

IMS announcement

16 May, 2014

GLOBAL FIXED INCOME REALISATION LIMITED (the “Company”)

Material Events and Transactions during the Period

There have been no material events during the period covered by this interim management statement.

Introduction

During the period covered by this report, the Investment Manager, Gottex Asset Management (UK) Ltd has continued to actively monitor all of the holdings of the Company and realise investments where it has been able to do so in accordance with its mandate to make realisations in an orderly and timely manner.

For the three months ended 31 March 2014, the Net Asset Value has declined by 2.98%. The main contributors to this have been the larger real estate-related positions in the Company’s portfolio. In particular, the 3DPropCo holding was marked lower by that fund’s manager, and the Ubique Gallois holding suffered a decline relating to the Ukrainian currency, which devalued by around 20% due to the civil unrest in that country.

Portfolio Review

Table 1: Significant Holdings as at 31 March 2014

Fund	Holding (percentage of 31 March NAV)	Manager and primary location	Principal Strategy	Comment
Autonomy Fund II D	20.4%	Autonomy Investimentos Sao Paulo, Brazil	Commercial Real Estate Development	This fund contains investments in several long term multi-phase real estate developments in Brazil. As a result, the inherent liquidity offered by this fund is very limited. There has been little change in the state of the portfolio during 2013. Gottex pursued possible exit opportunities but none of these progressed over the year.

3DPropCo Limited	18.3%	3Degrees Capital, Cayman Ltd Singapore	Hotel management	This fund holds a single asset, a stake in a resort close to Singapore, the Bintan Lagoon Resort. The manager has been uncooperative with investors, and despite our attempts to reach them, the fund's board has continued to be unresponsive.
South Asian Real Estate Limited	8.7%	South Asian Asset Management Ltd Mauritius	Residential Real Estate Development	SARE is a company with a goal to develop 25,000 residential units in various cities in India. The original assumed exit is an IPO of the business, but the timing of this is not imminent. Following a review by Gottex of companies pursuing similar businesses in India, Gottex made a recommendation to the Board of the Company to hold substantial reserves against this asset. The Board announced the reserves it was taking on 20 January 2014. Gottex continues to seek exit opportunities.
Ubique SPC – Gallois Fund	8.1%	Cornerstone Investment Management Limited, Gallois Invest Kiev, Ukraine	Residential and Commercial Real Estate Development	This is a small fund, set up and owned by funds managed by the Company's former investment manager, Signet Management. It originally made loans to developers and other businesses, but with some of those loans having defaulted, the fund now owns partially completed developments, the major one being in the town of Nikolaev. Political developments in the Ukraine have caused significant uncertainty around this asset. Gottex remains in contact with the Ukrainian asset manager and is trying to gather as much information as possible about a situation which is changing very rapidly. Gottex reviewed the information that was available to it and made a recommendation to the Board of the Company to hold reserves against this asset. These reserves were announced on 20 January 2014.

Vision Funds (1)	8.1%	Vision Investments LLP, Vision Brazil Gestao de Investimentos e Participacoes Ltda Sao Paulo, Brazil	Asset-Based Strategies	The funds had exposure primarily to two sets of assets. The FCVS portfolio represents claims against a mortgage insurance program backed by the government. There are also certain farm assets which represent a small proportion of the overall value. During the year, the manager has restructured the funds into single-asset vehicles and held an auction of the fund which owned the Eletrobras assets. That auction was completed in August 2013. The Company sold its shares in the auction for a value below where they were marked. Gottex is actively involved with the other investors and independent directors to discuss possible liquidity options for the FCVS assets and the remaining farm assets. The Company continues to hold reserves against the Vision Funds in relation to the FCVS assets as was announced in April 2013.
------------------	------	---	------------------------	--

(1) The Vision Funds are a group of 5 separate funds with multiple series under the name Vision. Since the restructuring in June 2013, each fund now consists of a single underlying asset or portfolio of related assets. They are all run by the same manager, and hence we consider them as a single line item for the purpose of this and similar analyses.

No other single position is greater than 4.0% of the Net Asset Value of the Company as of 31 March 2014. These five positions listed in Table 1 account for 63.6% of the Net Asset Value of the Company, or 79.4% of the Hedge Fund portfolio excluding cash and equivalents.

Table 2: Portfolio Exposure

Real Estate	59.0%
Asset-Based Strategies	10.0%
Distressed	2.3%
Long-short Credit	2.1%
Other	6.7%
Cash and equivalents net of payables	19.9%

Source: Gottex Asset Management (UK) Ltd

Table 3: Portfolio Geography

Americas	US	4.6%	45.5%
	Brazil	39.6%	
	Other Latin America	1.4%	
Europe & Middle East	Ukraine	12.3%	12.7%
	Other Emerging Europe	0.3%	
Asia Pacific	Indonesia	23.9%	41.7%
	India	11.6%	
	Vietnam	0.5%	
	Australia	1.7%	
	China	3.7%	
	Korea	0.3%	

Source: Gottex Asset Management (UK) Ltd

Estimated Liquidation Time Line

Gottex continues to provide updates on cash received or imminently to be received by the Company in its monthly factsheets. The liquidity generation has developed more or less in line with Gottex's expectations when it started work as the investment manager. Some liquidity was accelerated through the sale of some of the Vision Brazil positions. On the other side, the situation with the 3DPropCo asset has worsened and Gottex has pushed back its liquidity expectations.

The portfolio of the Company is now concentrated around five large holdings, the top four of which comprise predominantly real estate assets. Liquidity generation from these assets is very unpredictable. Gottex continues to seek the optimal outcome for shareholders of the Company. Any liquidity generated from any of these holdings will be a material event.

The projection Gottex has produced is shown below in tabular format (table 4). It should be read in conjunction with the caveats laid out below and it will be periodically updated as new information becomes available or changes to existing projections are warranted. Updates to this projection are incorporated into Gottex's monthly factsheet, which is available on the Company website, www.gottexfunds.com/gfir/gfir.

This projection does not include any assumption of sales of hedge fund investments in the secondary market for such interests. This would achieve an acceleration of the return of capital, but would also reduce the aggregate amount of capital returned as such sales are likely to occur at a discount to stated net asset value and/or reserved carrying value of the underlying hedge fund.

The distribution of cash to Shareholders is at the discretion of the Board, and it should be recognised that the table below shows when underlying fund investments are projected to monetise assets. Return of capital from those fund investments to the Company typically occurs 30-90 days after that

monetisation, and the Company holds a cash-equivalent receivable during that period. Only when actual cash is paid out is the Company in a position to return capital to Shareholders.

The Board intends to make periodic returns of cash to Shareholders via tender offers as and when, in their opinion, there is sufficient cash available to make it cost efficient to do so. As at the date of this interim management statement, the cash held by the Company is £6.835m.

Table 4: Estimated Liquidity Projection

	Fund Portfolio	Cash (including distributions)	Cash Pct*
Mar-13	£ 58,435,675	£ 12,981,287	18%
Apr-13	£ 56,934,067	£ 13,382,106	18%
May-13	£ 55,116,862	£ 14,956,693	21%
Jun-13	£ 45,583,190	£ 24,023,070	33%
Jul-13	£ 42,844,019	£ 24,404,898	34%
Aug-13	£ 40,016,028	£ 25,577,780	35%
Sep-13	£ 38,605,189	£ 26,022,510	36%
Oct-13	£ 37,725,593	£ 25,993,788	36%
Nov-13	£ 35,712,767	£ 26,858,875	37%
Dec-13	£ 25,304,831	£ 28,633,634	39%
Jan-14	£ 24,968,590	£ 28,743,321	40%
Feb-14	£ 24,072,203	£ 29,171,455	40%
Mar-14	£ 23,859,293	£ 29,162,881	40%
Jun-14	£ 23,859,293	£ 29,162,881	40%
Sep-14	£ 23,332,382	£ 29,689,792	41%
Dec-14	£ 23,257,875	£ 29,764,298	41%
Mar-15	£ 18,690,735	£ 34,331,439	47%
Jun-15	£ 18,690,735	£ 34,331,439	47%
Sep-15	£ 18,548,444	£ 34,473,730	47%

*Cash Pct represents the percentage of the 1 January 2013 Net Asset Value that has been or is projected to be converted to cash by the relevant date.

Disclaimer:

This projection has been prepared by Gottex based on highly subjective analyses of complex and dynamic investments held by underlying fund investments. The analyses are dependent on information sourced from the investment managers of the underlying fund, and hence the accuracy of the projections produced by Gottex is reliant on the accuracy of that information. In many cases the range of possible outcomes from the underlying asset investments is extremely wide in both value and timing. This range of outcomes will also become significantly more unpredictable the further into the future projections are made.

The projection is provided for the purpose of informing Shareholders as to the possible timing of the return of capital from the Company, but it should be understood that the actual amount and timing of the return of capital will not be as projected. There are many reasons why this will occur. These include, but are not limited to:

1. Inaccurate or optimistically-skewed information provided by the underlying managers;
2. Unpredictable events such as the appearance of a third-party buyer for a given underlying asset;
3. Changes in the values of underlying assets as prices change in global asset markets;
4. Changes in the foreign exchange markets, causing translation effects as foreign assets are marked back into pounds;
5. Sale of certain positions in the secondary market at a discount to stated net asset value;

It should also be noted that the analysis does not include any estimate of the fees and expenses that the Company will incur during the period of projection.

The information in the tables above has not been subject to audit and should be considered to be illustrative. It is emphasised that:

- there is no guarantee that the portfolio can be realised in accordance with the above indicative timetable, or at all;
- the values of any underlying investments as at the time of realisation may differ significantly from the values relied on in this document;
- the estimated portfolio liquidity profile above is indicative only and should not under any circumstances be considered a prediction, forecast or guarantee of the Company's actual portfolio liquidity profile or an indication as to the timing of distributions to Shareholders pursuant to the Company's winding down; and
- there is no guarantee that the assets in the portfolio will be realised at their net asset value, and it is possible that the Company may not be able to realise some of its assets at any material value.

This Interim Management Statement has been produced by Global Fixed Income Realisation Limited for the period from 1 January 2014 to 16 May 2014 in accordance with Transparency (Directive 004/109/EC) Regulations 2007. It should not be relied upon by the Company's shareholders or other parties for any other purpose.

Investor Updates

Gottex produces a fact sheet that is posted monthly on the Company's website and sent by email to a distribution list of investors. If you would like to add a name to this list, please contact Gottex Investor Relations.

The Board and Gottex are able, to the extent that regulations permit, to take meetings or calls with institutional investors. Requests should be made through the Company's broker, Numis Securities.

Contact Details

Gottex Investor Relations:
Andrew Crawford – Director, Investor Relations
Gottex Fund Management
Tel: +41 21 612 0026
Email: investor.relations@gottexfunds.com

Numis Securities:
Nathan Brown – Director, Corporate Broking
Numis Securities Limited
Tel: +44 (0)20 7260 1426
Email: n.brown@numis.com