

ALGEBRIS UCITS FUNDS PLC
(an umbrella fund with segregated liability between sub-funds)
ANNUAL REPORT & AUDITED FINANCIAL STATEMENTS
FOR THE PERIOD FROM 17 FEBRUARY 2012 (DATE OF INCORPORATION)
TO 31 DECEMBER 2012

ALGEBRIS UCITS FUNDS PLC

Contents

Management and Administration	2
Investment Manager's Report	3
Directors' Report	4-5
Report of the Custodian to the Shareholders	6
Independent Auditor's report to the Shareholders	7
Statement of Financial Position	8
Statement of Comprehensive Income	9
Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares	10
Statement of Cash Flows	11
Notes to the Financial Statements	12-30
Schedule of Investments	31-34
Schedule of Significant Changes in Investments (Unaudited)	35-36

ALGEBRIS UCITS FUNDS PLC

Management and Administration

Registered Office	Arthur Cox Building Earlsfort Terrace Dublin 2 Ireland
Directors*	Alexander Lasagna (appointed 29 May 2012) Patrick McGorrian** (appointed 29 May 2012) Robert Hennessy (appointed 23 November 2012) Anthony Joyce** (appointed 29 May 2012 and resigned 23 November 2012) Kevin Murphy (appointed 17 February 2012 and resigned 29 May 2012) Dara Harrington (appointed 17 February 2012 and resigned 29 May 2012)
Investment Manager, Distributor and Promoter	Algebris Investments (UK) LLP 7 Clifford Street London W1S 2FT United Kingdom
Custodian	HSBC Institutional Trust Services (Ireland) Limited 1 Grand Canal Square Grand Canal Harbour Dublin 2 Ireland
Administrator, Registrar and Transfer Agent	HSBC Securities Services (Ireland) Limited 1 Grand Canal Square Grand Canal Harbour Dublin 2 Ireland
Independent Auditor	KPMG 1 Harbourmaster Place IFSC Dublin 1 Ireland
Legal Adviser	Arthur Cox Earlsfort Centre Earlsfort Terrace Dublin 2 Ireland
Company Secretary	Bradwell Limited Earlsfort Centre Earlsfort Terrace Dublin 2 Ireland

* All directors are non-executive

** Independent director

ALGEBRIS UCITS FUNDS PLC

Investment Manager's Report

for the period from 17 February 2012 (date of incorporation) to 31 December 2012

The Credit Fund performed strongly in the four months of its existence in 2012, generating +7.65%. A number of developments helped to generate this result.

The details of the Outright Monetary Transaction (OMT) program at the ECB meeting in early September were in line with expectations, but markets were reassured to hear that the OMT would be operating without "ex-ante limits." The market has continued to reassess and re-price tailrisk in Europe lower as a result.

With reported Q3 results, banks made significant improvements in Basel 3 capital ratios. The money centre banks in the US generated on average approximately 75 basis points of capital in the quarter, or nearly a 10% increase in regulatory capital in one quarter. Key European banks have also demonstrated similar capital generation. Thus far, dividends and share buybacks are still quite restrained, so the benefit of the capital build is still accruing to bondholders.

The new issue market has reopened and in November saw RBS, Societe Generale and Barclays amongst others issue capital instruments.

The momentum in financials credit continued through December as investors repositioned portfolios to take advantage of reduced systemic stress and the attractive yields available in the asset class. As we entered 2013, these key themes continue to be the market drivers. The market opened for peripheral senior issuance in late 2012. By mid-December the market had progressed to where Bank of Ireland, which recently threatened bondholders with an 80% writedown, issued a new Lower Tier 2 that traded up sharply on the break.

On the regulatory front, although the start date for Basel 3 has been pushed back from January 1, 2013, management teams and regulators are confident enough in structures that there could be substantial new issuance in both Tier 2 and new Tier 1 bonds over the course of 2013.

We believe the environment to continue to be supportive of financial subordinated credit.

April 2013

ALTEGRIS UCITS FUNDS PLC

Directors' Report

The Directors present their annual report and the audited financial statements for the period from 17 February 2012 (date of incorporation) to 31 December 2012.

Activities, business review and future prospects

Algebris UCITS Funds plc (the "Company") was incorporated on 17 February 2012 as an umbrella fund with segregated liability between Sub-Funds pursuant to the Companies Acts, 1963 to 2012 and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (as amended). The assets of each Sub-Fund will be invested separately on behalf of each Sub-Fund in accordance with the investment objective and policies of each Sub-Fund. As at the date of this report the Company comprised of one Sub-Fund, Algebris Financial Credit Fund.

A detailed business review is outlined in the Investment Manager's Report on page 3.

Risk management objectives and policies

Investment in the Company carries with it a degree of risk including, but not limited to, the risks referred to in the prospectus and note 13 of these financial statements.

Results and dividends

The results for the period are shown in the Statement of Comprehensive Income on page 9. Dividends amounting to EUR 54,139 were declared during the period ended 31 December 2012.

Directors

The Directors of the Company are detailed on page 2.

Directors' and secretary's interests

Neither of the Directors nor the Company Secretary held any interest, beneficial or otherwise, in the share capital of the Company during or at the end of the period.

Statement of Directors' responsibilities

The Directors are responsible for preparing the financial statements in accordance with applicable Irish law and International Financial Reporting Standards ("IFRS") as adopted by the European Union.

Irish company law requires the Directors to prepare financial statements for each financial period, which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the Company and which enable them to ensure that the financial statements are prepared in accordance with IFRS and comply with Irish statute comprising the Companies Acts 1963 to 2012 and the European Communities (Undertaking for Collective Investment in Transferable Securities) Regulations 2011 (as amended) (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 Custodian for safe-keeping. In carrying out this duty, the Directors have delegated custody of the Company's assets to HSBC Institutional Trust Services (Ireland) Limited, 1 Grand Canal Square, Grand Canal Harbour, Dublin 2.

ALGEBRIS UCITS FUNDS PLC

Directors' Report (continued)

Books of account

The measures taken by the Directors to secure compliance with the Company's obligation to keep proper books of account are the use of appropriate systems and procedures and the employment of competent service providers. The books of account are kept at HSBC Securities Services (Ireland) Limited, 1 Grand Canal Square, Grand Canal Harbour, Dublin 2.

Corporate Governance Code

The Board of Directors has assessed the measures included in the voluntary Corporate Governance Code for Collective Investment Schemes and Management Companies as published by the Irish Fund Industry Association in December 2011 (the "IFIA Code"). The Board has adopted all corporate governance practices and procedures in the IFIA Code with effect from 19 October 2012.

Significant events during the period

Significant events during the period are disclosed in note 19.

Subsequent events

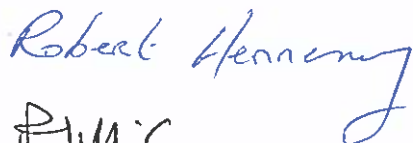
Significant events since the period end are disclosed in note 20.

Independent auditors

The independent auditors, KPMG, were appointed in accordance with Section 160(1) of the Companies Act, 1963 and have indicated their willingness to remain in office.

On behalf of the Board

Director



Director



24 April 2013



Report of the Custodian to the Shareholders

We have enquired into the conduct of Algebris UCITS Funds plc ("the Company") for the period ended 31 December 2012, in our capacity as Custodian to 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 Bank of Ireland's UCITS Notice 4, 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.

Responsibilities of the Custodian

Our duties and responsibilities are outlined in the Central Bank of Ireland's UCITS Notice 4. One of those duties is to enquire into the conduct of the Company in each annual accounting period and report thereon to the shareholders.

Our report shall state whether, in our opinion, the Company has been managed in that period, in accordance with the provisions of the Company's Memorandum and Articles of Association and the UCITS Regulations. It is the overall responsibility of the Company to comply with these provisions. If the Company has not so complied, we as Custodian must state why this is the case and outline the steps which we have taken to rectify the situation.

Basis of Custodian Opinion

The Custodian conducts such reviews as it, in its reasonable opinion, considers necessary in order to comply with its duties as outlined in UCITS Notice 4 and to ensure that, in all material respects, the Company has been managed (i) in accordance with the limitations imposed on its investment and borrowing powers by the provisions of its constitutional documentation and the appropriate regulations and (ii) otherwise in accordance with the Company's constitutional documentation and the appropriate regulations.

Opinion

In our opinion, the Company has been managed during the period, in all material respects:

- (i) in accordance with the limitations imposed on the investment and borrowing powers of the Company by the Memorandum & Articles of Association and by the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended, ('the Regulations'); and
- (ii) otherwise in accordance with the provisions of the Memorandum & Articles of Association and the Regulations.

On behalf of
HSBC Institutional Trust Services (Ireland) Limited
1 Grand Canal Square
Grand Canal Harbour
Dublin 2
Ireland

Date: 24 April 2013

HSBC Institutional Trust Services (Ireland) Limited
1 Grand Canal Square, Grand Canal Harbour, Dublin 2, Ireland
Tel: 00353 1 635 6000 Fax: 00353 1 649 7542

Directors: Ronnie Griffin, John Cargill (UK), Ciara Houlihan, Mark Synnott
Registered in Dublin, Ireland: Reg No. 181767 V.A.T. 6581767L

HSBC Institutional Trust Services (Ireland) Limited is authorised by the Central Bank of Ireland under the Investment Intermediaries Act, 1995.
RESTRICTED



KPMG
Chartered Accountants
1 Harbourmaster Place
IFSC
Dublin 1
Ireland

Independent Auditor's report to the members of Algebris UCITS Funds PLC

We have audited the financial statements of Algebris UCITS Funds PLC ("the Company") for the period from 17 February 2012 (date of incorporation) to 31 December 2012 which comprise the Statement of Financial Position, the Statement of Comprehensive Income, the Statement of Changes in Net Assets attributable to holders of redeemable participating shares, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is Irish law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the Company's members, as a body, in accordance with Section 193 of the Companies Act, 1990 and the UCITS Notices issued by the Central Bank of Ireland. 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 auditor's 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 auditor

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the Directors are responsible for the preparation of the financial statements giving a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Ethical Standards for Auditors issued by the Auditing Practices Board.

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. 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, in accordance with IFRSs as adopted by the EU, of the state of the company's affairs as at 31 December 2012 and of its changes in net assets attributable to holders of redeemable participating units for the year then ended; and
- the financial statements have been properly prepared in accordance with the Companies Acts, 1963 to 2012 and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (as amended).

Matters on which we are required to report by the Companies Acts 1963 to 2012

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion the financial statements are in agreement with the books of account and, in our opinion proper books of account have been kept by the company.

Independent Auditor's report to the members of Algebris UCITS Funds PLC (continued)

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 Acts 1963 to 2012, which require us to report to you if, in our opinion, the disclosures of Directors' remuneration and transactions specified by law are not made.



Brian Clavin
for and on behalf of KPMG Chartered Accountants, Statutory Audit Firm
1 Harbourmaster Place
IFSC, Dublin 1
Ireland

24 April 2013

Supplementary report under generally accepted auditing standards in the United States of America ("US GAAS")

As requested by the Directors, we also performed our audit of the financial statements in accordance with US GAAS.

In our opinion, the accompanying Statement of Financial Position, the Statement of Comprehensive Income, the Statement of Cash Flows, the Statement of Changes in Net Assets Attributable to Redeemable Participating Shareholders, present fairly, in all material respects, the financial position of the Company at 31 December 2012 and the results of its operations for the period then ended in conformity with International Financial Reporting Standards (IFRSs) as adopted for use in the European Union. The Directors are responsible for the preparation of the financial statements.

Our responsibility is to audit and express an opinion on these financial statements in accordance with US GAAS. Those standards require us to plan and perform the audit to give reasonable assurance about whether the financial statements are free from material misstatement, whether caused by fraud or error. An audit performed in accordance with US GAAS includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates used by management, and evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.



Brian Clavin
for and on behalf of KPMG Chartered Accountants
1 Harbourmaster Place
IFSC, Dublin 1
Ireland

24 April 2013

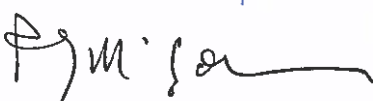
ALGEBRIS UCITS FUNDS PLC

Statement of Financial Position as at 31 December 2012

	Notes	Algebris Financial Credit Fund EUR
Assets		
Cash and cash equivalents	2(c)	8,162,031
Financial assets at fair value through profit or loss	3,4	-
- Transferable securities		40,735,434
- Financial derivative instruments		50,923
Due from members		161,599
Accrued income and other receivables	6	788,160
Total assets		49,898,147
Liabilities		
Financial liabilities at fair value through profit or loss	3,4	-
- Financial derivative instruments		33,939
Performance fees payable	5	281,562
Dividends payable		54,139
Investment management fees payable	5	45,671
Administration fees payable	5	9,456
Audit fee payable	5	4,781
Director's fees payable	5	2,682
Custodian fees payable	5	1,992
Accrued expenses and other payables	7	38,164
Liabilities (excluding net assets attributable to holders of redeemable participating shares)		472,386
Net assets attributable to holders of redeemable participating shares		49,425,761

Approved on behalf of the Board

Director 

Director 

24 April 2013

The accompanying notes form an integral part of these financial statements

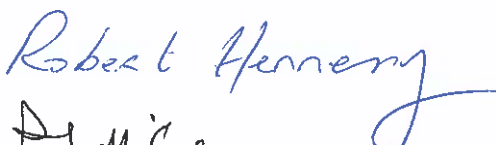

ALGEBRIS UCITS FUNDS PLC

Statement of Comprehensive Income

for the period from 17 February 2012 (date of incorporation) to 31 December 2012

	Notes	Algebris Financial Credit Fund EUR
Investment income		
Interest income	2	507,666
Dividend income	2	46,327
Other income		142,598
Net gain on financial assets and liabilities at fair value through profit or loss		1,800,004
Net loss on foreign exchange	2	(18,241)
Total investment income		2,478,354
Operating expenses		
Performance fees	5	281,690
Preliminary expense		76,915
Investment management fees	5	45,671
Administration fees	5	23,362
Directors' fees	5	11,476
Custodian fees	5	8,394
Audit fees	5	4,781
Other expenses	8	68,041
Total operating expenses		520,330
Net investment income		1,958,024
Finance costs		
Distributions to redeemable participating shares	10	54,139
Interest expense	2	108
Total finance costs		54,247
Profit before tax		1,903,777
Withholding tax on dividends	2	2,710
Increase in net assets attributable to holders of redeemable participating shares from operations		1,901,067

Approved on behalf of the Board

Director 
 Director 

24 April 2013

The accompanying notes form an integral part of these financial statements

ALTEGRIS UCITS FUNDS PLC

Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares for the period from 17 February 2012 (date of incorporation) to 31 December 2012

	Algebris Financial Credit Fund EUR
Net assets attributable to holders of redeemable participating shares at beginning of period	-
Increase in net assets attributable to holders of redeemable participating shares from operations	1,901,067
Proceeds from redeemable participating shares issued	48,330,681
Payment on redemption of redeemable participating shares issued	(805,987)
Net assets attributable to holders of redeemable participating shares at end of period	49,425,761

The accompanying notes form an integral part of these financial statements

ALTEGRIS UCITS FUNDS PLC

Statement of Cash Flows

for the period from 17 February 2012 (date of incorporation) to 31 December 2012

Algebris Financial
Credit Fund
EUR

Cash flows from operating activities

Increase in net assets attributable to holders of redeemable participating shares from operations	1,901,067
Purchase of financial assets and settlement of financial liabilities	(43,444,456)
Proceeds from sale of financial assets and of financial liabilities	4,044,205
Realised and unrealised gain	(1,352,167)
Increase in interest receivable	(788,160)
Increase in dividend payable	54,139
Increase in other payables	384,308
Net cash used in operating activities	(39,201,064)

Cash flows from financing activities

Proceeds from redeemable participating shares issued	48,169,082
Payment on redemption of redeemable participating shares	(805,987)
Net cash provided by financing activities	47,363,095

Net increase in cash and cash equivalents	8,162,031
---	-----------

Cash and cash equivalents at beginning of the period

Cash and cash equivalents at end of the period	8,162,031
---	------------------

Supplemental disclosures of cash flow information

Interest received	(280,494)
Interest paid	(108)
Dividends received	46,327

The accompanying notes form an integral part of these financial statements

ALGEBRIS UCITS FUNDS PLC

Notes to the Financial Statements

for the period from 17 February 2012 (date of incorporation) to 31 December 2012

1. General

The Company was incorporated on 17 February 2012 as a variable capital open-ended umbrella investment company with segregated liability between Sub-Funds under the Companies Acts 1963 to 2012 with registration number 509801 and was authorised by the Central Bank of Ireland on 9 August 2012. The Company was incorporated as an umbrella fund with segregated liability between Sub-Funds in accordance and as such, as a matter of Irish law the assets of the each Sub-Fund will not be exposed to the liabilities of the Company's other Sub-Funds. Each Sub-Fund of the Company will be responsible for paying its fees and expenses regardless of the level of its profitability. Notwithstanding the foregoing, there can be no assurance that, should an action be brought against the Company in the courts of another jurisdiction, the segregated nature of the Sub-Funds would necessarily be upheld. The Company is authorised in Ireland as an Undertaking for Collective Investment in Transferable Securities ("UCITS") pursuant to the UCITS Regulations. Further Sub-Funds may be established with the prior approval of the Central Bank of Ireland.

The Company has no employees.

At 31 December 2012 the Company consisted of the following Sub-Fund:

Algebris Financial Credit Fund (the "Fund")

The Fund's objective is to provide a high level of income and to generate modest capital appreciation. There is no guarantee that the Fund will achieve this objective.

The Fund intends to seek to achieve its objective by investing primarily in fixed and variable interest securities (e.g. corporate bonds, which may be investment grade or below investment grade as rated by Moody's, Standard & Poors, Fitch or other rating agencies, or unrated), contingent convertible instruments ("CoCo-Bonds"), hybrid securities, preference shares and other subordinated debt, derivatives, as well as deposits. The Fund may invest substantially in deposits with credit institutions during periods of high market volatility.

The Fund may not purchase ordinary equity securities, however the Fund may acquire and hold ordinary equity securities in the event that such ordinary equity securities are acquired by way of conversion from another security held by the Fund (e.g. a CoCo-Bond automatically converts into equity securities of the issuer under certain circumstances). For the avoidance of doubt, the Fund shall not be required to sell or otherwise dispose of any ordinary equity securities so acquired. This may result in ordinary equity securities being a significant portion of the Fund's portfolio of assets.

The Fund may use foreign exchange forwards for hedging and currency risk management purposes. The Fund may in the future also use other techniques and instruments for efficient portfolio management purposes (e.g. hedging of exchange rate exposure or interest rate risks).

The Fund may invest in other UCITS (other than feeder UCITS) and eligible Non-UCITS to give the Fund exposure to the asset classes set out above. These investments may not exceed 10% of the total Net Asset Value of the Fund.

2. Principal accounting policies

The principal accounting policies adopted by the Company in the preparation of these Financial Statements are set out below.

(a) Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted for use in the European Union, Irish statute comprising the Companies Acts, 1963 to 2012 and the UCITS Regulations.

ALGEBRIS UCITS FUNDS PLC

Notes to the Financial Statements (continued)

for the period from 17 February 2012 (date of incorporation) to 31 December 2012

2. Principal accounting policies (continued)

(b) Financial assets and liabilities at fair value through profit or loss

(i) Classification

The Company has classified its investments into the financial assets and liabilities at fair value through profit or loss category in accordance with IAS 39 Financial Instruments: Recognition and Measurement.

This category has two sub-categories: financial assets and liabilities held for trading, and those designated as at fair value through profit or loss upon initial recognition. Financial assets or liabilities held for trading are acquired or incurred principally for the purpose of selling or repurchasing in the short term. All investments and derivative contracts have been categorised as held for trading.

(ii) Recognition

Financial assets and liabilities at fair value through profit and loss are recognised initially on the trade date at which the Company becomes a party to contracted provisions of the instruments. Other financial assets and liabilities are recognised on the date they are originated.

(iii) Derecognition

A financial asset is derecognised when the Company no longer has control over the contractual rights that comprise that asset. This occurs when the rights are realised, expire or are surrendered. A financial liability is derecognised when it is extinguished or when the obligation specified in the contract is discharged, cancelled or expired. Assets held for trading that are sold are derecognised and corresponding receivables from the buyer for the payment are recognised as of the date the Company commits to sell the assets.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and consideration received (including any new asset obtained less any new liability assumed) is recognised in the Statement of Comprehensive Income.

(iv) Initial measurement

Financial instruments categorised at fair value through profit or loss are recognised initially at fair value, with transaction costs for such instruments being recognised directly in the Statement of Comprehensive Income. Financial liabilities, other than those at fair value through the profit or loss, are recognised initially at fair value plus transaction costs that are directly attributable to their acquisition or issue.

(v) Subsequent measurement

After initial measurement, the Company measures financial instruments which are classified as at fair value through profit or loss, at their fair values. 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. Financial assets are priced at their current bid prices, while financial liabilities are priced at their current offer prices.

If a quoted market price is not available on a recognised stock exchange or from a reputable broker/counterparty, the fair value of the financial instruments may be estimated by the Directors using valuation techniques, including the following: use of recent arm's length market transactions, reference to the current fair value of another instrument that is substantially the same, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

Where discounted cash flow techniques are used, estimated future cash flows are based on the Directors' best estimates and the discount rate used is a market rate at the Statement of Financial Position date applicable for an instrument with similar terms and conditions. Where other pricing models are used, inputs are based on market data available at the Statement of Financial Position date. Fair values for unquoted equity investments are estimated, if possible, using price/earnings ratios for similar listed companies adjusted to reflect the specific circumstances of the issuer.

ALGEBRIS UCITS FUNDS PLC

Notes to the Financial Statements (continued)

for the period from 17 February 2012 (date of incorporation) to 31 December 2012

2. Principal accounting policies (continued)

(b) Financial assets and liabilities at fair value through profit or loss (continued)

(v) *Subsequent measurement (continued)*

Gains and losses arising from changes in the fair value of financial assets and liabilities at fair value through profit or loss are included in the Statement of Comprehensive Income in the year in which they arise.

(vi) *Use of estimates and judgements*

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. The key judgments and estimates relate to investments and further information on this is disclosed in Note 13.

(vii) *Derivative financial instruments*

Forward foreign exchange contracts

A forward foreign currency contract involves an obligation to purchase or sell a specific currency at a future date, at a price set at the time the contract is made. Forward foreign currency contracts are valued by reference to the forward price at which a new forward foreign currency contract of the same size and maturity could be undertaken at the valuation date. The unrealised gain or loss on open forward foreign currency contracts is calculated as the difference between the contract rate and the forward price and is recognised in the Statement of Financial Position and the Statement of Comprehensive Income. Where a forward foreign currency contract is purchased to hedge the currency risk of a specific class which is issued in a currency other than the measurement currency of the Company, all gains and losses on that forward foreign currency contract are allocated to that class.

(viii) *Impairment of financial assets*

The Company assesses at each Statement of Financial Position date whether there is any objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial assets that can be reliably estimated.

(ix) *Offsetting financial instruments*

Financial assets and liabilities are offset and the net amount is reported in the Statement of Financial Position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

(x) *Transaction costs*

Transaction costs are incremental costs, which are separately identifiable and directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument. When a financial asset or financial liability is recognised initially, an entity shall measure it at its fair value through profit or loss with transaction costs for such instruments being recognised directly in the Statement of Comprehensive Income. Transaction costs include fees and commissions paid to brokers and counterparties, fees paid to the Custodian on trade settlement and any capital gains taxes.

(c) Cash and cash equivalents

Cash and cash equivalents comprise of cash held with HSBC Bank Plc. Cash is valued at its face value with interest accrued, where applicable, recorded as interest receivable.

ALGEBRIS UCITS FUNDS PLC

Notes to the Financial Statements (continued)

for the period from 17 February 2012 (date of incorporation) to 31 December 2012

2. Principal accounting policies (continued)

(d) Foreign currency translation

(i) *Functional and presentation currency*

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which they operate (the "functional currency"). As the Company's redeemable non-participating shares are issued in Euro, the Directors have determined that the functional and presentational currency is Euro ("EUR").

Unrealised gains or losses on open forward foreign currency contracts is calculated as the difference between the contract date rate and the applicable forward rate at the reporting date as reported in published sources, applied to the face amount of the forward foreign currency. The unrealised gain or loss at the reporting date is included in the Statement of Assets and Liabilities.

(ii) *Foreign currency transactions*

Transactions in foreign currencies are translated into Euro at the exchange rate prevailing on the transaction date. All assets and liabilities denominated in foreign currencies at the reporting date are retranslated into Euro at the exchange rate at that date. The realised and unrealised gains/losses on foreign currency transactions are accounted for in the Statement of Comprehensive Income.

(e) Interest income and interest expense

Interest income and interest expense are recognised in the Statement of Comprehensive Income on an accruals basis.

(f) Expenses

All expenses, including management fees and performance fees, are recognised in the Statement of Comprehensive Income on an accruals basis.

(g) Dividend income

Dividends are credited to the Statement of Comprehensive Income on the dates on which the relevant securities are listed as "ex-dividend". Income is shown gross of any non-recoverable withholding taxes, which are disclosed separately in the Statement of Comprehensive Income, and net of any tax credits.

(h) Redeemable participating shares

Redeemable participating shares are redeemable at the shareholder's option and are classified as financial liabilities. The participating shares can be put back to the Sub-Funds on any dealing day for cash equal to a proportionate share of the relevant Sub-Fund's Net Asset Value.

(i) Accounting standards in issue that are not yet effective and have not been early adopted

IFRS 9 Financial Instruments: On 12 November 2009, the IASB issued IFRS 9 Financial Instruments as the first step in its project to replace International Accounting Standard 39: Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 introduces new requirements for classifying and measuring financial assets. On 28 October 2010, the IASB reissued IFRS 9, incorporating new requirements on accounting for financial liabilities, and carrying over from IAS 39 the requirements for derecognition of financial assets and financial liabilities. The IASB intends to further expand IFRS 9 to add new requirements for impairment of financial assets measured at amortised cost, and hedge accounting. On 4 August 2011, the IASB has also published an exposure draft proposing to push back the mandatory effective date from 1 January 2013 to 1 January 2015. IFRS 9 has not been early adopted in these financial statements.

ALGEBRIS UCITS FUNDS PLC

Notes to the Financial Statements (continued)

for the period from 17 February 2012 (date of incorporation) to 31 December 2012

2. Principal accounting policies (continued)

(i) Accounting standards in issue that are not yet effective and have not been early adopted (continued)

IFRS 13 Fair Value Measurement: On 12 May 2011, the IASB issued IFRS 13 Fair Value Measurement. IFRS 13 replaces the guidance on fair value measurement in existing IFRS accounting literature with a single standard. Though IFRS 13 does not change the requirements regarding which items should be measured or disclosed at fair value, it defines and provides guidance on how to determine fair value and requires certain disclosures about fair value measurements. IFRS 13 is effective for annual periods beginning on or after 1 January 2013 with earlier application permitted. IFRS 13 has not been early adopted in these financial statements.

Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Company's financial statements.

3. Financial assets and liabilities at fair value through profit or loss

**Algebris Financial
Credit Fund
31 December 2012
EUR**

Financial assets at fair value through profit or loss

Held for trading:

Transferable securities

- Equity securities* 3,066,735

- Fixed income 37,668,699

Financial derivatives

- Forward foreign exchange contracts 50,923

Total financial assets at fair value through profit or loss 40,786,357

Financial liabilities at fair value through profit or loss

Held for trading:

Financial derivatives

- Forward foreign exchange contracts (33,939)

Total financial liabilities at fair value through profit or loss (33,939)

Net gain on financial assets and liabilities

at fair value through profit or loss

1,800,003

*The equity securities per the above table relate to preferred stock

4. Fair value measurement

The following table presents the financial instruments carried on the Statement of Financial Position by caption and by level within the valuation hierarchy as at 31 December 2012.

Algebris Financial Credit Fund	Level 1 EUR	Level 2 EUR	Level 3 EUR	Total EUR
Financial assets at fair value through profit or loss				
<i>Held for trading:</i>				
- Equity securities	3,028,848	37,887	-	3,066,735
- Fixed income	37,668,699	-	-	37,668,699
- Forward foreign exchange contracts	-	50,923	-	50,923
Total financial assets at fair value through profit or loss	40,697,547	88,810	-	40,786,357

ALGBRIS UCITS FUNDS PLC

Notes to the Financial Statements (continued)

for the period from 17 February 2012 (date of incorporation) to 31 December 2012

4. Fair value measurement (continued)

Algebris Financial Credit Fund	Level 1 EUR	Level 2 EUR	Level 3 EUR	Total EUR
Financial liabilities at fair value through profit or loss				
<i>Held for trading:</i>				
- Forward foreign exchange contracts	-	(33,939)	-	(33,939)
Total financial liabilities at fair value through profit or loss	-	(33,939)	-	(33,939)

IFRS 7 establishes a fair value hierarchy that prioritises the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under IFRS 7 are described as follows: In determining an instrument's placement within the hierarchy, the Directors separate the Company's investment portfolio into two categories: investments and derivative instruments.

Level 1	Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date;
Level 2	Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active;
Level 3	Inputs that are unobservable.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics, and other factors. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes "observable" requires significant judgment by the Directors. The Directors consider observable data to be that market data which is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. The categorisation of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the Directors' perceived risk of that instrument.

Investments

Investments whose values are based on quoted market prices in active markets are classified within level 1. These include active listed equities. The Directors do not adjust the quoted price for such instruments, even in situations where the Company holds a large position and a sale could reasonably impact the quoted price.

Investments that trade in markets that are not considered to be active, but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2.

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently or not at all. There are no level 3 investments held at year end.

Derivative instruments

Derivative instruments can be exchange-traded or privately negotiated over-the-counter ("OTC"). Exchange-traded derivatives, such as futures contracts and exchange traded option contracts, are typically classified within level 1 or level 2 of the fair value hierarchy depending on whether or not they are deemed to be actively traded. OTC derivatives, such as forward foreign exchange contracts and equity swaps have inputs which can generally be corroborated by market data and are therefore classified within level 2.

Transaction costs

There were transaction costs incurred during the period ended 31 December 2012. However, transaction costs on the purchase and sale of bonds and forwards are included in the purchase and sale price of the investment. They cannot be practically or reliably gathered as they are embedded in the cost of the investment and cannot be separately verified or disclosed.

ALGEBRIS UCITS FUNDS PLC

Notes to the Financial Statements (continued)

for the period from 17 February 2012 (date of incorporation) to 31 December 2012

5. Fees and expenses

Investment management fees

The Investment Manager shall be entitled to receive an investment management fee (the "Management Fee") from the Company equal to 0.50% per annum of the Net Asset Value of the Class I Shares. The Management Fee shall be (i) calculated and accrued daily; and (ii) is calculated by reference to the Net Asset Value of the Class I Shares before the deduction of that day's Management Fee and accrued Performance Fee. The Management Fee is normally payable in arrears within 14 days of the end of the relevant month end.

No Management Fee shall be payable in respect of Class M Shares.

In addition, the Investment Manager shall be entitled to be reimbursed its reasonably vouched out-of-pocket expenses. Each Sub-Fund shall bear its pro-rata share of such out-of-pocket expenses. Investment management fees for the period ended 31 December 2012 amounted to EUR 45,671 of which EUR 45,671 was payable at period end.

Performance fees

The Performance Fee in respect of the Class I Accumulating Classes is equal to 10% of the excess of the Net Asset Value per Share of the Class I Accumulating Classes (after the deduction of the Management Fee and all other payments and expenses but before the deduction of any accrued Performance Fee) at the end of a Performance Period over the High Water Mark.

The Performance Fee in respect of the Class I Distributing Classes is equal to 10% of the excess of the Adjusted NAV over the Adjusted High Water Mark.

"Adjusted NAV" means the Net Asset Value per Share of the Class I Distributing Class after the deduction of the Management Fee and all other payments and expenses but before the deduction of any accrued Performance Fee at the end of a Performance Period adjusted by the aggregate amount of all distributions per Share declared in respect of the Distributing Class since the initial issue of Shares in the Class.

"High Water Mark" means the previous highest of (i) the highest Net Asset Value per Share of the Class I Accumulating Classes (before any accrual for the Performance Fee) at the end of any previous Performance Period (occurring on a quarter end) on which the Performance Fee was paid; and (ii) the Initial Offer Price of the relevant Class I Accumulating Shares.

"Adjusted High Water Mark" means the previous highest of (i) the highest Adjusted NAV (before any accrual for the Performance Fee) at the end of any previous Performance Period (occurring on a quarter end) on which the Performance Fee was paid; and (ii) the Initial Offer Price of the Class I Shares.

The Performance Fee (if any) will accrue daily. The amount accrued on each day will be determined by calculating the Performance Fee that would be payable if that day was the last day of the current Performance Period. The Performance Fee will be payable by the relevant Sub-Fund to the Investment Manager quarterly in arrears normally within 14 calendar days of the end of each Performance Period.

The Performance Fee, if any, is calculated on Net Asset Value per Share (after the deduction of the Management Fee and all other payments and expenses but before the deduction of any accrued Performance Fee) at the end of each Performance Period (with respect to the Class I Accumulating Share Classes) and the Adjusted NAV (with respect to the Class I Distributing Share Classes) including in each case, for the avoidance of doubt the net realised and unrealised gains and losses. As a result, a Performance Fee may be paid on unrealised gains which may subsequently never be realised. There is no repayment of any Performance Fee already paid if the Net Asset Value per Share subsequently falls back below the High Water Mark or Adjusted High Water Mark, as appropriate, even if an investor redeems its holding.

The calculation of the performance fee shall be verified by the Custodian.

No performance fees shall be payable in respect of Class M shares.

ALGEBRIS UCITS FUNDS PLC

Notes to the Financial Statements (continued)

for the period from 17 February 2012 (date of incorporation) to 31 December 2012

5. Fees and expenses (continued)

Performance fees (continued)

Performance fees for the period ended 31 December 2012 amounted to EUR 281,690 of which EUR 281,562 was payable at period end.

Administration fees

The Administrator shall be entitled to receive out of the assets of each Sub-Fund a fee, accrued and calculated daily and payable monthly in arrears, at a rate of up to 0.10 % per annum of a Sub-Fund's Net Asset Value for the first EUR 100 million, 0.08 % per annum of a Sub-Fund's Net Asset Value between EUR 100 million and EUR 250 million, 0.06 % per annum of a Sub-Fund's Net Asset Value between EUR 250 million and EUR 500 million and 0.04 % per annum of a Sub-Fund's Net Asset Value above EUR 500 million subject to a minimum monthly fee of up to EUR 5,000 per Sub-Fund and EUR 500 per Share Class (which shall be reduced by 50% for the first six months after the launch of a Sub-Fund). The Administrator shall receive an annual reporting fee of EUR 3,000 per Sub-Fund.

In addition, the Company shall pay out of the assets of each Sub-Fund its portion of the Administrator's financial statement production fee of EUR 5,000 (per set) for the preparation of unaudited financial statements for the Company. In addition, the Administrator shall be entitled to be reimbursed its reasonable vouched out-of-pocket expenses, transaction and account fees. Administration fees for the period ended 31 December 2012 amounted to EUR 23,362 of which EUR 9,456 was payable at period end.

Custodian fees

The Custodian shall be entitled to receive out of the assets of each Sub-Fund a fee, accrued and calculated daily and payable monthly in arrears, at a rate of 0.05 % per annum of a Sub-Fund's Net Asset Value for the first EUR 100 million, 0.04 % per annum of a Sub-Fund's Net Asset Value between EUR 100 million and EUR 300 million and 0.03 % per annum of a Sub-Fund's Net Asset Value above EUR 300 million subject to a minimum monthly fee of EUR 1,250 per Fund (for the first six months after the launch of a Sub-Fund, EUR 2,500 per month thereafter).

The Custodian shall also be entitled to receive transaction charges and all sub-custodian charges will be recovered by the Custodian from the Company as they are incurred by the relevant sub-custodians. All such charges shall be charged at normal commercial rates. The Custodian is also entitled to reimbursement its reasonable vouched out-of-pocket expenses. Custodian fees for the period ended 31 December 2012 amounted to EUR 8,394 of which EUR 1,992 was payable at period end.

Directors' fees and expenses

The Directors shall be entitled to be paid a fee from the assets of the Company by way of remuneration for their services at a rate to be determined from time to time by the Directors, provided that the aggregate amount of Directors' remuneration in any one year shall not exceed EUR 75,000 plus VAT or such other maximum amount as may be determined by the Directors, notified to Shareholders in advance, and disclosed in the Prospectus or the Company's annual report. Mr Lasagna shall not receive a Directors' fee. The Directors will be entitled to be reimbursed by the Company for all reasonable disbursements and out-of-pocket expenses incurred by them. The Directors' fees for the period ended 31 December 2012 amounted to EUR 11,476 of which EUR 2,682 was payable at period end.

Auditors' fees

Fees accrued for the statutory auditors, KPMG, in respect of the period ending 31 December 2012, relate entirely to the audit of the financial statements of the Company. There were no fees accrued in respect of other assurance, tax advisory or non-audit services provided by the auditors. Auditors' fees accrued for the period ended 31 December 2012 amounted to EUR 4,781 of which EUR 4,781 was payable at period end.

Company secretarial fees

The Company has appointed Bradwell Limited as Company Secretary. Company secretarial fees for the period ended 31 December 2012 amounted to EUR 4,590, of which EUR 4,590 was payable at period end.

ALTEGRIS UCITS FUNDS PLC

Notes to the Financial Statements (continued)

for the period from 17 February 2012 (date of incorporation) to 31 December 2012

6. Other receivables

Algebris Financial
Credit Fund
31 December 2012
EUR

Interest receivable

788,160
788,160

7. Other payables

Algebris Financial
Credit Fund
31 December 2012
EUR

Professional fees payable
Legal fees payable
Tax and Administration fees payable
Corporate Secretarial fees payable
Miscellaneous expenses payable

11,473
9,828
7,574
4,590
4,699
38,164

8. Other expenses

Algebris Financial
Credit Fund
31 December 2012
EUR

Professional fees
Legal fees
Tax and Administrative fees
Corporate Secretarial fees
Miscellaneous expenses

19,427
10,519
7,574
4,590
25,931
68,041

9. Share capital and redeemable participating shares

The Company has issued Subscriber Shares to the value of EUR 300,000. The Subscriber Shares do not participate in the assets of the Sub-Funds. The Company reserves the right to redeem some or all of the Subscriber Shares provided that the Company at all times has a minimum issued share capital to the value of EUR 300,000.

The movement in the number of redeemable participating shares is as follows:

	At the beginning of the period	Shares Issued	Shares Redeemed	At the end of the period
CHF Class I Shares	-	1,000	-	1,000
CHF Class MD Shares	-	22,649	-	22,649
EUR Class I Shares	-	178,720	(7,817)	170,903
EUR Class ID Shares	-	232,015	-	232,015
EUR Class M Shares	-	20,000	-	20,000
EUR Class MD Shares	-	20,986	-	20,986
GBP Class I Shares	-	1,500	-	1,500
GBP Class M Shares	-	142	-	142
GBP Class MD Shares	-	1,000	-	1,000

ALTEGRIS UCITS FUNDS PLC

Notes to the Financial Statements (continued)

for the period from 17 February 2012 (date of incorporation) to 31 December 2012

10. Distributions

The Directors are permitted to declare distributions in respect of any Class of Shares. Distributions may not be payable for all Classes of Shares. A distribution may include accrued revenue which may subsequently never be received. The amount of the net income to be distributed is determined at the discretion of the Directors in accordance with Articles and the Directors will also determine what proportion of a Sub-Fund's expenses may be charged against the income to arrive at the net income figure.

Share Class	Dividend per share	Gross Amount
		EUR
EUR Class ID	EUR 0.069665	16,163
EUR Class MD	EUR 0.672741	14,118
GBP Class MD	GBP 0.792553	976
CHF Class MD	GBP 1.220847	22,882
		<u>54,139</u>

11. 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. As such, it is not chargeable to Irish tax on its income or gains.

However, Irish tax may arise on the happening of a "chargeable event". A chargeable event includes any distribution payments to shareholders or any encashment, redemption, cancellation or transfer of shares.

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

- (a) a shareholder who is neither Irish resident nor ordinarily resident in Ireland for tax purposes, at the time of the chargeable event, provided appropriate valid declarations in accordance with the provisions of the Taxes Consolidation Act, 1997, as amended, are held by the Company; and
- (b) certain exempted Irish tax resident shareholders who have provided the Company with the necessary signed statutory declarations.

Dividends, interest 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/gains are received and such taxes may not be recoverable by the Company or its shareholders.

12. Soft commissions

There were no soft commission arrangements affecting the Company during the period ended 31 December 2012.

13. Risks associated with financial instruments

The Company's risks are those set out in the Prospectus and the relevant Supplements and any consideration of risk here should be viewed in the context of the Prospectus and the relevant Supplements which is the primary documentation governing the operation of the Company.

The Company's activities expose it to a variety of financial risks: market risk (including equity price risk, currency risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management process focuses on the unpredictability of financial markets and seeks to mitigate potential adverse effects on the Company's financial performance.

ALGEBRIS UCITS FUNDS PLC

Notes to the Financial Statements (continued)

for the period from 17 February 2012 (date of incorporation) to 31 December 2012

13. Risks associated with financial instruments (continued)

The Investment Manager seeks to mitigate the financial risk in the Company in its daily risk management process. From year to year, the Company's exposure to risk will alter as market conditions change and as the components of the portfolio change and are adjusted through trading, subscriptions and redemptions. With regard to the objectives, policies and processes for managing the risk, whilst adapting to the current market conditions, the approach will remain consistent from year to year.

The Company uses the commitment approach to calculate the Algebris Financial Credit Fund's global exposure. This approach converts the Company's FDI position into an equivalent position of the underlying assets based on the market value of the underlying asset.

(a) Market risk

The potential for changes in the fair value or cash flows of the Sub-Funds' investment portfolios is referred to as Market Risk. Categories of Market Risk include equity price risk, currency risk and interest rate risk.

(i) Equity price risk

Equity price risk is the risk that the value of instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market. It represents the potential loss the Company might suffer through holding market positions in the face of price movements. The securities held by a Sub-Fund are held at fair value with fair value changes recognised in the Statement of Comprehensive Income. All changes in market conditions will therefore directly affect net investment income for the Sub-Fund. The Sub-Funds manage this exposure to individual price movements of underlying positions by only making investments which are in line with the investment restrictions.

A 5% increase in equity prices as at 31 December 2012 would have increased the net assets attributable to holders of redeemable shares by EUR 153,337. An equal change in the opposite direction would have decreased the net assets attributable to holders of redeemable participating shares by an equal but opposite amount.

(ii) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. A Sub-Fund may hold assets or liabilities denominated in currencies other than the functional currencies of the Sub-Fund. The Sub-Fund may, therefore, be exposed to currency risk as the value of the assets and liabilities denominated in other currencies other than the functional currency may fluctuate as a result of movements in the exchange rates.

The Sub-Funds may enter into forward foreign exchange contracts to hedge the currency exposures of securities denominated in a currency other than the functional currency of the relevant Sub-Fund and to hedge against other changes in currency rates which may have an impact on a Sub-Fund. Forward foreign exchange contracts may be also used by the Investment Manager to hedge the currency exposure on behalf of investors invested in foreign currency share classes offered by each Sub-Fund in relation to the functional currency of that Sub-Fund.

Any financial instruments used to implement such strategies with respect to one or more classes shall be assets/liabilities of a Sub-Fund as a whole but will be attributable to the relevant class and the gains/losses on and the costs of the relevant financial instruments will accrue solely to the relevant class.

ALTEGRIS UCITS FUNDS PLC

Notes to the Financial Statements (continued)

for the period from 17 February 2012 (date of incorporation) to 31 December 2012

13. Risks associated with financial instruments (continued)

(a) Market risk (continued)

(ii) Currency risk (continued)

The table below outlines the Fund's net foreign currency risk exposure.

Algebris Financial Credit Fund as at 31 December 2012	Monetary assets/(liabilities) EUR	Non-monetary assets/(liabilities) EUR	Forwards EUR	Total EUR
Pound sterling	10,230,534	-	(8,624)	10,221,910
Swiss Francs	(23,534)	-	1,825	(21,709)
United States Dollar	17,412,674	3,066,734	30,294	20,509,702
	27,619,674	3,066,734	23,495	30,709,903

At 31 December 2012 if any non-functional currencies had strengthened by 5% in relation to the respective functional currency of the Fund, with all other variables held constant, net assets attributable to holders of redeemable participating shares would have increased by the amounts shown below.

Algebris Financial Credit Fund as at 31 December 2012

	EUR
Pound sterling	511,096
Swiss Francs	(1,085)
United States Dollar	1,025,485
	1,535,496

A 5% decrease in non-functional currencies in relation to the respective functional currency with all other variables held constant, would lead to a corresponding decrease in the net assets attributable to holders of redeemable participating shares by the exact amounts as shown in the above tables. The estimated movement is based on management's determination of a reasonably possible change in foreign exchange rates. In practice, the actual results may differ from the sensitivity analysis above and the difference could be material.

(iii) Interest rate risk

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

The Sub-Funds will be exposed to interest rate risk in several dimensions. Many of the Sub-Funds' investments are subject to fluctuations in value if interest rates change. In the case of many credit instruments that may be acquired by the Sub-Funds, there is the further concern - as the issuers of such instruments are often in precarious financial condition - that the likelihood of default on the instruments increases as interest rates rise.

Interest rate risk

Algebris Financial Credit Fund as at 31 December 2012	Less than 1 month EUR	2 Months - 1 year EUR	1-5 years EUR	More than 5 years EUR	No Stated Maturity EUR	Non-interest bearing EUR	Total EUR
Assets							
Financial assets at fair value through profit or loss	-	-	6,092,205	20,325,219	11,251,275	3,117,658	40,786,357
Cash and cash equivalents	8,162,031	-	-	-	-	-	8,162,031
Due from members	-	-	-	-	-	161,599	161,599
Accrued income and other receivables	-	-	-	-	-	788,160	788,160
Total Financial Assets	8,162,031	-	6,092,205	20,325,219	11,251,275	4,067,417	49,898,147

ALGEBRIS UCITS FUNDS PLC

Notes to the Financial Statements (continued)

for the period from 17 February 2012 (date of incorporation) to 31 December 2012

13. Risks associated with financial instruments (continued)

(a) Market risk (continued)

(iii) Interest rate risk (continued)

	Less than 1 month EUR	2 Months -1 year EUR	1-5 years EUR	More than 5 years EUR	No Stated Maturity EUR	Non-interest bearing EUR	Total EUR
Liabilities							
Financial liabilities at fair value through profit or loss	-	-	-	-	-	33,939	33,939
Performance fee payable	-	-	-	-	-	281,562	281,562
Dividends Payable	-	-	-	-	-	54,139	54,139
Investment management fee payable	-	-	-	-	-	45,671	45,671
Administrator's fees payable	-	-	-	-	-	9,456	9,456
Audit fee payable	-	-	-	-	-	4,781	4,781
Directors' fees payable	-	-	-	-	-	2,682	2,682
Custodian fees payable	-	-	-	-	-	1,992	1,992
Accrued expenses and other payables	-	-	-	-	-	38,164	38,164
Net assets attributable to holders of redeemable participating shares	-	-	-	-	-	49,425,761	49,425,761
Total Financial Liabilities	-	-	-	-	-	49,898,147	49,898,147
Total interest sensitivity gap	8,162,031	-	6,092,205	20,325,219	11,251,275		

At 31 December 2012, if interest rates had been 50 basis points higher/lower with all other variables held constant, the increase in net assets attributable to holders of redeemable participating shares would have been EUR 188,343 higher/lower. This primarily arises from the increase/decrease in the fair value of fixed interest securities. Any cash and cash equivalents held by the Company are held at short term market rates and therefore are not exposed to significant amounts of interest rate risk.

(b) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to discharge an obligation or commitment that it has entered into with the Company. Credit risk is generally higher when a non-exchange traded financial instrument is involved because the counterparty for non-exchange traded financial instruments is not backed by an exchange clearing house.

Higher yielding debt securities are generally unsecured and may be subordinated to certain other outstanding securities and obligations of the issuer, which may be secured on substantially all of the issuer's assets. The lower rating of debt obligations in the higher-yielding sector reflects a greater probability that adverse changes in the financial condition of the issuer or in general economic conditions or both may impair the ability of the issuer to make payments of principal and interest. Non-investment grade debt securities may not be protected by financial covenants or limitations on additional indebtedness.

ALTEGRIS UCITS FUNDS PLC

Notes to the Financial Statements (continued)

for the period from 17 February 2012 (date of incorporation) to 31 December 2012

13. Risks associated with financial instruments (continued)

(b) Credit risk (continued)

The analysis below summarises the credit quality of the Fund's debt portfolio as at 31 December.

Debt securities by rating category	2012
A+	3.88%
A-	1.78%
BBB+	4.37%
BBB	17.17%
BBB-	23.54%
BB+	4.30%
BB	17.12%
BB-	9.79%
B	2.09%
CCC	3.20%
C	2.19%
NR	10.57%
Total	100%

Credit risk associated with investing activities is managed by the Investment Manager as part of the overall investment process. To reduce the Company's counterparty credit exposures, securities trading is primarily conducted on authorised exchanges and on a delivery-versus-payment basis. The risk of default is considered minimal, as delivery of securities on a settled trade is simultaneous with the Custodian receiving payment. Payment is made on a purchase once the securities have been received by the custodian. The trade will fail if either party fails to meet its obligation.

Substantially all the cash and investments held by the Company is held with HSBC Bank Plc an affiliate of the Custodian, HSBC Institutional Trust Services (Ireland) Limited. Bankruptcy or insolvency by HSBC Bank Plc may cause the Company's rights with respect to the cash and investments held to be delayed or limited. All transactions in listed securities are settled/paid for upon delivery using approved custodian and brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the custodian or broker has received payment. Payment is made on a purchase once the securities have been received by the custodian or broker. The trade will fail if either party fails to meet its obligation. The Investment Manager monitors the credit rating of HSBC Bank Plc on a monthly basis, as reported by Standard and Poor's, Moody's and Fitch. In addition, the Investment Manager monitors the financial position of HSBC Bank Plc on a quarterly basis by reviewing earnings releases. If the credit quality or the financial position of these banks deteriorates significantly the Investment Manager will recommend to the Board of Directors that the cash and investment holdings be moved to another bank.

The below table provides an analysis of the Company's main financial assets as at the Statement of Financial Position date, that are exposed to credit risk, together with the relevant counterparty's credit rating as reported by Standard and Poor's and Moody's.

Algebris Financial Credit Fund as at 31 December 2012

Financial assets	Counterparty	Credit rating	EUR
Cash and cash equivalents	HSBC Bank Plc	AA-	8,162,031
Fixed Income Securities	HSBC Bank Plc	AA-	37,668,699
Forward foreign exchange contracts	HSBC Bank Plc	AA-	50,923
			45,881,653

The Company will also be exposed to a credit risk in relation to the counterparties with whom it transacts or places margin or collateral in respect of transactions in financial derivative instruments and may bear the risk of counterparty default.

ALGEBRIS UCITS FUNDS PLC

Notes to the Financial Statements (continued)

for the period from 17 February 2012 (date of incorporation) to 31 December 2012

13. Risks associated with financial instruments (continued)

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company is exposed to fortnightly cash redemptions of redeemable participating shares and monitors this activity to ensure that funds are available to meet the redemption requirements.

The Company's actively traded securities are considered to be readily realisable as they are actively traded on recognised stock exchanges.

The Company's financial instruments also comprise investments in derivative contracts traded over-the-counter, which are not traded in an organised public market and which generally may be illiquid. As a result, the Company may not be able to liquidate quickly some of its investments in these instruments at an amount close to its fair value in order to meet its liquidity requirements, or to respond to specific events such as a deterioration in the credit worthiness of any particular issuer.

At 31 December 2012 substantially all of the Company's liabilities, including net assets attributable to redeemable participating shareholders, are payable within one month.

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on the remaining period at the Statement of Financial Position date to the contractual maturity date. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

Algebris Financial Credit Fund as at 31 December 2012	Less than 1 month EUR	2 Months -1 year EUR	1-5 years EUR	More than 5 years EUR	No stated maturity EUR	Total EUR
Liabilities						
Financial liabilities at fair value through profit or loss	-	33,939	-	-	-	33,939
Performance fee payable	281,562	-	-	-	-	281,562
Dividends Payable	54,139	-	-	-	-	54,139
Investment management fee payable	45,671	-	-	-	-	45,671
Accrued expenses and other payables	38,164	-	-	-	-	38,164
Administrator's fees payable	9,456	-	-	-	-	9,456
Audit fee payable	4,781	-	-	-	-	4,781
Directors' fees payable	2,682	-	-	-	-	2,682
Custodian fees payable	1,992	-	-	-	-	1,992
Total Financial Liabilities	438,447	33,939	-	-	-	472,386

ALGEBRIS UCITS FUNDS PLC

Notes to the Financial Statements (continued)

for the period from 17 February 2012 (date of incorporation) to 31 December 2012

14. Net asset value table

Algebris Financial Credit Fund

	Net Asset Value 31 December 2012	Shares in Issue	Net Asset Value per Share 31 December 2012
CHF Class I Shares	CHF 105,617	1,000	CHF 105.62
CHF Class MD Shares	CHF 2,406,874	22,649	CHF 106.27
EUR Class I Shares	EUR 18,397,975	170,903	EUR 107.65
EUR Class ID Shares	EUR 24,507,184	232,015	EUR 105.63
EUR Class M Shares	EUR 2,085,297	20,000	EUR 104.26
EUR Class MD Shares	EUR 2,271,106	20,986	EUR 108.22
GBP Class I Shares	GBP 160,183	1,500	GBP 106.79
GBP Class M Shares	GBP 14,520	142	GBP 102.45
GBP Class MD Shares	GBP 109,345	1,000	GBP 109.35

15. Reconciliation of net asset value

The Net Asset Value of each share of each class is determined by dividing the net assets of each class of the Sub-Fund by the total number of shares in issue for the relevant Class. In accordance with the provisions of the Company's prospectus the published Net Asset Value at 31 December 2012 valued quoted investments at the closing mid-market prices at the valuation point. The Directors consider this policy to be appropriate for the purpose of determining the Net Asset Value per share for share subscriptions and redemptions. However, in the financial statements the quoted investments at 31 December 2012 have been valued using bid prices in accordance with International Financial Reporting Standards. The establishment expenses incurred by the Company during the year ended 31 December 2012 are amortised over 5 years in line with the prospectus. These were written off in the financial statements in accordance with IFRS.

	NAV calculated in accordance with the prospectus	Bid/Ask adjustments	Preliminary expense	Financial Statements NAV
CHF Class I Shares	87,399	(337)	(129)	86,933
CHF Class MD Shares	1,991,705	(7,682)	(2,932)	1,981,091
EUR Class I Shares	18,397,975	(70,963)	(27,085)	18,299,927
EUR Class ID Shares	24,507,184	(94,527)	(36,079)	24,376,578
EUR Class M Shares	2,085,297	(8,043)	(3,070)	2,074,184
EUR Class MD Shares	2,271,106	(8,760)	(3,344)	2,259,002
GBP Class I Shares	197,325	(761)	(291)	196,273
GBP Class M Shares	17,887	(69)	(26)	17,792
GBP Class MD Shares	134,699	(520)	(198)	133,981
Total	49,690,577	(191,662)	(73,154)	49,425,761

ALGEBRIS UCITS FUNDS PLC

Notes to the Financial Statements (continued)

for the period from 17 February 2012 (date of incorporation) to 31 December 2012

16. Exchange rates

The following exchange rates were used to translate assets and liabilities into the functional currency Euro at 31 December 2012 for the Fund:

	31 December 2012
Swiss francs	0.8275
Euro	1.0000
Pound Sterling	1.2319
United States Dollar	0.7577

17. Supplemental information

The Investment Manager is subject to the Securities and Exchange Commission's amended Rule 206(4)-2 under the Investment Advisers Act of 1940. The Investment Manager has determined that they are required to provide the following information to all investors in order for the financial statements to comply with the requirements in order for the Investment Manager to be able to claim the Audit Exemption available to it under the SEC Custody Rule. The additional information required is to provide reconciliation between the financial statements and the accounting standards generally accepted in the United States of America. The Investment Manager has requested that the Board include this information in the Board's financial statements.

Financial Highlights

	EUR	GBP	CHF
Total return before Incentive Allocation	6.14%	6.20%	6.21%
Incentive Allocation	(0.77)%	(0.50)%	(0.02)%
Total return after Incentive Allocation	5.37%	5.70%	6.19%
Ratios to average net assets:			
Expenses	1.79%	2.89%	4.83%
Incentive Allocation	0.96%	0.55%	0.02%
Total expenses and Incentive Allocation	2.75%	3.44%	4.85%
Net investment income/(expense) after Incentive Allocation	3.20%	2.88%	(0.02)%

Share Capital

The Company paid 31 December 2012 redemptions of US\$ Nil that were effective 1 January 2013, which would result in a Nil% net increase/decrease in the 31 December 2012 Net Assets, had they been treated as payable as at 31 December 2012, as would be required under accounting standards generally accepted in the United States of America.

Accounting for Uncertainty in Income Taxes

"Accounting for Uncertainty in Income Taxes- an interpretation of ASC 740" effective January 1, 2009, clarifies the accounting for uncertainty in income taxes recognized in Company's financial statements in accordance with ASC 740 Accounting for Income Taxes. ASC 740 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. ASC 740 requires that the enterprise determines whether it is more likely than not that a tax position will be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits of the position. In evaluating whether a tax position has met the more-likely-than-not recognition threshold, the enterprise should presume that the position will be examined by the appropriate taxing authority that has full knowledge of all relevant information. A tax position that meets the more-likely-than-not recognition threshold is measured to determine the amount of benefit to recognize in the financial statements. The tax position is measured at the largest amount of benefit that is greater than 50 percent likely of being realized upon settlement.

ALTEGRIS UCITS FUNDS PLC

Notes to the Financial Statements (continued)

for the period from 17 February 2012 (date of incorporation) to 31 December 2012

17. Supplemental information (continued)

Accounting for Uncertainty in Income Taxes (continued)

Compliance with accounting standards generally accepted in the United States of America would have required the Company to adopt ASU 2009-06, Implementation Guidance on Accounting for Uncertainty in Income Taxes and Disclosure Amendments for non-public Entities (ASU 2009-06). ASU 2009-06 provides additional guidance on the accounting for uncertainty in income taxes and eliminates certain disclosure requirements for non-public entities. ASU 2009-06 amends the disclosure requirements for unrecognized tax benefits to eliminate certain disclosures for non-public entities. Under the amended disclosure requirements non-public entities are not required to disclose a tabular reconciliation of the total amounts of unrecognized tax benefits at the beginning and end of the period nor the total amount of unrecognized tax benefits that, if recognized, would affect the effective tax rate. Remaining disclosures required by ASC 740 are still applicable to non-public entities.

Management has analyzed the Company's tax positions for all open tax years (tax year ended 31 December 2012) and the positions to be taken for tax year ended 31 December 2012 and have concluded that no provision for income tax is required in the Company's financial statements. The Company recognizes interest and penalties, if any, related to unrecognized tax benefits as income tax expense in the Statement of Operations. During the period ended 31 December 2012, the Company did not incur any interest or penalties.

Derivative Financial Instruments

The Company has not designated any of the following derivative instruments as hedging instruments under ASC 815 "Accounting for Derivative Instruments and Hedging Activities":

Derivatives type	Asset derivatives		Liability derivatives	
	Location in Statement of Assets and Liabilities	Fair value	Location in Statement of Assets and Liabilities	Fair value
		2012 EUR		2012 EUR
Foreign foreign exchange contracts	Financial assets at fair value through profit or loss - Financial derivative instruments	50,923	Financial liabilities at fair value through profit or loss - Financial derivative instruments	33,939
Total		50,923		33,939

The effect of transactions in derivative instruments to the statement of comprehensive income during the period to 31 December 2012 was as follows:

Derivative type	Location of gain/(loss) on derivatives recognised in Statement of Comprehensive income	Net realised gain/(loss) on derivatives	Net change in unrealised appreciation/ (depreciation) on derivatives
		EUR	EUR
Foreign foreign exchange contracts	Net gain on financial assets and liabilities at fair value through profit or loss	447,837	-
Foreign foreign exchange contracts	Net gain on financial assets and liabilities at fair value through profit or loss	-	16,984
Total		447,837	16,984

ALGEBRIS UCITS FUNDS PLC

Notes to the Financial Statements (continued)

for the period from 17 February 2012 (date of incorporation) to 31 December 2012

18. Related parties

The below table provides an analysis of related party transactions for the period ended 31 December 2012.

	Relationship	Transaction type	Fees paid
Algebris Investments (UK) LLP	Investment Manager, Promoter	Investment management services	See note 4

Robert Hennessy is a director of the Company and an employee of KB Associates, who provide operational and compliance monitoring services to the company. KB Associates fees for the period ended 31 December 2012 amounted to EUR 7,172 of which EUR 4,746 was payable at period end.

Fees paid to the Directors and the Company Secretary for the period from 17 February 2012 (date of incorporation) to 31 December 2012 are included in note 5 of these financial statements.

19. Significant events during the period

Kevin Murphy and Dara Harrington were appointed as directors on 17 February 2012 and resigned as directors on 29 May 2012. Anthony Joyce was appointed as a director on 29 May 2012 and resigned as a director on 23 November 2012. Robert Hennessey was appointed as a director on 23 November 2012.

20. Significant events subsequent to the period end

A revised prospectus for the Company, providing for the new R Share Classes, was issued on 21 January 2013.

21. Approval of financial statements

The financial statements were approved and authorised for issue by the Board of Directors on 24 April 2013.

ALGEBRIS UCITS FUNDS PLC

Algebris Financial Credit Fund

Schedule of Investments as at 31 December 2012

Holdings	Financial Assets at Fair Value Through Profit or Loss	Fair Value EUR	% of Net Asset Value
Equity Securities			
	Netherlands	912,791	1.85
47,000	ING Groep 8.5% (Preferred) Perpetual	912,791	1.85
	United States	2,153,944	4.35
52,000	Countrywide Capital 7% (Preferred)	992,165	2.01
50	M&T Bank (Series A) (Preferred) Perpetual	37,887	0.07
60,000	Regions Financial (Series A) 6.375% (Preferred) Perpetual	1,123,892	2.27
	Total Equity Securities	3,066,735	6.20
Fixed Income Securities			
	Austria	1,662,121	3.36
1,250,000	Erste Group Bank 6.375% 28/03/2023	983,509	1.99
600,000	Erste Group Bank 7.125% 10/10/2022	678,612	1.37
	France	2,911,201	5.89
200,000	BNP Paribas Perpetual	204,072	0.41
600,000	CNP Assurances 30/09/2041	668,779	1.35
2,700,000	Societe Generale Perpetual	2,038,350	4.13
	Germany	2,008,504	4.06
1,300,000	Allianz 17/10/2042	1,463,111	2.96
750,000	HSN Nordbank 14/02/2017	545,393	1.10
	Guernsey	2,361,654	4.78
2,950,000	Credit Suisse Group 24/02/2041	2,361,654	4.78
	Ireland	1,964,515	3.98
1,075,000	Swiss Reinsurance Perpetual	869,685	1.76
250,000	Governor & Co of the Bank of Ireland 10% 19/12/2022	268,750	0.55
750,000	UT2 Funding 30/06/2016	826,080	1.67
	Italy	2,289,234	4.63
605,000	Intesa Sanpaolo 18/03/2024	591,720	1.20
150,000	Intesa Sanpaolo 3.625% 12/08/2015	113,702	0.23
200,000	Intesa Sanpaolo 4.125% 19/09/2016	208,738	0.42
100,000	Unicredit 4.375% 11/09/2015	105,235	0.21
500,000	Unicredit 5% 01/02/2016	594,144	1.20
650,000	Unicredit 6.95% 31/10/2022	675,695	1.37
	Jersey	218,609	0.44
50,000	HBOS Capital Funding Perpetual	55,542	0.11
75,000	HBOS Sterling Finance Jersey Perpetual	92,254	0.19
100,000	RZB Finance Jersey IV Perpetual	70,813	0.14

ALGEBRIS UCITS FUNDS PLC

Algebris Financial Credit Fund

Schedule of Investments (continued) as at 31 December 2012

Holdings	Financial Assets at Fair Value Through Profit or Loss	Fair Value EUR	% of Net Asset Value
Fixed Income Securities (continued)			
	Luxembourg	195,133	0.40
250,000	Unicredit Luxembourg Finance 6% 31/10/2017	195,133	0.40
	Netherlands	1,131,333	2.29
100,000	ABN Amro Bank 7.125% 06/07/2022	117,373	0.24
700,000	Delta Lloyd Levensverzek 29/08/2042	778,120	1.57
250,000	SRLEV 15/04/2041	235,840	0.48
	Portugal	1,229,784	2.49
1,200,000	Banco Espirito Santo 5.875% 09/11/2015	1,229,784	2.49
	Russian Federation	203,114	0.41
250,000	VTB Bank Perpetual	203,114	0.41
	Spain	7,507,068	15.19
2,100,000	BBVA International Preferred Uniperson (Series F) Perpetual	2,458,358	4.97
200,000	BBVA Senior Finance (Series GMTN) 4.375% 21/09/2015	204,742	0.42
2,000,000	BBVA US Senior Uniper 4.664% 09/10/2015	1,549,216	3.14
1,600,000	Santander Finance Preferred Uniper (Series 8) Perpetual	2,062,093	4.17
1,000,000	Santander Issuances (Series 24) 27/07/2019	1,232,659	2.49
	Switzerland	2,202,229	4.46
2,650,000	UBS Stamford 7.625% 17/08/2022	2,202,229	4.46
	Turkey	382,572	0.77
500,000	Yapi Ve Kredi Bankasi 5.5% 06/12/2022	382,572	0.77
	United Kingdom	7,117,866	14.40
600,000	Barclays Bank (Series RCI) Perpetual	984,696	1.99
250,000	Barclays Bank 6.625% 30/03/2022	294,238	0.60
1,110,000	Barclays Bank 7.625% 21/11/2022	837,155	1.69
100,000	Direct Line Insurance 27/04/2042	144,213	0.29
50,000	LBG Capital No 1 11.04% 19/03/2020	71,773	0.15
800,000	LBG Capital No 1 6.439% 23/05/2020	794,384	1.61
50,000	LBG Capital No 2 (Series 50) 8.5% 07/06/2032	63,351	0.13
500,000	LBG Capital No.1 (Series 8) 7.869% 25/08/2020	652,670	1.32
500,000	Lloyds TSB Bank 29/05/2020	609,616	1.23
250,000	Lloyds TSB Bank 12/02/2024	298,750	0.60
50,000	Lloyds TSB Bank 13% Perpetual	64,083	0.13
1,050,000	Royal Bank of Scotland 16/03/2022	1,268,128	2.57
1,300,000	Royal Bank of Scotland 6.125% 15/12/2022	1,034,809	2.09

ALGEBRIS UCITS FUNDS PLC

Algebris Financial Credit Fund

Schedule of Investments (continued)

as at 31 December 2012

Holdings	Financial Assets at Fair Value Through Profit or Loss	Fair Value EUR	% of Net Asset Value
Fixed Income Securities (continued)			
	United States	4,283,762	8.66
2,800,000	Citigroup Perpetual	2,148,215	4.35
100,000	Dresdner Funding Trust (144A) 8.151% 30/06/2031	75,226	0.15
1,500,000	Dresdner Funding Trust 8.151% 30/06/2031	1,131,052	2.29
325,000	HVB Funding Trust 8.741% 30/06/2031	219,794	0.44
250,000	Regions Financing 15/05/2047	189,437	0.38
700,000	Synovus Financial 5.125% 15/06/2017	520,038	1.05
	Total Fixed Income Securities	37,668,699	76.21
Forward Contracts*			
	Buy EUR 17,168,340 Sell USD 22,610,000 20/03/2013	47,359	0.11
	Buy EUR 2,011,787 Sell CHF 2,429,000 03/01/2013	1,749	-
	Buy GBP 159,900 Sell EUR 195,936 04/02/2013	962	-
	Buy GBP 109,800 Sell EUR 134,545 04/02/2013	661	-
	Buy GBP 14,380 Sell EUR 17,621 04/02/2013	86	-
	Buy EUR 87,379 Sell CHF 105,500 03/01/2013	76	-
	Buy CHF 18,200 Sell EUR 15,037 03/01/2013	24	-
	Buy GBP 1,200 Sell EUR 1,476 03/01/2013	3	-
	Buy GBP 900 Sell EUR 1,107 03/01/2013	2	-
	Buy CHF 700 Sell EUR 578 03/01/2013	1	-
	Buy GBP 90 Sell EUR 111 03/01/2013	-	-
	Total Forward Contracts	50,923	0.11
	Total Financial Assets at Fair Value Through Profit or Loss	40,786,357	82.52

ALGEBRIS UCITS FUNDS PLC

Algebris Financial Credit Fund

Schedule of Investments (continued) as at 31 December 2012

Holdings	Financial Assets at Fair Value Through Profit or Loss	Fair Value EUR	% of Net Asset Value
Forward Contracts*			
Buy EUR 1,580,401 Sell USD 2,100,000 20/03/2013		(9,783)	(0.02)
Buy EUR 1,355,733 Sell USD 1,800,000 20/03/2013		(7,282)	(0.02)
Buy CHF 2,376,800 Sell EUR 1,972,428 03/01/2013		(5,587)	(0.01)
Buy EUR 9,128,027 Sell GBP 7,420,000 20/03/2013		(3,891)	(0.01)
Buy EUR 661,577 Sell GBP 540,000 20/03/2013		(3,010)	(0.01)
Buy CHF 2,429,000 Sell EUR 2,012,968 04/02/2013		(2,173)	-
Buy EUR 196,004 Sell GBP 159,900 03/01/2013		(970)	-
Buy EUR 134,592 Sell GBP 109,800 03/01/2013		(666)	-
Buy CHF 103,500 Sell EUR 85,891 03/01/2013		(243)	-
Buy CHF 105,500 Sell EUR 87,430 04/02/2013		(94)	-
Buy EUR 17,627 Sell GBP 14,380 03/01/2013		(87)	-
Buy GBP 156,900 Sell EUR 193,327 03/01/2013		(49)	-
Buy CHF 27,100 Sell EUR 22,466 03/01/2013		(40)	-
Buy GBP 107,400 Sell EUR 132,335 03/01/2013		(34)	-
Buy CHF 6,900 Sell EUR 5,726 03/01/2013		(16)	-
Buy GBP 1,200 Sell EUR 1,483 03/01/2013		(5)	-
Buy GBP 14,100 Sell EUR 17,374 03/01/2013		(4)	-
Buy GBP 800 Sell EUR 989 03/01/2013		(3)	-
Buy CHF 700 Sell EUR 580 03/01/2013		(1)	-
Buy CHF 600 Sell EUR 498 03/01/2013		(1)	-
Buy GBP 900 Sell EUR 1,109 03/01/2013		-	-
Buy GBP 400 Sell EUR 493 03/01/2013		-	-
Buy GBP 100 Sell EUR 124 03/01/2013		-	-
Buy GBP 90 Sell EUR 111 03/01/2013		-	-
Total Forward Contracts		(33,939)	(0.07)
Total Financial Liabilities at Fair Value Through Profit or Loss		(33,939)	(0.07)
Net Financial Assets and Liabilities at Fair Value Through Profit or Loss		40,752,418	82.45
Other Net Assets		8,673,343	17.55
Total Net Assets Attributable to Holders of Redeemable Participating Shares		49,425,761	100.00
% of total assets			
Transferable securities admitted to an official stock exchange listing or traded in a regulated market		40,735,434	81.64
Over the counter financial derivatives		50,923	0.10
Cash and other current assets		9,111,790	18.26
Total		49,898,147	100.00

* The counterparty for all the forward contracts is HSBC Institutional Trust Services (Ireland) Limited.

ALGEBRIS UCITS FUNDS PLC

Algebris Financial Credit Fund

Schedule of Significant Changes in Investments (Unaudited)

Top 20 purchases as at 31 December 2012

Purchases	Cost EUR
Credit Suisse Group Guernsey 24/02/2041	2,364,174
BBVA International Preferred Uniperson (Series F) Perpetual	2,326,224
UBS Stamford 7.625% 17/08/2022	2,158,945
Citigroup Perpetual	2,128,272
Societe Generale Perpetual	2,058,646
Santander Finance Preferred Uniper (Series 8) Perpetual	2,033,563
Barclays Bank 7.625% 21/11/2022	1,800,997
BBVA US Senior Uniper 4.664% 10/09/2015	1,557,493
Allianz 17/10/2042	1,485,810
Santander Issuances (Series 24) 27/07/2019	1,203,012
Banco Espirito Santo 5.875% 09/11/2015	1,195,980
Regions Financial (Series A) 6.375% (Preferred) Perpetual	1,159,017
Royal Bank of Scotland 16/03/2022	1,132,500
Dresdner Funding Trust 8.151% 30/06/2031	1,063,272
Countrywide Capital 7% (Preferred)	1,013,459
Royal Bank of Scotland 6.125% 15/12/2022	1,011,741
Assicurazioni Generali 12/12/2042	1,000,000
Erste Group Bank 6.375% 28/03/2023	971,683
Barclays Bank (Series RCI) Perpetual	951,130
ING Groep 8.5% (Preferred) Perpetual	949,375

ALGEBRIS UCITS FUNDS PLC

Algebris Financial Credit Fund

Schedule of Significant Changes in Investments (Unaudited) (continued)

All sales as at 31 December 2012

Sales	Proceeds EUR
Assicurazioni Generali 12/12/2042	1,019,800
Barclays Bank 7.625% 21/11/2022	907,073
Banco Bilbao Vizcaya Argentaria 20/10/2019	698,000
Banco Bilbao Vizcaya ARG 16/02/2022	572,250
Santander Holdings USA 3% 24/09/2015	390,581
Santander Intl Debt 4.625% 21/03/2016	204,340
Allianz 17/10/2042	201,686
Santander Issuances 31/01/2018	50,476