assets</b>			
Financial assets held at fair value through profit or loss	4	115,336,037	114,151,720
Cash and cash equivalents	6	3,825,458	4,925,500
Receivable for investments sold		-	9,776,094
Dividends receivable		91,159	46,709
<i>Total assets</i>		<u>119,252,654</u>	<u>128,900,023</u>
<b>Liabilities</b>			
Accrued expenses	5	(268,334)	(292,971)
Redemption payable		(374,267)	-
Payable for investments purchased		(376,021)	(6,112,458)
<i>Total liabilities (excluding net assets attributable to holders of redeemable participating shares)</i>		<u>(1,018,622)</u>	<u>(6,405,429)</u>
<b>Net assets attributable to holders of redeemable participating shares</b>		<u><b>118,234,032</b></u>	<u><b>122,494,594</b></u>
 Redeemable participating shares outstanding	 7	 <u>666,258</u>	 <u>735,351</u>
 Net asset value per share		 <u>177.46</u>	 <u>166.58</u>

**GAVEKAL MULTI-FUND PLC**  
**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 30 June 2016**

**Notes to the Financial Statements**

**Statement of Financial Position (continued)**

	Notes	<b>GaveKal Dynamic Futures Fund</b>	
		<b>30-Jun-2016</b>	<b>30-Jun-2015</b>
		<b>USD</b>	<b>USD</b>
<b>Assets</b>			
Financial assets held at fair value through profit or loss	4	-	15,018,225
Cash and cash equivalents	6	-	4,233,622
<i>Total assets</i>		-	19,251,847
<b>Liabilities</b>			
Financial liabilities at fair value through profit or loss	4	-	(12,814)
Accrued expenses	5	-	(39,218)
Redemption payable		-	(100,527)
<i>Total liabilities (excluding net assets attributable to holders of redeemable participating shares)</i>		-	(152,559)
<b>Net assets attributable to holders of redeemable participating shares</b>		-	<b>19,099,288</b>
Redeemable participating shares outstanding	7	-	175,845
Net asset value per share		-	108.61

*The GaveKal Dynamic Futures Fund closed on 26 May 2016.*

**GAVEKAL MULTI-FUND PLC**  
**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

For the financial year ended 30 June 2016

**Notes to the Financial Statements**

**Statement of Financial Position (continued)**

	Notes	<b>GaveKal Dynamic Futures (Euro Currency) Fund</b>	
		<b>30-Jun-2016</b>	<b>30-Jun-2015</b>
		<b>EUR</b>	<b>EUR</b>
<b>Assets</b>			
Financial assets held at fair value through profit or loss	4	-	34,800,460
Cash and cash equivalents	6	-	9,502,385
Accrued income		-	681,038
<i>Total assets</i>		-	44,983,883
<b>Liabilities</b>			
Financial liabilities at fair value through profit or loss	4	-	(27,782)
Accrued expenses	5	-	(37,369)
Redemption payable		-	(3,554,168)
<i>Total liabilities (excluding net assets attributable to holders of redeemable participating shares)</i>		-	(3,619,319)
<b>Net assets attributable to holders of redeemable participating shares</b>		<b>-</b>	<b>41,364,564</b>
 Redeemable participating shares outstanding	 7	 -	 477,734
 Net asset value per share		 -	 86.58

*On 16 December 2015 GaveKal Dynamic Futures (Euro Currency) Fund merged into GaveKal Dynamic Futures Fund.*

**GAVEKAL MULTI-FUND PLC**  
**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 30 June 2016**

**Notes to the Financial Statements**

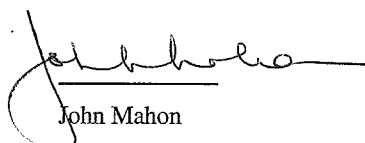
**Statement of Financial Position (continued)**

	Notes	<b>Total Company</b>	
		<b>30-Jun-2016</b>	<b>30-Jun-2015</b>
		<b>USD</b>	<b>USD</b>
<b>Assets</b>			
Financial assets held at fair value through profit or loss	4	115,336,037	167,944,618
Cash and cash equivalents	6	3,825,458	19,746,679
Dividends receivable		91,159	46,709
Accrued income		-	758,813
Receivable for investments sold		-	9,776,094
<i>Total assets</i>		<u>119,252,654</u>	<u>198,272,913</u>
<b>Liabilities</b>			
Financial liabilities at fair value through profit or loss	4	-	(43,769)
Accrued expenses	5	(268,334)	(373,826)
Redemption payable		(374,267)	(4,060,581)
Payable for investments purchased		(376,021)	(6,112,458)
<i>Total liabilities (excluding net assets attributable to holders of redeemable participating shares)</i>		<u>(1,018,622)</u>	<u>(10,590,634)</u>
<b>Net assets attributable to holders of redeemable participating shares</b>		<u><b>118,234,032</b></u>	<u><b>187,682,279</b></u>

The financial statements were approved by the Board of Directors of the Company on 26 October 2016 and signed on its behalf by:



David Hammond



John Mahon

**GAVEKAL MULTI-FUND PLC**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 30 June 2016**

**Notes to the Financial Statements**

**Statement of Comprehensive Income**

	Notes	<b>GaveKal Knowledge Leaders Fund</b>	
		<b>Financial year ended 30-Jun-2016</b>	<b>Financial year ended 30-Jun-2015</b>
		<b>USD</b>	<b>USD</b>
<b>Income</b>			
Dividend income		1,579,163	1,984,749
Interest income		4,178	2,724
Net gain on financial assets held at fair value through profit or loss	3	8,799,385	6,321,650
<b>Total investment gain</b>		<b>10,382,726</b>	<b>8,309,123</b>
<b>Expenses</b>			
Management fees	9 (a)	(2,358,605)	(2,649,028)
Depository and trustee fees	9 (b)	(28,073)	(30,167)
Administration and transfer agent fees	9 (c)	(92,234)	(98,555)
Directors fees		(9,235)	(8,040)
Transaction fees	9 (e)	(378,402)	(284,794)
Auditors fees		(12,399)	(8,040)
Other fees		(62,969)	(56,780)
<b>Total expenses</b>		<b>(2,941,917)</b>	<b>(3,135,404)</b>
<b>Operating gain</b>		<b>7,440,809</b>	<b>5,173,719</b>
Withholding tax on dividends		(372,581)	(518,068)
<b>Increase in net assets attributable to holders of redeemable participating shares from operations</b>		<b>7,068,228</b>	<b>4,655,651</b>

Gains and losses arose solely from continuing operations. There are no recognised gains or losses during the financial year other than those included in the Statement of Comprehensive Income.

**GAVEKAL MULTI-FUND PLC**  
**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

For the financial year ended 30 June 2016

**Notes to the Financial Statements**

**Statement of Comprehensive Income (continued)**

		<b>GaveKal Dynamic Futures Fund</b>	
		<b>Period ended</b>	<b>Financial</b>
		<b>26-May-2016</b>	<b>year ended</b>
			<b>30-Jun-2015</b>
		<b>USD</b>	<b>USD</b>
	<b>Notes</b>		
<b>Income</b>			
Interest income		9,635	9,038
Bond interest income		17,625	8,840
Net loss on financial assets held at fair value through profit or loss	3	(2,824,480)	(7,711,635)
<b>Total investment loss</b>		<b>(2,797,220)</b>	<b>(7,693,757)</b>
<b>Expenses</b>			
Management fees	9 (a)	(160,593)	-
Performance fees	9 (a)	-	(510,601)
Depository and trustee fees	9 (b)	(12,223)	(13,796)
Administration and transfer agent fees	9 (c)	(65,759)	(66,771)
Directors fees		(10,140)	(9,582)
Transaction fees	9 (e)	(68,543)	(123,855)
Auditors fees		(12,183)	(24,951)
Set up fees		(2,771)	(2,000)
Other fees		(53,874)	(97,631)
<b>Total expenses</b>		<b>(386,086)</b>	<b>(849,187)</b>
<b>Decrease in net assets attributable to holders of redeemable participating shares from operations</b>		<b>(3,183,306)</b>	<b>(8,542,944)</b>

Gains and losses arose solely from discontinuing operations. There are no recognised gains or losses during the financial year other than those included in the Statement of Comprehensive Income.

*The GaveKal Dynamic Futures Fund closed on 26 May 2016.*

**GAVEKAL MULTI-FUND PLC**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 30 June 2016**

**Notes to the Financial Statements**

**Statement of Comprehensive Income (continued)**

		<b>GaveKal Dynamic Futures (Euro Currency) Fund</b>	
		<b>Period ended</b>	<b>Financial year ended</b>
		<b>16-Dec-2015</b>	<b>30-Jun-2015</b>
		<b>EUR</b>	<b>EUR</b>
	<b>Notes</b>		
<b>Income</b>			
Interest income		22	8,744
Bond interest income		322,093	886,600
Net loss on financial assets held at fair value through profit or loss	3	(2,459,397)	(11,068,374)
<b>Total investment loss</b>		<b>(2,137,282)</b>	<b>(10,173,030)</b>
<b>Expenses</b>			
Performance fees	9 (a)	-	(724,846)
Depository and trustee fees	9 (b)	(6,250)	(14,600)
Administration and transfer agent fees	9 (c)	(23,892)	(53,620)
Directors fees		(4,602)	(7,832)
Transaction fees	9 (e)	(61,597)	(167,812)
Auditors fees		(5,190)	(20,550)
Set up fees		(1,208)	(2,624)
Other fees		(47,540)	(83,521)
<b>Total expenses</b>		<b>(150,279)</b>	<b>(1,075,405)</b>
<b>Decrease in net assets attributable to holders of redeemable participating shares from operations</b>		<b>(2,287,561)</b>	<b>(11,248,435)</b>

Gains and losses arose solely from discontinuing operations. There are no recognised gains or losses during the financial year other than those included in the Statement of Comprehensive Income.

*On 16 December 2015 GaveKal Dynamic Futures (Euro Currency) Fund merged into GaveKal Dynamic Futures Fund.*

**GAVEKAL MULTI-FUND PLC**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 30 June 2016**

**Notes to the Financial Statements**

**Statement of Comprehensive Income (continued)**

		<b>Total Company</b>	
		<b>Financial year ended</b>	<b>Financial year ended</b>
		<b>30-Jun-2016</b>	<b>30-Jun-2015</b>
	<b>Notes</b>	<b>USD</b>	<b>USD</b>
<b>Income</b>			
Dividend income		1,579,163	1,984,749
Interest income		13,837	22,216
Bond interest income		375,213	1,068,859
Net gain/(loss) on financial assets held at fair value through profit or loss	3	3,244,482	(14,623,335)
<b>Total investment gain/(loss)</b>		<b>5,212,695</b>	<b>(11,547,511)</b>
<b>Expenses</b>			
Management fees	9 (a)	(2,358,605)	(2,649,028)
Performance fees	9 (a)	(160,593)	(1,377,227)
Depository and trustee fees	9 (b)	(47,235)	(61,419)
Administration and transfer agent fees	9 (c)	(184,518)	(229,434)
Directors fees		(24,484)	(26,986)
Transaction fees	9 (e)	(515,330)	(609,285)
Auditors fees		(30,344)	(57,561)
Set up fees		(4,112)	(5,137)
Other fees		(169,622)	(254,269)
<b>Total expenses</b>		<b>(3,494,843)</b>	<b>(5,270,346)</b>
<b>Operating gain/(loss)</b>		<b>1,717,852</b>	<b>(16,817,857)</b>
Withholding tax on dividends		(372,581)	(518,068)
<b>Increase/(decrease) in net assets attributable to holders of redeemable participating shares from operations</b>		<b>1,345,271</b>	<b>(17,335,925)</b>

Gains and losses arose from continuing operations for GaveKal Knowledge Leaders Fund and discontinuing operations for GaveKal Dynamic Futures Fund and GaveKal Dynamic Futures (Euro Currency) Fund. There are no recognised gains or losses during the financial year other than those included in the Statement of Comprehensive Income.

**GAVEKAL MULTI-FUND PLC**  
**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 30 June 2016**

**Notes to the Financial Statements**

**Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares**

		<b>GaveKal Knowledge Leaders Fund</b>	
		<b>Financial year ended 30-Jun-2016</b>	<b>Financial year ended 30-Jun-2015</b>
	Notes	USD	USD
<b>Net assets attributable to holders of redeemable participating shares at beginning of the financial year</b>		<b>122,494,594</b>	<b>141,836,320</b>
Proceeds from redeemable participating shares issued	7	20,777,280	18,893,059
Payments for redeemable participating shares redeemed	7	(32,106,070)	(42,890,436)
		(11,328,790)	(23,997,377)
Increase in net assets attributable to holders of redeemable participating shares from operations		7,068,228	4,655,651
<b>Net assets attributable to holders of redeemable participating shares at end of the financial year</b>		<b>118,234,032</b>	<b>122,494,594</b>

**GAVEKAL MULTI-FUND PLC**  
**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 30 June 2016**

**Notes to the Financial Statements**

**Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares (continued)**

		<b>GaveKal Dynamic Futures Fund</b>	
		<b>Period ended</b>	<b>Financial</b>
		<b>26-May-2016</b>	<b>year ended</b>
			<b>30-Jun-2015</b>
	<b>Notes</b>	<b>USD</b>	<b>USD</b>
<b>Net assets attributable to holders of redeemable participating shares at beginning of the financial year</b>		<b>19,099,288</b>	<b>34,796,334</b>
Proceeds from redeemable participating shares issued	7	34,751,150	22,274,553
Payments for redeemable participating shares redeemed	7	(50,667,132)	(29,428,655)
		(15,915,982)	(7,154,102)
(decrease)/increase in net assets attributable to holders of redeemable participating shares from operations		(3,183,306)	(8,542,944)
<b>Net assets attributable to holders of redeemable participating shares at end of the financial year</b>		<b>-</b>	<b>19,099,288</b>

*The GaveKal Dynamic Futures Fund closed on 26 May 2016.*

**GAVEKAL MULTI-FUND PLC**  
**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 30 June 2016**

**Notes to the Financial Statements**

**Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares (continued)**

		<b>GaveKal Dynamic Futures (Euro Currency) Fund</b>	
		<b>Period ended 16-Dec-2015 EUR</b>	<b>Financial year ended 30-Jun-2015 EUR</b>
	<b>Notes</b>		
<b>Net assets attributable to holders of redeemable participating shares at beginning of the financial year/ period</b>		<b>41,364,564</b>	<b>49,736,684</b>
Proceeds from redeemable participating shares issued	7	1,535,910	30,754,262
Payments for redeemable participating shares redeemed	7	(40,612,913)	(27,877,947)
		(39,077,003)	2,876,315
(Decrease)/increase in net assets attributable to holders of redeemable participating shares from operations		(2,287,561)	(11,248,435)
<b>Net assets attributable to holders of redeemable participating shares at end of the financial year/ period</b>		<b>-</b>	<b>41,364,564</b>

*On 16 December 2015 of the GaveKal Dynamic Futures (Euro Currency) Fund merged into GaveKal Dynamic Futures Fund.*

**GAVEKAL MULTI-FUND PLC**  
**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 30 June 2016**

**Notes to the Financial Statements**

**Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares (continued)**

		<b>Total Company</b>	
		<b>Financial year ended</b>	<b>Financial year ended</b>
		<b>30-Jun-2016</b>	<b>30-Jun-2015</b>
		<b>USD</b>	<b>USD</b>
<b>Net assets attributable to holders of redeemable participating shares at beginning of the financial year</b>		<b>187,682,279</b>	<b>244,729,635</b>
Proceeds from redeemable participating shares issued	7	57,242,513	78,909,028
Payments for redeemable participating shares redeemed	7	(127,287,405)	(105,520,357)
		(70,044,892)	(26,611,328)
Increase/(decrease) in net assets attributable to holders of redeemable participating shares from operations		1,345,272	(17,335,924)
Foreign exchange translation (loss)/gain		(748,627)	(13,100,104)
<b>Net assets attributable to holders of redeemable participating shares at end of the financial year</b>		<b>118,234,032</b>	<b>187,682,279</b>

**GAVEKAL MULTI-FUND PLC**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 30 June 2016**

**Notes to the Financial Statements**

**Statement of Cash Flows**

	Notes	<b>GaveKal Knowledge Leaders Fund</b>	
		<b>Financial year ended 30-Jun-2016 USD</b>	<b>Financial year ended 30-Jun-2015 USD</b>
<b>Operating activities</b>			
Increase in assets attributable to holders of redeemable participating shares		7,068,228	4,655,651
<i>Adjustments to reconcile decrease in assets attributable to holders of participating redeemable shares resulting from operations to net cash provided by operating activities</i>			
Net unrealised (gain)/loss on financial assets held at fair value through profit or loss		(4,051,549)	8,039,316
Purchase of financial assets		(145,674,064)	(138,158,728)
Sale of financial assets		148,541,296	135,300,786
(Increase)/decrease in dividends receivable		(44,450)	39,434
Decrease in accrued expenses		(24,637)	(66,879)
Decrease/(increase) in investments sold		9,776,094	(9,776,094)
Decrease/(increase) in investments purchased		(5,736,437)	6,112,458
Net cash provided by operating activities		9,854,480	6,145,944
<b>Financing activities</b>			
Proceeds from redeemable participating shares issued		20,777,280	18,926,809
Payments for redeemable participating shares redeemed		(31,731,803)	(43,535,805)
Net cash used in financing activities		(10,954,523)	(24,608,996)
<b>Net decrease in cash and cash equivalents</b>		<b>(1,100,043)</b>	<b>(18,463,052)</b>
Cash and cash equivalents at beginning of the financial year	6	4,925,500	23,388,552
<b>Cash and cash equivalents at end of the financial year</b>	6	<b>3,825,458</b>	<b>4,925,500</b>
<u>Supplementary information:</u>			
Interest received		4,178	2,724
Interest paid		(1,089)	(27,941)
Dividends received		1,534,713	2,024,183

**GAVEKAL MULTI-FUND PLC**  
**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 30 June 2016**

**Notes to the Financial Statements**

**Statement of Cash Flows (continued)**

	Notes	<b>GaveKal Dynamic Futures Fund</b>	
		<b>Period ended 26-May-2016 USD</b>	<b>Financial year ended 30-Jun-2015 USD</b>
<b>Operating activities</b>			
Decrease in assets attributable to holders of redeemable participating shares		(3,183,306)	(8,542,944)
<i>Adjustments to reconcile decrease in assets attributable to holders of participating redeemable shares resulting from operations to net cash provided by operating activities</i>			
Net unrealised loss on financial assets held at fair value through profit or loss		6,845	274,010
Purchase of financial assets		(87,332,374)	(56,292,150)
Sale of financial assets		102,330,940	67,490,934
Increase/(decrease) in margin		-	(279,713)
Decrease in accrued expenses		(39,218)	(24,171)
Increase/(decrease) in interest payable		-	(1,202)
Net cash outflow provided by/(used in) operating activities		11,782,887	2,624,764
<b>Financing activities</b>			
Proceeds from redeemable participating shares issued		34,751,150	22,274,553
Payments for redeemable participating shares redeemed		(50,767,659)	(29,328,128)
Net cash used in financing activities		(16,016,509)	(7,053,575)
<b>Net decrease in cash and cash equivalents</b>		<b>(4,233,622)</b>	<b>(4,428,811)</b>
Cash and cash equivalents at beginning of the financial year	6	4,233,622	8,662,433
<b>Cash and cash equivalents at end of the financial year</b>	6	<b>-</b>	<b>4,233,622</b>
<u><b>Supplementary information:</b></u>			
Interest received		9,635	9,038
Interest paid		(4,389)	(23,133)
Bond Income received		17,625	8,840

*The GaveKal Dynamic Futures Fund closed on 26 May 2016.*

**GAVEKAL MULTI-FUND PLC**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 30 June 2016**

**Notes to the Financial Statements**

**Statement of Cash Flows (continued)**

	Notes	<b>GaveKal Dynamic Futures (Euro Currency) Fund</b>	
		<b>Period ended 16-Dec-2015 EUR</b>	<b>Financial year ended 30-Jun-2015 EUR</b>
<b>Operating activities</b>			
Decrease in assets attributable to holders of redeemable participating shares		(2,287,561)	(11,248,435)
<i>Adjustments to reconcile (decrease)/increase in assets attributable to holders of participating redeemable shares resulting from operations to cash used in operating activities</i>			
Net unrealised (gain)/loss on financial assets held at fair value through profit or loss		(557,998)	640,769
Purchase of financial assets		-	(31,805,930)
Sale of financial assets		35,330,676	34,065,951
Increase/(decrease) in margin		-	(393,031)
Decrease in accrued expenses		(37,369)	(52,153)
Increase/(decrease) in interest payable		-	(1,726)
Increase in accrued income		681,038	1,598
(Decrease)/increase in redemption payable		(3,554,168)	3,554,168
Net cash outflow provided by/(used in) operating activities		29,574,618	(5,238,789)
<b>Financing activities</b>			
Proceeds from redeemable participating shares issued		1,535,910	30,754,262
Payments for redeemable participating shares redeemed		(40,612,913)	(27,877,947)
Net cash (used in)/provided by financing activities		(39,077,003)	2,876,315
<b>Net decrease in cash and cash equivalents</b>		<b>(9,502,385)</b>	<b>(2,362,474)</b>
Cash and cash equivalents at beginning of the financial year	6	9,502,385	11,864,859
<b>Cash and cash equivalents at end of the financial year</b>	6	<b>-</b>	<b>9,502,385</b>
<u>Supplementary information:</u>			
Interest received		8,744	8,744
Interest paid		(27,941)	(27,941)
Bond Income received		888,198	888,198

*On 16 December 2015 of the GaveKal Dynamic Futures (Euro Currency) Fund merged into GaveKal Dynamic Futures Fund*

**GAVEKAL MULTI-FUND PLC**

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**For the financial year ended 30 June 2016**

**Notes to the Financial Statements**

**Statement of Cash Flows (continued)**

		<b>Total Company</b>	
		<b>Financial year ended</b>	<b>Financial year ended</b>
		<b>30-Jun-2016</b>	<b>30-Jun-2015</b>
	<b>Notes</b>	<b>USD</b>	<b>USD</b>
<b>Operating activities</b>			
Increase/(decrease) in assets attributable to holders of redeemable participating shares		1,345,271	(17,335,925)
<i>Adjustments to reconcile decrease in assets attributable to holders of participating redeemable shares resulting from operations to cash used in operating activities</i>			
Net unrealised (gain)/loss on financial assets held at fair value through profit or loss		(4,664,193)	9,079,430
Purchase of financial assets		(233,006,438)	(232,478,054)
Sale of financial assets		290,096,352	243,520,978
(Decrease)/increase in dividends receivable		(44,450)	39,434
Increase/(decrease) in margin		-	(749,621)
Decrease in accrued expenses		(105,342)	(153,404)
Increase/(decrease) in interest payable		-	(3,266)
Increase in accrued income		756,088	1,911
(Decrease)/increase in investments sold		9,776,094	(9,776,094)
(Decrease)/increase in investments purchased		(5,736,437)	6,112,458
Net cash provided by/(used in) operating activities		<u>58,416,945</u>	<u>(1,742,153)</u>
<b>Financing activities</b>			
Proceeds from redeemable participating shares issued		57,242,513	78,942,778
Payments for redeemable participating shares redeemed		(127,013,665)	(102,105,145)
Net cash used in financing activities		<u>(69,771,152)</u>	<u>(23,162,366)</u>
<b>Net decrease in cash and cash equivalents</b>		<b>(11,354,207)</b>	<b>(24,904,519)</b>
Cash and cash equivalents at beginning of the financial year	6	19,746,679	48,295,757
Foreign exchange translation loss	6	(4,567,014)	(3,644,560)
<b>Cash and cash equivalents at end of the financial year</b>		<b><u>3,825,458</u></b>	<b><u>19,746,679</u></b>
<b>Supplementary information:</b>			
Interest received		13,837	22,216
Interest paid		(23,493)	(84,480)
Dividends received		1,534,713	2,024,183
Bond income received		375,213	1,070,770

**GAVEKAL MULTI-FUND PLC**  
**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 30 June 2016**

**Notes to the Financial Statements**

**Notes to the Financial Statements**

**1 Summary of significant accounting policies**

The financial statements of the GaveKal Multi-Fund Plc (the “Company”) have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union, the Companies Act 2014, and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (as amended). The following is a summary of the significant accounting policies adopted by the Company:

**(a) Basis of preparation**

The financial statements of the Company are prepared on the historical cost basis, except that financial instruments classified as at fair value through profit or loss, are held at fair value.

The following is a summary of the significant accounting policies adopted by the Company:

**(b) Portfolio valuation**

*Investment transactions*

*(i) Classification*

The Company has classified all its investment securities as financial assets and liabilities held at fair value through profit or loss. These have been classified as held for trading.

*(ii) Recognition*

The Company recognises a financial asset on the date it becomes party to the contractual provisions of the instrument. Investment transactions are accounted for on a trade date basis.

*(iii) Measurement*

Financial assets and liabilities held at fair value through profit or loss are measured at fair value. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Unrealised gains and losses on investments are recognised in the Statement of Comprehensive Income.

Instruments held by the Company and traded on an exchange are measured at fair value based on the mid-market price on such regulated market as at the relevant valuation point in accordance with the Prospectus. If an investment is quoted, listed or normally dealt in on more than one market, the Directors may, in their absolute discretion, select any of such markets for the valuation purposes. If prices for an investment are not available at the relevant time or are unrepresentative in the opinion of the Manager or the Administrator as its delegate such investments shall be valued at such values as shall be certified with care and in good faith as the probable realisation value of the investment, approved for this purpose by the Depositary.

Transaction costs on financial assets at fair value through profit or loss are expensed immediately.

Cash and other liquid assets are valued at their face value with interest accrued daily.

**(c) Gains and losses on sales of investments**

Realised gains and losses on sales of non-derivative investments are calculated on the weighted average cost basis. Realised gains and losses on the closure of derivative contracts are calculated using the first-in-first-out basis.

# GAVEKAL MULTI-FUND PLC

## ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

For the financial year ended 30 June 2016

### Notes to the Financial Statements (continued)

#### 1 Summary of significant accounting policies (continued)

##### (d) Foreign exchange translation

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which it operates (the "functional currency"), which is USD for GaveKal Knowledge Leaders Fund and GaveKal Dynamic Futures Fund and Euro for GaveKal Dynamic Futures (Euro Currency) Fund. The Company has adopted each respective functional currency as the presentation currency for these financial statements. Assets and liabilities expressed in foreign currencies are converted into the functional currency of each of the Sub-Funds using the exchange rates prevailing at the financial year end. Transactions in foreign currencies are translated into the respective functional currency at exchange rates ruling at the transaction dates. Gains and losses on translation of investments are included in net movement in financial assets and liabilities at fair value through profit or loss. Gains and losses on foreign exchange transactions are recognised in the Statement of Comprehensive Income in determining the result for the financial year.

##### (e) Income

Dividends are recognised as income on the dates that securities are first quoted "ex-dividend" to the extent information thereon is reasonably available to the Company. Bond interest income is recognised on an effective yield basis in line with the contractual terms. Interest income is recognised as income on an accrual basis.

##### (f) Expenses

Expenses are accounted for on an accrual basis.

##### (g) Net asset value per share

The net asset value per share of each class of share is calculated by dividing the Net Asset Value attributable to that class by the number of Shares in issue for that class.

##### (h) Net assets attributable to holders of Redeemable Participating Share

Shares issued by the Company in respect of the Funds provide shareholders with the right to redeem their shares for cash equal to their proportional share of the net asset value of the relevant Fund and are classified as liabilities. The liabilities to shareholders are presented in the Statement of Financial Position as "Net assets attributable to holders of redeemable participating shares" and are determined based on the residual assets of the relevant Fund after deducting the Fund's other liabilities.

##### (i) Cash and cash equivalents

Cash and cash equivalents include cash at bank and short-term, highly liquid investments readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

##### (j) Transaction costs

Transaction costs are expensed to the Statement of Comprehensive Income as they are incurred.

##### (k) Margin

Margins relate to cash on deposit with a broker as collateral for unsettled future contracts.

#### 2 Standards and amendments to existing standards

##### Standards and amendments to existing standards effective for the current reporting year

There were no new standards or amendments to standards which came into effect during the financial year relevant to these financial statements.

**GAVEKAL MULTI-FUND PLC**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 30 June 2016**

**Notes to the Financial Statements (continued)**

**2 Standards and amendments to existing standards (continued)**

Standards which come into effect after the reporting period but which have not been adopted early:

IFRS 9 “Financial Instruments” (effective for periods beginning on or after 1 January 2018). This standard is the first step in the process to replace IAS 39 “Financial Instruments: Recognition and Measurement”. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortised cost and fair value. The basis of classification depends on the entity’s business model and the contractual cash flow characteristics of financial assets. The guidance in IAS 39 on impairment of financial assets and hedge accounting continues to apply. For financial liabilities, the recognition and measurement guidance is unchanged from IAS 39. An additional presentational requirement has been added for liabilities designated at fair value through profit and loss. This standard has not yet been endorsed by the EU, and the impact of adoption of this standard is under assessment by management.

**3 Net gain on financial assets held at fair value through profit or loss**

<b>GaveKal Knowledge Leaders Fund</b>		
	<b>30-Jun-16</b>	<b>30-Jun-15</b>
	<b>USD</b>	<b>USD</b>
Net realised gain on investments	4,726,900	15,618,041
Net realised gain/(loss) on foreign exchange	25,074	(1,237,665)
Net unrealised (loss)/gain on investments	4,051,549	(8,039,316)
Net unrealised loss on foreign exchange	(4,138)	(19,410)
	<u>8,799,385</u>	<u>6,321,650</u>

<b>GaveKal Dynamic Futures Fund</b>		
	<b>30-Jun-16</b>	<b>30-Jun-15</b>
	<b>USD</b>	<b>USD</b>
Net realised loss on investments	(2,469,573)	(7,539,674)
Net realised (loss)/gain on foreign exchange	(346,562)	99,817
Net unrealised loss on investments	(6,845)	(274,010)
Net unrealised (loss)/gain on foreign exchange	(1,500)	2,232
	<u>(2,824,480)</u>	<u>(7,711,635)</u>

<b>GaveKal Dynamic Futures (Euro Currency) Fund</b>		
	<b>30-Jun-16</b>	<b>30-Jun-15</b>
	<b>EUR</b>	<b>EUR</b>
Net realised loss on investments	(3,006,266)	(10,510,547)
Net realised gain on foreign exchange	5,230	82,770
Net unrealised gain/(loss) on investments	557,998	(640,769)
Net unrealised (loss)/gain on foreign exchange	(16,359)	172
	<u>(2,459,397)</u>	<u>(11,068,374)</u>

**GAVEKAL MULTI-FUND PLC**  
**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 30 June 2016**

**Notes to the Financial Statements (continued)**

**3 Net gain on financial assets held at fair value through profit or loss (continued)**

	<b>Total Company</b>	
	<b>30-Jun-16</b>	<b>30-Jun-15</b>
	<b>USD</b>	<b>USD</b>
Net realised loss on investments	(1,080,230)	(4,488,045)
Net realised loss on foreign exchange	(315,682)	(1,038,888)
Net unrealised gain/(loss) on investments	4,664,193	(9,079,430)
Net unrealised loss on foreign exchange	(23,800)	(16,972)
	<u>3,244,482</u>	<u>(14,623,335)</u>

**4 Financial assets held at fair value through profit or loss**

	<b>GaveKal Knowledge Leaders Fund</b>	
	<b>30-Jun-16</b>	<b>30-Jun-15</b>
	<b>USD</b>	<b>USD</b>
Cost	98,973,837	101,842,948
Unrealised gain on non-derivative investments	16,362,200	12,308,772
Financial assets at fair value through profit or loss	<u>115,336,037</u>	<u>114,151,720</u>

	<b>GaveKal Dynamic Futures Fund</b>	
	<b>30-Jun-16</b>	<b>30-Jun-15</b>
	<b>USD</b>	<b>USD</b>
Cost	-	14,998,565
Unrealised gain on non-derivative investments	-	1,352
Unrealised gain on derivative investments	-	18,308
Financial assets at fair value through profit or loss	<u>-</u>	<u>15,018,225</u>

Unrealised loss on derivative investments	-	(12,814)
Financial liabilities at fair value through profit or loss	<u>-</u>	<u>(12,814)</u>

	<b>GaveKal Dynamic Futures (Euro Currency) Fund</b>	
	<b>30-Jun-16</b>	<b>30-Jun-15</b>
	<b>EUR</b>	<b>EUR</b>
Cost	-	35,330,676
Unrealised loss on non-derivative investments	-	(576,489)
Unrealised gain on derivative investments	-	46,273
Financial assets at fair value through profit or loss	<u>-</u>	<u>34,800,460</u>
Unrealised loss on derivative investments	-	(27,782)
Financial liabilities at fair value through profit or loss	<u>-</u>	<u>(27,782)</u>

**GAVEKAL MULTI-FUND PLC**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 30 June 2016**

**Notes to the Financial Statements (continued)**

**4 Financial assets held at fair value through profit or loss (continued)**

	<b>Total Company</b>	
	<b>30-Jun-16</b>	<b>30-Jun-15</b>
	<b>USD</b>	<b>USD</b>
Cost	98,973,837	156,206,952
Unrealised gain on non-derivative investments	16,362,200	11,667,800
Unrealised gain on derivative investments	-	69,865
Financial assets at fair value through profit or loss	<u>115,336,037</u>	<u>167,944,617</u>
Unrealised loss on derivative investments	-	(43,769)
Financial liabilities at fair value through profit or loss	<u>-</u>	<u>(43,769)</u>

**5 Accrued expenses**

	<b>GaveKal Knowledge Leaders Fund</b>	
	<b>30-Jun-16</b>	<b>30-Jun-15</b>
	<b>USD</b>	<b>USD</b>
Management fee	192,551	223,553
Administration and transfer agent fees	21,840	10,547
Depositary fees	2,860	5,880
Directors fees	30	5,393
Audit fee	12,560	12,714
Other fees	38,493	34,884
	<u>268,334</u>	<u>292,971</u>

	<b>GaveKal Dynamic Futures Fund</b>	
	<b>30-Jun-16</b>	<b>30-Jun-15</b>
	<b>USD</b>	<b>USD</b>
Administration and transfer agent fee	-	13,705
Depositary fee	-	1,435
Directors fees	-	2,786
Auditors fee	-	12,563
Other fees	-	8,729
	<u>-</u>	<u>39,218</u>

	<b>GaveKal Dynamic Futures (Euro Currency) Fund</b>	
	<b>30-Jun-16</b>	<b>30-Jun-15</b>
	<b>EUR</b>	<b>EUR</b>
Administration and transfer agent fee	-	10,737
Depositary fee	-	1,497
Directors fees	-	2,500
Auditors fee	-	11,275
Other fees	-	11,360
	<u>-</u>	<u>37,369</u>

**GAVEKAL MULTI-FUND PLC**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 30 June 2016**

**Notes to the Financial Statements (continued)**

**5 Accrued expenses (continued)**

	<b>Total Company</b>	
	<b>30-Jun-16</b>	<b>30-Jun-15</b>
	<b>USD</b>	<b>USD</b>
Management fee	192,551	223,553
Administration and transfer agent fee	21,840	36,215
Depository fee	2,860	8,983
Directors fees	30	10,965
Auditors fee	12,560	37,840
Other fees	38,493	56,270
	<b>268,334</b>	<b>373,826</b>

**6 Cash and cash equivalents and margins**

Cash balances throughout the financial year were held with Société Générale S.A. (Dublin Branch), Danske Bank and Morgan Stanley. All margin balances were held with Interactive Brokers.

<b><u>GaveKal Knowledge Leaders Fund</u></b>	<b>S&amp;P Credit Rating</b>	<b>30-Jun-16 USD</b>	<b>30-Jun-15 USD</b>
<i>Cash</i>			
Société Générale S.A.	A	3,816,599	4,915,442
Danske Bank	A	8,859	10,058
		<b>3,825,458</b>	<b>4,925,500</b>

<b><u>GaveKal Dynamic Futures Fund</u></b>			
<i>Cash</i>			
Société Générale S.A.	A	-	1,794,052
Danske Bank	A	-	3,515
Morgan Stanley	A-	-	2,436,055
		<b>-</b>	<b>4,233,622</b>

<b><u>GaveKal Dynamic Futures (Euro Currency) Fund</u></b>			
<i>Cash</i>		<b>EUR</b>	<b>EUR</b>
Société Générale S.A.	A	-	4,618,763
Danske Bank	A	-	(4,197)
Morgan Stanley	A-	-	4,887,819
		<b>-</b>	<b>9,502,385</b>

<b><u>Total Company</u></b>			
<i>Cash</i>		<b>USD</b>	<b>USD</b>
Société Générale S.A.	A	3,816,599	11,855,719
Danske Bank	A	8,859	8,897
Morgan Stanley	A-	-	7,882,063
		<b>3,825,458</b>	<b>19,746,679</b>

**GAVEKAL MULTI-FUND PLC**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 30 June 2016**

**Notes to the Financial Statements (continued)**

**7 Redeemable participating shares issued and redeemed during the financial year**

The net assets attributable to holders of redeemable participating shares in the Funds are at all times equal to the net asset value of the Funds. Participating shares, which comprise the capital of the Company, are in substance a liability of the Company to shareholders. The shares are freely transferable and are all entitled to participate equally in profit and distributions (if any) of the Funds and in the assets in the event of termination. The participating shares carry no preferential or pre-emptive rights and are in registered form. Non-participating shares do not entitle the holders to any dividends and on winding up entitle the holders to receive the amount paid up but not otherwise entitle them to participate in the assets of the Company. The movement in the number of participating and non-participating shares is as follows:

	<b>GaveKal Knowledge Leaders Fund</b>	
	<b>Participating shares</b>	
Shares in issue at 1 July 2014		882,637
Issued during the financial year		114,733
Redeemed during the financial year		(262,019)
Shares in issue at 30 June 2015		735,351
Issued during the financial year		122,845
Redeemed during the financial year		(191,938)
<b>Shares in issue at 30 June 2016</b>		<b>666,258</b>
	<b>GaveKal Dynamic Futures Fund</b>	<b>GaveKal Dynamic Futures Fund</b>
	<b>Participating shares</b>	<b>Participating shares</b>
	<b>Class A USD</b>	<b>Class A EUR</b>
Shares in issue at 1 July 2014	255,532	-
Issued during the financial year	162,980	-
Redeemed during the financial year	(242,667)	-
Shares in issue at 30 June 2015	175,845	-
Issued during the financial year	684	386,861
Redeemed during the financial year	(176,529)	(386,861)
<b>Shares in issue at 30 June 2016</b>	<b>-</b>	<b>-</b>
	<b>GaveKal Dynamic Futures (Euro Currency) Fund</b>	
	<b>Participating shares</b>	
Shares in issue at 1 July 2014		459,743
Issued during the financial year		294,147
Redeemed during the financial year		(276,156)
Shares in issue at 30 June 2015		477,734
Issued during the financial year		18,539
Redeemed during the financial year		(496,273)
<b>Shares in issue at 30 June 2016</b>		<b>-</b>

**GAVEKAL MULTI-FUND PLC**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 30 June 2016**

**Notes to the Financial Statements (continued)**

**7 Redeemable participating shares issued and redeemed during the financial year (continued)**

On incorporation the authorised share capital of the Company was represented by 500,000,000,000 Participating Shares of no par value and 300,000 management shares of EUR 1 each. Of these 3 management shares were issued and are beneficially held by GaveKal Capital Ltd. The management shares do not form part of shareholders funds and have been disclosed by way of note only.

<b>GaveKal Knowledge Leaders Fund</b>		
	<b>NAV</b>	<b>NAV per Share</b>
	<b>USD</b>	<b>USD</b>
30-Jun-16	118,234,032	177.46
30-Jun-15	122,494,594	166.58
30-Jun-14	141,836,320	160.70

<b>GaveKal Dynamic Futures Fund</b>		
	<b>NAV</b>	<b>NAV per Share</b>
	<b>USD</b>	<b>USD</b>
30-Jun-16	-	-
30-Jun-15	19,099,288	108.61
30-Jun-14	34,796,334	136.17

<b>Gavekal Dynamic Futures (Euro Currency) Fund</b>		
	<b>NAV</b>	<b>NAV per Share</b>
	<b>EUR</b>	<b>EUR</b>
30-Jun-16	-	-
30-Jun-15	41,364,564	86.58
30-Jun-14	49,736,684	108.18

**8 Taxation**

Under current law and practice, the Company qualifies as an investment undertaking as defined in Section 739B of the Taxes Consolidation Act, 1997, as amended. On that basis it is not chargeable to Irish tax on its income or capital gains.

However, Irish tax may arise on the happening of a "chargeable event" in the Company. A chargeable event includes any distribution payments to shareholders or any encashment, redemption, cancellation or transfer of shares, and the holding of shares at the end of each eight year period beginning with the acquisition of the shares.

No Irish Tax will arise on the Company in respect of chargeable events in respect of:

- A shareholder who is neither Irish resident nor ordinarily resident in Ireland for tax purposes, at the time of the chargeable event, provided that appropriate valid declarations in accordance with the provisions of the Taxes Consolidation Act, 1997, as amended, are held by the Funds.
- Certain exempted Irish resident shareholders who have provided the Funds with the necessary signed statutory declarations:

Dividends and capital gains (if any) received on investments made by the Company may be subject to withholding taxes imposed by the country from which the investment income or capital gains are received and such taxes may not be recoverable by the Company.

## GAVEKAL MULTI-FUND PLC

### ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

For the financial year ended 30 June 2016

#### Notes to the Financial Statements (continued)

#### 9 Fees

##### (a) Management and performance fees

GaveKal Fund Management (Ireland) Limited, the Manager to the Company, was appointed in August 2006. During the financial year, the GaveKal Knowledge Leaders Fund paid to the Manager a fee at an annual rate of 2% of the Net Asset Value of the relevant Fund.

The GaveKal Dynamic Futures Fund established a Management fee upon the merger of the GaveKal Dynamic Futures (Euro Currency) Fund on 16 December 2015. The fee was charged at an annual rate of 1% on Class A USD and 1% on Class A EUR of the Net Asset Value of the relevant share class.

The Management fee is paid monthly in arrears and accrues on each Dealing Day.

There was no management fee payable by GaveKal Dynamic Futures (Euro Currency) Fund.

The Manager was entitled to a performance fee in respect of the Class A USD Shares in GaveKal Dynamic Futures Fund and Class A EUR Shares in GaveKal Dynamic Futures (Euro Currency) Fund.

Upon the merger of the GaveKal Dynamic Futures (Euro Currency) Fund with GaveKal Dynamic Futures Fund there was no change to the method of performance fee and the following applied to both Class A USD and Class A EUR on the GaveKal Dynamic Futures Fund.

The performance fee was calculated in respect of each weekly period commencing immediately following a valuation day and ending on the next valuation day (each a "Calculation Period"). The first Calculation Period was the period commencing immediately following the end of the initial offer period and ending on the next valuation day.

On each valuation day the Net Asset Value prior to performance fees (the "Adjusted NAV") per share class is compared to the highest value that the Net Asset Value of the share class has ever reached prior to each Valuation Day (the "Water Mark") in order to determine whether the Adjusted NAV is higher than the Water Mark and therefore if a performance fee is payable. The performance fee is calculated taking the difference between the Water Mark and Adjusted NAV per share class on the valuation day multiplied by 20%, multiplied by the number of Shares in issue on that valuation day.

If the Adjusted Net Asset Value per share class on a Valuation Day is lower than the Water Mark, no Performance Fee is payable for that Valuation Day.

The weekly performance fees accrue on each Valuation Day and are paid to the Manager monthly in arrears. The Manager pays the performance fee to the Investment Advisor who will in turn share that fee with the Sub-Investment Advisor.

There was no performance fee payable by GaveKal Knowledge Leaders Fund.

##### (b) Depositary and Trustee fees

Société Générale S.A (Dublin Branch), Depositary to the Company, is entitled to receive a fee of up to 0.065% per annum of the fair value of the investments in the Funds, depending on the local market of the investment.

The Depositary is also entitled to receive trustee fees of up to 0.015% per annum of the Net Asset Value of the Funds. The depositary and trustee fees are paid monthly in arrears and accrue on each dealing day.

**GAVEKAL MULTI-FUND PLC**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 30 June 2016**

**Notes to the Financial Statements (continued)**

**9 Fees (continued)**

**(c) Administration and transfer agency fees**

The Administrator is entitled to receive up to 0.06% per annum of the Net Asset Value of the Funds, subject to an annual minimum fee of USD 52,500 for GaveKal Knowledge Leaders Fund, USD 48,000 for GaveKal Dynamic Futures Fund and EURO 38,400 for Gavekal Dynamic Futures (Euro Currency) Fund. The Administrator also receives a shareholder servicing fee charged at normal commercial rates for any other administrative services. The administration fee is paid monthly in arrears and accrues on each dealing day.

The details of all fees charged during the financial year are disclosed on the face of Statement of Comprehensive Income and all fees payable at 30 June 2016 are disclosed in note 5.

**(d) Auditors fees**

The tables below breakdown the audit fee excluding VAT for the financial year.

	<b>GaveKal Knowledge Leaders Fund</b>	
	<b>30-Jun-16</b>	<b>30-Jun-15</b>
	<b>USD</b>	<b>USD</b>
Audit of individual company accounts	12,399	8,040
Other assurance services	-	-
Tax advisory services	-	-
Other non-audit services	-	-
	<hr/> 12,399	<hr/> 8,040

	GaveKal Dynamic Futures Fund	
	30-Jun-16	30-Jun-15
	USD	USD
Audit of individual company accounts	12,183	12,563
Other assurance services	-	-
Tax advisory services	-	-
Other non-audit services	-	-
	12,183	12,563

	GaveKal Dynamic Futures (Euro Currency) Fund	
	30-Jun-16	30-Jun-15
	EUR	EUR
Audit of individual company accounts	5,190	16,707
Other assurance services	-	-
Tax advisory services	-	-
Other non-audit services	-	-
	5,190	16,707

**GAVEKAL MULTI-FUND PLC**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 30 June 2016**

**Notes to the Financial Statements (continued)**

**9 Fees (continued)**

**(d) Auditors fees (continued)**

	<b>Total Company</b>	
	<b>30-Jun-16</b>	<b>30-Jun-15</b>
	<b>USD</b>	<b>USD</b>
Audit of individual company accounts	29,933	37,841
Other assurance services	-	-
Tax advisory services	-	-
Other non-audit services	-	-
	<u>29,933</u>	<u>37,841</u>

**(e) Transaction fees**

The Funds incurred transaction costs during the financial year as follows:

	<b>GaveKal Knowledge Leaders Fund</b>	
	<b>30-Jun-16</b>	<b>30-Jun-15</b>
	<b>USD</b>	<b>USD</b>
Purchases	168,407	140,104
Sales	194,556	132,290
Cash Transaction Fees	15,439	12,400
	<u>378,402</u>	<u>284,794</u>

	<b>GaveKal Dynamic Futures Fund</b>	
	<b>30-Jun-16</b>	<b>30-Jun-15</b>
	<b>USD</b>	<b>USD</b>
Purchases	32,347	67,538
Sales	30,333	51,536
Cash Transaction Fees	5,863	4,781
	<u>68,543</u>	<u>123,855</u>

	<b>GaveKal Dynamic Futures (Euro Currency) Fund</b>	
	<b>30-Jun-16</b>	<b>30-Jun-15</b>
	<b>EUR</b>	<b>EUR</b>
Purchases	29,376	95,895
Sales	29,525	68,695
Cash Transaction Fees	2,696	3,222
	<u>61,597</u>	<u>167,812</u>

# GAVEKAL MULTI-FUND PLC

## ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

For the financial year ended 30 June 2016

### Notes to the Financial Statements (continued)

#### 9 Fees (continued)

##### (e) Transaction fees (continued)

	Total Company	
	30-Jun-16 USD	30-Jun-15 USD
Purchases	233,367	322,294
Sales	257,668	265,958
Cash Transaction Fees	24,295	21,033
	<u>515,330</u>	<u>609,285</u>

##### (f) Director fees

The Articles of Association authorise the Directors to charge a fee for their services at a rate determined by the Directors up to a maximum fee per Director of €10,000 per annum per Fund, and may be entitled to special remuneration if called upon to perform any special or extra services to the Company. Please also see note 17, for related party transactions.

Louis-Vincent Gave will waive his fee for his services as Director of the Company. However, all Directors will be entitled to reimbursement by the Company of expenses properly incurred in connection with the business of the Company or the discharge of their duties.

The Directors fees are paid quarterly in arrears and accrue on each dealing day.

#### 10 Exchange rates used in this report

The financial statements are prepared in US Dollars (USD) for GaveKal Knowledge Leaders Fund and GaveKal Dynamic Futures Fund. The following exchange rates at 30 June have been used to translate assets and liabilities denominated in other currencies:

Currency	USD 30-Jun-16	USD 30-Jun-15
AUD	0.74460	0.76860
CAD	0.76999	N/A
CHF	N/A	1.07001
EUR	1.11095	1.11420
GBP	1.33680	1.57273
JPY	0.00874	0.00817

The financial statements are prepared in Euro (EUR) for GaveKal Dynamic Futures (Euro Currency) Fund. The following exchange rates at 30 June have been used to translate assets and liabilities denominated in other currencies:

	EUR 30-Jun-16	EUR 30-Jun-15
CHF	N/A	1.04130
GBP	N/A	0.70845
HKD	N/A	8.63785
JPY	113.9724	136.33905
USD	0.90013	1.11420

**GAVEKAL MULTI-FUND PLC**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 30 June 2016**

**Notes to the Financial Statements (continued)**

**11 Financial instruments and associated risks**

The main risks arising from the Funds' financial instruments are defined in IFRS7 as market risk (including market price risk, interest rate risk and foreign currency risk), liquidity risk and credit risk. The Board of Directors reviews and agrees policies for managing each of these risks and they are summarised below. These policies have remained substantially unchanged since the beginning of the financial year to which these financial statements relate.

**(a) Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices and includes equity price risk, interest rate risk and foreign currency risk.

**Derivatives exposure**

Under the UCITS notices issued by the Central Bank of Ireland, the Company is required to employ a risk management process in connection with any use of derivatives by a Sub-Fund. The GaveKal Knowledge Leaders Fund uses a methodology known as the "Commitment Approach", whereby the market or notional values of the assets underlying each derivative held by the Sub-Fund is aggregated to determine the exposure of the Sub-Fund to derivatives. In accordance with the UCITS Regulations, the exposure of the Sub-Fund to derivatives must not exceed 100% of the Sub-Fund's NAV. As at 30 June 2015 and throughout the financial year, the Sub-Fund did not hold any derivatives.

The GaveKal Dynamic Futures Fund and GaveKal Dynamic Futures (Euro Currency) Fund employed the Value at Risk ("VaR") approach for each portfolio, the Sub-Funds were terminated before year end and so did not hold any derivatives at the financial year-end.

**Market price risk**

Market price risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the Funds might suffer through holding market positions in the face of unfavourable price movements. The Investment Advisor considers the asset allocation of the portfolio in order to minimise the risk associated with each class on particular countries or industry sectors whilst continuing to follow the Funds' investment objectives. The Investment Advisor does not use derivative instruments to hedge the investment portfolio against market risk as in their opinion it is more efficient to dispose of liquid investments directly. The table below illustrates the effect of a 10% change in prices of financial assets to the net assets attributable to holders of redeemable participating shares.

	<b>GaveKal Knowledge Leaders Fund</b>	
	<b>30-Jun-16</b>	<b>30-Jun-15</b>
	<b>USD</b>	<b>USD</b>
Equities held for trading	115,336,037	114,151,720
Effect of a 10% movement in prices	11,533,604	11,415,172

**Interest rate risk**

Interest rate risk is the risk that a financial assets value will fluctuate as a result of changes in market interest rates. Interest rate risk is managed as part of the overall investment strategy of the Company.

**GAVEKAL MULTI-FUND PLC**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 30 June 2016**

**Notes to the Financial Statements (continued)**

**11 Financial instruments and associated risks (continued)**

**Interest rate risk (continued)**

*GaveKal Dynamic Futures Fund*

The interest rate duration of the Sub-Fund's fixed income portfolio is actively managed by the Investment Advisor.

	<b>30-Jun-16</b>	<b>30-Jun-15</b>
Average portfolio interest rate duration	N/A	0.09

*GaveKal Dynamic Futures (Euro Currency) Fund*

The interest rate duration of the Sub-Fund's fixed income portfolio is actively managed by the Investment Advisor.

	<b>30-Jun-16</b>	<b>30-Jun-15</b>
Average portfolio interest rate duration	N/A	0.76

**Foreign currency risk**

Foreign exchange risk is the risk that the value of a financial instrument fluctuates as a result of changes in foreign exchange rates. The Company is exposed to foreign exchange risk primarily from its assets and liabilities that derive their revenues and/or incur expenses in currencies other than the functional currency. The Funds may enter into forward foreign currency contracts designed to hedge some or all of this exposure, but no such contracts were entered into during the financial year.

The following sets out the total exposure of the Funds to foreign currency risk as at 30 June 2016.

<b>Local Currency</b>	<b>GaveKal Knowledge Leaders Fund</b>	
	<b>USD</b>	<b>USD</b>
	<b>30-Jun-16</b>	<b>30-Jun-15</b>
AUD	5	5
CAD	2,753,067	-
CHF	-	3,513,281
EUR	1,164,985	1,147,811
GBP	4,580,336	2,349,532
HKD	-	-
JPY	33,279,664	35,097,209
SEK	-	-
	<u>41,778,057</u>	<u>42,107,837</u>

<b>Local Currency</b>	<b>GaveKal Dynamic Futures Fund</b>	
	<b>USD</b>	<b>USD</b>
	<b>30-Jun-16</b>	<b>30-Jun-15</b>
CHF	-	(14,217)
EUR	-	(315,695)
GBP	-	(67,079)
HKD	-	303
JPY	-	(81,363)
	<u>-</u>	<u>(478,051)</u>

**GAVEKAL MULTI-FUND PLC**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 30 June 2016**

**Notes to the Financial Statements (continued)**

**11 Financial instruments and associated risks (continued)**

**Foreign currency risk (continued)**

		<b>GaveKal Dynamic Futures (Euro Currency) Fund</b>	
		<b>30-Jun-16</b>	<b>30-Jun-15</b>
<b>Local Currency</b>	<b>EUR</b>		<b>EUR</b>
CHF	-		(47,847)
EUR	-		41,926,521
GBP	-		(150,006)
HKD	-		(6,766)
JPY	-		(199,104)
USD	-		(158,234)
	-		41,364,564

		<b>Total Company</b>	
		<b>USD</b>	<b>USD</b>
<b>Local Currency</b>	<b>30-Jun-16</b>		<b>30-Jun-15</b>
AUD	5		5
CAD	2,753,067		-
CHF	-		3,459,970
EUR	1,164,985		47,546,646
GBP	4,580,336		2,115,315
HKD	-		(7,236)
JPY	33,279,664		34,794,004
SEK	-		-
USD	41,778,057		(176,304)
	5		87,732,400

At the financial year end date, had the relevant functional currency strengthened / weakened by 5% against the above currencies, the net assets attributable to holders of redeemable participating shares would have decreased/ increased by approximately USD 2,088,903 (2015: USD 4,386,620).

**GAVEKAL MULTI-FUND PLC**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 30 June 2016**

**Notes to the Financial Statements (continued)**

**11 Financial instruments and associated risks (continued)**

**(b) Liquidity risk**

Liquidity risk is the risk that the Funds will encounter difficulty in meeting obligations associated with financial liabilities.

The Funds' assets comprise mainly of realisable securities, which can be readily sold. The main liability of the Funds are the redemption of any shares that investors wish to sell. The Funds have the ability to borrow in the short term to meet these obligations, although no such borrowings have arisen during the financial year. The following liquidity table is an analysis of the financial liabilities at the financial year end:

<u><b>GaveKal Knowledge Leaders Fund</b></u>	<b>&lt; one month</b>	<b>&lt; one year</b>	<b>No stated maturity</b>
<b>30-Jun-16</b>			
Accrued expenses	268,334	-	-
Redemption payable	374,267	-	-
Redeemable shares	118,234,032	-	-
	<u>118,876,633</u>	<u>-</u>	<u>-</u>
<b>30-Jun-15</b>			
Accrued expenses	292,971	-	-
Redeemable shares	122,494,594	-	-
	<u>122,787,565</u>	<u>-</u>	<u>-</u>
 <u><b>GaveKal Dynamic Futures Fund</b></u>	 <b>&lt; one month</b>	 <b>&lt; one year</b>	 <b>No stated maturity</b>
<b>30-Jun-16</b>			
Financial liabilities held at fair value through profit or loss	-	-	-
Accrued expenses	-	-	-
Redemptions payable	-	-	-
Redeemable shares	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
<b>30-Jun-15</b>			
Financial liabilities held at fair value through profit or loss	7,056	5,758	-
Accrued expenses	39,218	-	-
Redemptions payable	100,527	-	-
Redeemable shares	19,099,288	-	-
	<u>19,246,089</u>	<u>5,758</u>	<u>-</u>

**GAVEKAL MULTI-FUND PLC**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 30 June 2016**

**Notes to the Financial Statements (continued)**

**11 Financial instruments and associated risks (continued)**

**(b) Liquidity risk**

<u>GaveKal Dynamic Futures (Euro Currency) Fund</u>	<u>&lt; one month</u>	<u>&lt; one year</u>	<u>No stated maturity</u>
<b>30-Jun-16</b>			
Financial liabilities held at fair value through profit or loss	-	-	-
Accrued expenses	-	-	-
Redemptions payable	-	-	-
Redeemable shares	-	-	-
	-	-	-
<b>30-Jun-15</b>			
Financial liabilities held at fair value through profit or loss	15,143	12,639	-
Accrued expenses	37,369	-	-
Redemptions payable	3,554,168	-	-
Redeemable shares	41,364,564	-	-
	44,971,244	12,639	-

**(c) Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Funds. The Funds are exposed to a credit risk on parties with whom they trade and also bear the risk of settlement default. The Funds minimize concentration of credit risk by undertaking transactions with reputable counterparties with strong credit ratings on recognised and reputable exchanges.

Substantially all security transactions are cleared through, and held in custody by, the Depositary and all futures trading with Morgan Stanley. Bankruptcy or insolvency of the Depositary or Morgan Stanley may cause the Company's rights with respect to securities to be delayed or limited. The credit ratings of the Depositary and other counterparties are as listed in Note 6. If the credit quality or the financial position of the Depositary or Morgan Stanley deteriorates significantly, the Directors will consider appointing a replacement Depositary and/or counterparty for trading.

The Funds' maximum exposure to credit risk (not taking into account the value of any collateral or other security held) in the event that counterparties fail to perform their obligations as of 30 June 2016 in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the Statement of Financial Position.

IFRS requires additional disclosures surrounding offsetting assets and liabilities to enable users of financial statements to evaluate the effect or potential effects of netting arrangements, including rights of set-off associated with the entities recognised financial assets and financial liabilities on the entities financial position. As at 30 June 2016 and 2015 the Company did not have any master netting arrangements in place. The Company does not meet the criteria for offsetting financial assets and liabilities in the statement of financial position as the Company does not currently have a legally enforceable right to offset recognised amounts, as the right to offset is enforceable only on the occurrence of future events such as a default or bankruptcy.

## GAVEKAL MULTI-FUND PLC

### ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

For the financial year ended 30 June 2016

#### Notes to the Financial Statements (continued)

#### 11 Financial instruments and associated risks (continued)

##### (d) Capital risk management

The Investment Advisor manages the capital of the Company in accordance with the Company's investment objectives and policies. The Company has no restrictions on specific capital requirements on the subscriptions and redemptions of shares. The Company's overall strategy remains unchanged from prior years. The Investment Advisor reviews the capital structure on a monthly basis.

#### 12 Fair Value Hierarchy

IFRS 13 establishes a three-tier fair value hierarchy that prioritises the inputs to valuation techniques to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and lowest priority to unobservable inputs (Level 3 measurement). Investments measured and reported at fair value are classified and disclosed in one of the following fair value hierarchy levels based on the significance of the inputs used in measuring its fair value:

Level 1- Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2- Quoted prices in markets that are not active or financial instruments for which all significant inputs are observable, either directly or indirectly. Fair value is determined through the use of models or other valuation methodologies;

Level 3- Prices or valuations that require inputs that are both significant to the fair value measurement and are unobservable. Unobservable inputs are developed based on the best information available in the circumstances and reflect the Fund's own assumptions about how market participants would be expected to value the asset or liability.

An investment is always categorised as Level 1, 2 or 3 in its entirety. In certain cases, the fair value measurement for an investment may use a number of different inputs that fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

The Company's financial instruments are measured at fair value and it is usually possible to determine their fair values within a reasonable range of estimates. Fair value estimates are made at a specific point in time, based on market conditions and information about the financial instrument. These estimates are subjective in nature and involve uncertainties that may require significant judgement (e.g., interest rates, volatility, estimated cash flows etc.) Actual results could differ from these estimates.

As at 30 June 2016 and 30 June 2015, all financial assets or liabilities at fair value through profit or loss held in the Funds were classified as Level 1 financial assets or liabilities.

As there were no Level 3 securities held in the Funds during the financial year, a table of movements in Level 3 investments is not required to be presented.

There were no movements of financial assets between the levels for the financial year ended 30 June 2016.

#### 13 Soft commissions

There are no soft commission arrangements in place for the financial year ended 30 June 2016.

#### 14 Distributions

It is not the present intention of the Directors to declare or pay dividends.

#### 15 Efficient portfolio management

# GAVEKAL MULTI-FUND PLC

## ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

For the financial year ended 30 June 2016

### Notes to the Financial Statements (continued)

The Company may employ investment techniques and derivative instruments for efficient portfolio management purposes, subject to the conditions and within the limits from time to time laid down the Central Bank of Ireland.

As at 30 June 2016 there were no forward currency contracts in place in the Funds (2015: None).

#### 16 Related party transactions

##### Distributor

The Company entered into a distribution agreement with GaveKal Limited, which is a related party by virtue of shared control. For this service the Distributor receives a fee paid by the Company of 35% of the management fees received from GaveKal Knowledge Leaders Fund. GaveKal Limited also holds the following shares in the Company:

	30-Jun-16	30-Jun-15
GaveKal Knowledge Leaders Fund	803	525
GaveKal Dynamic Futures Fund	N/A	2,243

##### Directors

The independent non-executive Directors, John Mahon and David Hammond, were entitled to receive EUR 10,000 per annum for Directors' fees until 30 June 2015, and EUR 15,000 thereafter. The other Director, Louis-Vincent Gave, does not charge fees to the Company.

As of 30 June 2016, Louis-Vincent Gave, an Executive Director, held no shares in the GaveKal Dynamic Futures Fund (2015: 24,100).

The Central Bank requires that any transaction carried out with the Company by a manager, depositary, investment adviser and/or associated or group companies of these ("connected parties") are carried out as if negotiated at arm's length and are in the best interests of the shareholders.

The Directors of the Company are satisfied that there are adequate arrangements in place to ensure that this requirement is applied to transactions with connected parties, and that transactions with connected parties during the financial year complied with this requirement.

#### 17 Significant events during the financial year

On 16 December 2015, the GaveKal Dynamics Futures (Euro Currency) Fund merged into the GaveKal Dynamic Futures Fund. On 26 May 2016, the GaveKal Dynamic Futures Fund redeemed in full and closed with effect from that date.

#### 18 Subsequent Events

The Prospectus, Key Investor Document and Depositary Agreement were all updated for UCITS V requirements by the Central Bank of Ireland on 27 September 2016.

#### 19 Approval of financial statements

The Board of Directors approved and authorised for issue the financial statements on 26 October 2016.

GAVEKAL MULTI-FUND PLC

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

For the financial year ended 30 June 2016

Schedule of Investments of GaveKal Knowledge Leaders Fund at 30 June 2016

Asset description	Quantity	CCY	Fair value USD	% TNA
<i>Exchange Traded Equities</i>				
<i>Canada</i>				
Cgi Group Inc A	38,255	CAD	1,625,687	1.37%
Loblaw Companies	21,126	CAD	1,124,208	0.95%
			2,749,895	2.32%
<i>United Kingdom</i>				
Unilever	25,054	GBP	1,198,688	1.01%
Reckitt Benckiser Group Plc	11,741	GBP	1,175,586	0.99%
Sage Grp	133,390	GBP	1,151,031	0.97%
Wpp Plc	49,926	GBP	1,035,824	0.88%
			4,561,128	3.85%
<i>Japan</i>				
Otsuka Holdings Co Ltd	27,500	JPY	1,264,962	1.07%
Kao Corp	31,600	JPY	1,826,263	1.54%
Kirin Holdings Co Ltd	104,400	JPY	1,753,398	1.48%
Kuraray	87,600	JPY	1,037,469	0.88%
Kurita Water Industries Ltd	96,800	JPY	2,149,433	1.82%
Komatsu Ltd	69,100	JPY	1,191,855	1.01%
Sankyo Co Ltd	30,500	JPY	1,138,658	0.96%
Sundrug	21,400	JPY	1,994,190	1.69%
Shimamura	8,900	JPY	1,316,912	1.11%
Taisho Pharm	12,800	JPY	1,342,509	1.14%
Daiichi Sankyo Co Ltd	48,400	JPY	1,166,950	0.99%
Sumitomo Dainippon Pharma	80,800	JPY	1,391,691	1.18%
Terumo Corp	56,700	JPY	2,401,417	2.03%
Dena Co Ltd	53,100	JPY	1,230,839	1.04%
Toyo Suisan Kaisha Ltd	29,300	JPY	1,182,396	1.00%
Nisshin Seifun Group Inc	102,500	JPY	1,636,562	1.38%
Nitori	11,900	JPY	1,431,387	1.21%
Hitachi Construction Machinery	70,500	JPY	1,017,745	0.86%
Familymart	21,200	JPY	1,291,548	1.09%
Fujifilm Holdings Corp	27,600	JPY	1,061,062	0.90%
Meiji Holdings Co Ltd	19,100	JPY	1,941,836	1.65%
Lawson Inc	29,600	JPY	2,357,266	1.99%
			33,126,347	28.02%
<i>Netherlands</i>				
Koninklijke Ahold	53,144	EUR	1,174,903	0.99%
			1,174,903	0.99%
<i>United States of America</i>				
Adobe Systems Inc	11,830	USD	1,133,196	0.96%
Albemarle	22,451	USD	1,780,589	1.51%
Alphabet Inc	1,500	USD	1,055,295	0.89%
Avery Dennison Corp	15,562	USD	1,163,260	0.98%
Bard (Cr) Inc	5,191	USD	1,220,716	1.03%

**GAVEKAL MULTI-FUND PLC**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 30 June 2016**

**Schedule of Investments of GaveKal Knowledge Leaders Fund at 30 June 2016 (continued)**

<b>Asset description</b>	<b>Quantity</b>	<b>Ccy</b>	<b>Fair value USD</b>	<b>% TNA</b>
Becton Dickinson & Co	6,964	USD	1,181,025	1.00%
Celanese Ser A	32,645	USD	2,136,615	1.81%
Cisco Systems Inc	40,911	USD	1,173,737	0.99%
Citrix Systems Inc	13,660	USD	1,094,029	0.93%
Dover Corp	35,405	USD	2,454,275	2.08%
Dow Chemical Co	21,873	USD	1,087,307	0.92%
General Mills Inc	36,461	USD	2,600,399	2.20%
Intuit	10,983	USD	1,225,813	1.04%
Johnson & Johnson	20,392	USD	2,473,550	2.09%
Laboratory Corp	13,688	USD	1,783,136	1.51%
Estee Lauder Companies Inc-A	25,197	USD	2,293,431	1.94%
Microsoft Corp	22,848	USD	1,169,132	0.99%
Microchip Technology Inc	29,605	USD	1,502,750	1.27%
Nvidia Corp	25,745	USD	1,210,272	1.02%
Pepsico Inc	22,766	USD	2,411,830	2.04%
Rockwell Collins Inc.	19,440	USD	1,655,122	1.40%
Henry Schein Inc	6,638	USD	1,173,598	0.99%
Stanley Black And Decker Inc.	20,244	USD	2,251,538	1.90%
Stryker Corp	10,366	USD	1,242,158	1.05%
Waters Corp	12,690	USD	1,784,849	1.52%
			<b>40,257,618</b>	<b>34.06%</b>

**Total Exchange Traded Equities**

**81,869,891 69.22%**

**Exchange Traded Funds**

Ishares Barclays 3-7 Year Treasury Bond Fund	36,508	USD	4,649,294	3.93%
Ishs Lehmn 1-3Y Tr	34,607	USD	2,952,669	2.50%
Ishs Lehmn 20+Y Tr	35,053	USD	4,865,006	4.11%
Ishs Lehmn 7-10Y Tr	36,470	USD	4,120,016	3.48%
Schwab Intermediate Term Us Treasury Etf	83,358	USD	4,665,547	3.95%
Schwab Short Term Us Treasury Etf	67,677	USD	3,448,820	2.92%
Vanguard Interm Term Bds Etf	46,580	USD	4,102,301	3.47%
Vanguard Intermediate -Trm Gvt Etf	69,403	USD	4,662,494	3.94%

**Total Exchange Traded Funds**

**33,466,146 28.30%**

**Total financial assets at fair value through profit or loss**

**115,336,037 97.54%**

Cash and cash equivalents

3,825,458 3.24%

Other assets and liabilities

(927,463) (0.78%)

**Net assets attributable to holders of redeemable participating shares**

**118,234,032 100.00%**

**GAVEKAL MULTI-FUND PLC**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 30 June 2016**

**Schedule of Significant Portfolio Movements of GaveKal Knowledge Leaders Fund  
for the year ended 30 June 2016 (unaudited)**

<b>Largest Purchases</b>	<b>Cost USD</b>	<b>Largest Sales</b>	<b>Proceeds USD</b>
Ishares Barclays 3-7	7,112,181	Spdr B 1-3Mtb Etf	7,203,823
Ishs Lehmn 1-3Y Tr	6,973,578	Ish Sh Trs Bd Etf	7,200,691
Ishs Lehmn 7-10Y T	4,909,313	Prsh Sh 20+ Yr Etf	5,819,256
Ishares Tr Us Trea	4,684,887	Ishares Tr Us Trea	4,832,250
Schwab Intermedi	4,598,395	Ishs Lehmn 1-3Y Tr	4,033,962
Vanguard Interm Tr	4,598,136	Ishares 10-20 Year	3,726,886
Ishs Lehmn 20+Y Tr	4,573,536	Spdr Bar Tips Et	3,620,662
Spdr B 1-3Mtb Etf	4,066,909	Prh Ultr Lhm7-10Ys	2,971,750
Ish Sh Trs Bd Etf	4,064,728	Proshares Ul Sh Eur	2,952,010
Vangd Inter Trm Bd	4,025,001	Astellas Pharma Inc	2,759,053
Ishares 10-20 Year	3,658,330	Nvidia Corp	2,730,638
Spdr Bar Tips Et	3,512,781	Ishares Barclays 3-7	2,587,494
Schwab Short-Ter	3,437,097	Danone	2,490,078
Lawson Inc	2,813,643	Mitsubishi Tanabe	2,478,607
Seven & I Holdings	2,468,417	Nestle Sa	2,423,687
Celanese Ser A	2,433,636	Seven & I Holdings	2,401,634
Laboratory Corp	2,387,496	Corning Inc	2,332,737
Stanley Black Deker	2,342,818	Patterson Companie	2,291,024
Familymart	2,321,955	Dentsply Sirona	2,287,384
Albemarle	2,252,667	Laboratory Corp	2,287,093
Kurita Water Ind	2,182,422	Eli Lilly & Co	2,267,764
Dover Corp	2,181,999	Shiseido Co Ltd	2,062,827
Waters Corp	1,888,430	Citrix Systems	1,990,640
Rockwell Collins I	1,803,349	Harris Corp	1,863,341
Cgi Group A	1,710,709	Bristol Myers Squi	1,858,524
Sundrug	1,693,153	Abbott Labs	1,759,286
Kirin Hldgs Co Ltd	1,553,881	Santen Pharmaceuti	1,741,240
Microchip Tech	1,529,364	Medtronic Plc	1,735,974
Estee Lauder Co-A	1,483,628	Quest Diagnostics	1,697,343
Bic	1,457,582	Zimmer Biom Hld Inc	1,667,084

**GAVEKAL MULTI-FUND PLC**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 30 June 2016**

**Schedule of Significant Portfolio Movements of GaveKal Dynamic Futures Fund  
for the year ended 30 June 2016 (unaudited)**

<b>Largest Purchases</b>	<b>Maturity</b>	<b>Cost USD</b>	<b>Largest Sales</b>	<b>Maturity</b>	<b>Proceeds USD</b>
USA Treasury Bill	04-Feb-16	5,999,471	USA Treasury Bill	04-Feb-16	6,000,000
USA Treasury Bill	18-Feb-16	5,999,415	USA Treasury Bill	03-Mar-16	6,000,000
USA Treasury Bill	11-Feb-16	5,999,275	USA Treasury Bill	11-Feb-16	6,000,000
USA Treasury Bill	03-Mar-16	5,998,445	USA Treasury Bill	18-Feb-16	6,000,000
USA Treasury Bill	02-Jun-16	5,499,499	USA Treasury Bill	07-Apr-16	5,500,000
USA Treasury Bill	26-May-16	5,498,970	USA Treasury Bill	21-Apr-16	5,500,000
USA Treasury Bill	07-Apr-16	5,498,411	USA Treasury Bill	26-May-16	5,499,764
USA Treasury Bill	21-Apr-16	5,497,882	USA Treasury Bill	02-Jun-16	5,499,513
USA Treasury Bill	09-Jun-16	5,099,581	USA Treasury Bill	05-May-16	5,100,000
USA Treasury Bill	05-May-16	5,097,863	USA Treasury Bill	09-Jun-16	5,099,297
USA Treasury Bill	23-Jun-16	4,999,249	USA Treasury Bill	24-Mar-16	5,000,000
USA Treasury Bill	24-Mar-16	4,998,651	USA Treasury Bill	19-May-16	5,000,000
USA Treasury Bill	19-May-16	4,998,177	USA Treasury Bill	23-Jun-16	4,998,801
USA Treasury Bill	16-Jun-16	2,499,997	USA Treasury Bill	16-Jul-15	3,000,000
USA Treasury Bill	12-May-16	2,499,215	USA Treasury Bill	12-May-16	2,500,000
USA Treasury Bill	10-Mar-16	2,449,391	USA Treasury Bill	16-Jun-16	2,499,427
USA Treasury Bill	12-Nov-15	1,499,851	USA Treasury Bill	10-Mar-16	2,450,000
USA Treasury Bill	19-Nov-15	1,499,829	USA Treasury Bill	20-Aug-15	2,250,000
USA Treasury Bill	03-Dec-15	1,499,806	USA Treasury Bill	02-Jul-15	2,250,000
USA Treasury Bill	17-Dec-15	1,099,849	USA Treasury Bill	03-Sep-15	2,000,000
USA Treasury Bill	07-Jan-16	1,099,766	USA Treasury Bill	13-Aug-15	1,999,967
USA Treasury Bill	05-Nov-15	999,948	USA Treasury Bill	17-Sep-15	1,500,000
USA Treasury Bill	10-Dec-15	999,835	USA Treasury Bill	12-Nov-15	1,499,987
			USA Treasury Bill	19-Nov-15	1,499,984
			USA Treasury Bill	17-Dec-15	1,099,989

**GAVEKAL MULTI-FUND PLC**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 30 June 2016**

**Schedule of Significant Portfolio Movements of GaveKal Dynamic Futures (Euro Currency) Fund  
for the year ended 30 June 2016 (unaudited)**

<b>Largest Sales</b>	<b>Proceeds USD</b>
Efsf 0.5% 07/03/2016	5,514,575
Bund (Aut) 4 09/16	5,159,950
Efsf 2.75 12/16	5,135,750
Nederland 4 07/16	5,124,650
Efsf 2.75% 18/07/16	5,086,900
Netherlands Gvt 0 16	5,002,700
Bund (Aut) 3.5 15	3,400,000