

ALGEBRIS UCITS FUNDS PLC
(an umbrella fund with segregated liability between sub-funds)
ANNUAL REPORT & AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

ALGEBRIS UCITS FUNDS PLC

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ALGEBRIS UCITS FUNDS PLC

Management and Administration

Registered Office	Arthur Cox Building Earlsfort Terrace Dublin 2 Ireland
Directors*	Alexander Lasagna Patrick McGorrian** (resigned 18 December 2013) Robert Hennessy (resigned 21 November 2013) Carl O' Sullivan** (appointed 21 November 2013) Desmond Quigley** (appointed 18 December 2013)
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

Algebris Financial Credit Fund

Investment Manager's Report for the year ended 31 December 2013

2013 was a strong year for bank capital with spread compression offsetting the backup in rates led by US Treasuries. European HY also had a very strong year with total returns of 8% and total new issuance of over €70bn which was over €20bn more than 2012, which was a record year in itself.

In terms of bank capital specific new issues, European banks issued just over €1bn of capital instruments in 2013. New AT1, CoCo and Contingent Tier 2 structures comprised €14.4bn of this amount, up from €6bn in 2012. As banks continue to reposition balance sheets for Basel 3 requirements and the capital contribution of legacy instruments are reduced, we would expect to see continued growth and a broader acceptance of the asset class in 2014. Bank of America recently launched a CoCo index highlighting the institutional recognition of the asset class.

The primary driver in Europe remains the asset quality review (AQR) and balance sheet assessment. The AQR will address continuing concerns about bank credit quality, serving to identify undercapitalized institutions and initiating capital building exercises within institutions that fail to reach mandated capital requirements. It will require banks to continue to take creditor friendly actions including minimizing balance sheet growth, maintaining liquidity and preventing even the stronger banks from any meaningful capital return. Building capital to support the leverage ratio should be a key driver of new issuance as well.

In May 2014, banks in the US, UK and Europe will be subject to stress tests that effectively raise the bar even higher above market minimums. Between liquidity, capital and leverage ratio requirements, the stress tests, and “gold-plating” of domestic banking system requirements, we expect there to be a continued need for banks to issue additional tier 1 capital to support the capital securities into these stress tests. We believe there is an increased role for contingent capital to play and would like to draw your attention to a background piece on CoCos recently published by the Bank for International Settlements. For those of you who are interested the primer can be found here https://www.bis.org/publ/qtrpdf/r_qt1309f.pdf.

We expect the credit environment to remain supportive of contingent convertibles as their yield and relatively short duration minimize the impact from any rise in rates. In addition, increasing issuance by financial institutions should provide a wider set of opportunities for the fund to exploit as the market for CoCos and AT1 continues to develop. Our expectation is to see an additional \$15-25 billion of issuance in the first half of 2014.

The fund finished the year up 8.33%.

January 2014

ALGEBRIS UCITS FUNDS PLC

Algebris Financial Income Fund

Investment Manager's Report

for the year ended 31 December 2013

2013 was also a strong year for bank capital with spread compression offsetting the backup in rates led by US Treasuries. December continued this trend with corporate spreads in the US experiencing post-recession lows for both IG and HY spreads.

Our European recovery thesis for 2013 delivered. Investors put \$5B into European equity funds during the week of October 21st, the largest weekly inflow ever. European financials have followed the US and have bolstered their balance sheets ahead of the upcoming Asset Quality Review (AQR) test and the implementation of Basel III regulations. The ECB has given itself the necessary tools to establish its credibility as a robust regulator, and asset quality reviews of Euro banks will likely be followed by a LTRO program to boost lending to SMEs across the Eurozone, promoting the flow of capital into regional economies.

We remain positive on US financials but have begun to moderate certain positions. We are increasingly concerned with the news flow around the issue of carried interest and the impact that this will have on private equity managers, including BX, KKR, CG, and others. Until clarity around the issue of carried interest is achieved, we trimmed back exposure here after significant rallies year-to-date.

Looking forward into 2014 we see significant tailwinds in place for the global financial hybrid market. The primary driver in Europe remains the AQR and balance sheet assessment. The AQR will address continuing concerns about bank credit quality, serving to identify undercapitalized institutions and initiating capital building exercises within institutions that fail to reach mandated capital requirements. Building capital to support the leverage ratio should be a key driver of new issuance as well. Our expectation is to see an additional \$15-25 billion of issuance in the first half of 2014.

In Europe, the recovery of equities should occur in successive waves. The last wave of value recovery peaked in October. We expect any QE3-exit market disruption to provide an opportunity to reset value-risk trades in the region.

The fund finished the year up 8.74%.

January 2014

ALGEBRIS UCITS FUNDS PLC

Directors' Report

The Directors present their annual report and the audited financial statements for the year ended 31 December 2013.

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 2013 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 two Sub-Funds, Algebris Financial Credit Fund and Algebris Financial Income Fund.

A detailed business review is outlined in the Investment Manager's Reports on pages 3-4.

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 year are shown in the Statement of Comprehensive Income on pages 10-11. Dividends amounting to EUR 1,557,031 were declared during the year ended 31 December 2013 for the Algebris Financial Credit Fund and EUR Nil for the Algebris Financial Income Fund.

Directors

The Directors of the Company are detailed on page 2.

Directors' and secretary's interests

None 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 year.

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 year, 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 year. 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 2013 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 year

Significant events during the year are disclosed in note 19.

Subsequent events

Significant events since the year 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

23 April 2014



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 2013, 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: 23 April 2014

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, 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
Audit
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 01 January 2013 to 31 December 2013 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 5, 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 2013 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 2013 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 2013

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



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

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.

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 2013, 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

23 April 2014

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 2013 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

23 April 2014

ALGEBRIS UCITS FUNDS PLC

Statement of Financial Position
as at 31 December 2013

	Notes	Total 2013 EUR	Total 2012 EUR	Algebris Financial Credit Fund 2013 EUR	Algebris Financial Credit Fund 2012* EUR	Algebris Financial Income Fund 2013** EUR
Assets						
Cash and cash equivalents	2(c)	20,914,620	8,162,031	14,935,305	8,162,031	5,979,315
Financial assets at fair value through profit or loss	3,4					
- Transferable securities		255,930,921	40,735,434	158,936,928	40,735,434	96,993,993
- Financial derivative instruments		1,321,669	50,923	260,730	50,923	1,060,939
Due from broker		1,086,544	-	-	-	1,086,544
Due from members		930,794	161,599	813,349	161,599	117,445
Dividends receivable		174,337	-	51,250	-	123,087
Accrued income and other receivables	6	3,227,288	788,160	2,468,701	788,160	758,587
Total assets		283,586,173	49,898,147	177,466,263	49,898,147	106,119,910
Liabilities						
Financial liabilities at fair value through profit or loss	3,4					
- Financial derivative instruments		699,290	33,939	279,070	33,939	420,220
Due to broker		699,085	-	-	-	699,085
Due to members		95,960	-	12,587	-	83,373
Performance fees payable	5	845,143	281,562	845,143	281,562	-
Dividends payable		60	54,139	60	54,139	-
Investment management fees payable	5	163,837	45,671	119,182	45,671	44,655
Audit fee payable	5	7,517	4,781	2,881	4,781	4,636
Administration fees payable	5	18,956	9,456	11,392	9,456	7,564
Custodian fees payable	5	11,469	1,992	7,010	1,992	4,459
Director's fees payable	5	11,589	2,682	-	2,682	11,589
Accrued expenses and other payables	7	152,867	38,164	111,594	38,164	41,273
Liabilities (excluding net assets attributable to holders of redeemable participating shares)		2,705,773	472,386	1,388,919	472,386	1,316,854
Net assets attributable to holders of redeemable participating shares		280,880,400	49,425,761	176,077,344	49,425,761	104,803,056

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

**For the period from 12 August 2013 (date of incorporation) to 31 December 2013

Approved on behalf of the Board

Director



Director



23 April 2014

The accompanying notes form an integral part of these financial statements

ALGEBRIS UCITS FUNDS PLC

Statement of Comprehensive Income
for the year ended 31 December 2013

	Notes	Total 2013 EUR	Total 2012 EUR	Algebris Financial Credit Fund 2013 EUR	Algebris Financial Credit Fund 2012* EUR	Algebris Financial Income Fund 2013** EUR
Investment income						
Interest income	2	6,814,741	507,666	6,146,001	507,666	668,740
Dividend income	2	1,236,869	46,327	586,542	46,327	650,327
Other income		978,518	142,598	812,125	142,598	166,393
Net gain on financial assets and liabilities at fair value through profit or loss		10,024,416	1,800,004	4,092,253	1,800,004	5,932,163
Net loss on foreign exchange	2	(36,569)	(18,241)	28,852	(18,241)	(65,421)
Total investment income		19,017,975	2,478,354	11,665,773	2,478,354	7,352,202
Operating expenses						
Performance fees	5	1,082,427	281,690	1,082,427	281,690	-
Preliminary expense		133,362	76,915	108,362	76,915	25,000
Investment management fees	5	918,130	45,671	785,745	45,671	132,385
Administration fees	5	160,522	23,362	128,878	23,362	31,644
Directors' fees	5	44,012	11,476	32,423	11,476	11,589
Custodian fees	5	81,421	8,394	66,252	8,394	15,169
Audit fees	5	18,280	4,781	13,644	4,781	4,636
Other expenses	8	310,430	68,041	276,605	68,041	33,825
Total operating expenses		2,748,584	520,330	2,494,336	520,330	254,248
Net investment income		16,269,391	1,958,024	9,171,437	1,958,024	7,097,954
Finance costs						
Distributions to holders of redeemable participating shares	10	1,557,031	54,139	1,557,031	54,139	-
Interest expense	2	-	108	-	108	-
Total finance costs		1,557,031	54,247	1,557,031	54,247	-

The accompanying notes form an integral part of these financial statements

ALGEBRIS UCITS FUNDS PLC

Statement of Comprehensive Income (continued)
for the year ended 31 December 2013

	Notes	Total 2013 EUR	Total 2012 EUR	Algebris Financial Credit Fund 2013 EUR	Algebris Financial Credit Fund 2012* EUR	Algebris Financial Income Fund 2013** EUR
Profit before tax		14,712,360	1,903,777	7,614,406	1,903,777	7,097,954
Withholding tax on dividends	2	233,422	2,710	70,691	2,710	162,731
Withholding tax on interest		36,227	-	31,922	-	4,305
Increase in net assets attributable to holders of redeemable participating shares from operations		14,442,711	1,901,067	7,511,793	1,901,067	6,930,918

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

**For the period from 12 August 2013 (date of incorporation) to 31 December 2013

Approved on behalf of the Board

Director



Director



23 April 2014

The accompanying notes form an integral part of these financial statements

ALGEBRIS UCITS FUNDS PLC

Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares
for the year ended 31 December 2013

	Total 2013 EUR	Total 2012 EUR	Algebris Financial Credit Fund 2013 EUR	Algebris Financial Credit Fund 2012* EUR	Algebris Financial Income Fund 2013** EUR
Net assets attributable to holders of redeemable participating shares at beginning of year	49,425,761	-	49,425,761	-	-
Increase in net assets attributable to holders of redeemable participating shares	14,442,711	1,901,067	7,511,793	1,901,067	6,930,918
Proceeds from redeemable participating shares issued	247,033,793	48,330,681	148,118,735	48,330,681	98,915,058
Payment on redemption of redeemable participating shares	(30,021,865)	(805,987)	(28,978,945)	(805,987)	(1,042,920)
Net assets attributable to holders of redeemable participating shares at end of year	280,880,400	49,425,761	176,077,344	49,425,761	104,803,056

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

**For the period from 12 August 2013 (date of incorporation) to 31 December 2013

The accompanying notes form an integral part of these financial statements

ALGEBRIS UCITS FUNDS PLC

Statement of Cash Flows
for the year ended 31 December 2013

	Total 2013 EUR	Total 2012 EUR	Algebris Financial Credit Fund 2013 EUR	Algebris Financial Credit Fund 2012* EUR	Algebris Financial Income Fund 2013** EUR
Cash flows from operating activities					
Increase in net assets attributable to holders of Redeemable participating shares from operations	14,442,711	1,901,067	7,511,793	1,901,067	6,930,918
Purchase of financial assets and settlement of financial liabilities	(289,237,702)	(43,444,456)	(176,505,795)	(43,444,456)	(112,731,907)
Proceeds from sale of financial assets and of financial liabilities	77,918,690	4,044,205	58,548,646	4,044,205	19,370,044
Realised and unrealised gain	(5,568,414)	(1,352,167)	(209,021)	(1,352,167)	(5,359,393)
Increase in interest receivable	(2,439,128)	(788,160)	(1,680,541)	(788,160)	(758,587)
Increase in dividend receivable	(174,337)	-	(51,250)	-	(123,087)
(Decrease)/increase in dividend payable	(54,079)	54,139	(54,079)	54,139	-
Increase in other payables	1,526,155	384,308	712,894	384,308	813,261
Net cash used in operating activities	(203,586,104)	(39,201,064)	(111,727,353)	(39,201,064)	(91,858,751)
Cash flows from financing activities					
Proceeds from redeemable participating shares issued	246,264,598	48,169,082	147,466,985	48,169,082	98,797,613
Payment on redemption of redeemable participating shares	(29,925,905)	(805,987)	(28,966,358)	(805,987)	(959,547)
Net cash provided by financing activities	216,338,693	47,363,095	118,500,627	47,363,095	97,838,066
Net increase in cash and cash equivalents	12,752,589	8,162,031	6,773,274	8,162,031	5,979,315
Cash and cash equivalents at beginning of the year	8,162,031	-	8,162,031	-	-
Cash and cash equivalents at end of the year	20,914,620	8,162,031	14,935,305	8,162,031	5,979,315
Supplemental disclosures of cash flow information					
Interest received	9,253,869	(280,494)	7,826,542	(280,494)	1,427,327
Interest paid	-	(108)	-	(108)	-
Dividends received	1,062,532	46,327	535,292	46,327	527,240
Dividends paid	(1,611,110)	-	(1,611,110)	-	-

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

**For the period from 12 August 2013 (date of incorporation) to 31 December 2013

The accompanying notes form an integral part of these financial statements

Notes to the Financial Statements
for the year ended 31 December 2013

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 2013 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 with Irish law and as such, the assets of 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 2013 the Company consisted of the following Sub-Funds:

Algebris Financial Credit Fund

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

The Sub-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 Sub-Fund may invest substantially in deposits with credit institutions during periods of high market volatility.

The Sub-Fund may not purchase ordinary equity securities, however the Sub-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 Sub-Fund (e.g. a CoCo-Bond automatically converts into equity securities of the issuer under certain circumstances). For the avoidance of doubt, the Sub-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 Sub-Fund's portfolio of assets.

The Sub-Fund may use foreign exchange forwards for hedging and currency risk management purposes. The Sub-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 Sub-Fund may invest in other UCITS (other than feeder UCITS) and eligible Non-UCITS to give the Sub-Fund exposure to the asset classes set out above. These investments may not exceed 10% of the total Net Asset Value of the Sub-Fund.

Algebris Financial Income Fund

The Sub-Fund's objective is to maximise income and generate superior risk-adjusted returns over an investment cycle of approximately 3 to 5 years by investing in high dividend-yielding equity stocks and bonds. There is no guarantee that the Sub-Fund will achieve this objective.

The Sub-Fund intends to seek to achieve its objective by investing in the financial sector globally, in equity securities (e.g. ordinary shares or common stock American Depositary Receipts ("ADRs"), Global Depositary Receipts ("GDRs") and preference shares), fixed and variable rate debt 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 (including Tier 1, upper and lower Tier 2 securities and trust preferred securities), and other subordinated debt as well as deposits.

ALGEBRIS UCITS FUNDS PLC

Notes to the Financial Statements (continued) for the year ended 31 December 2013

1. General (continued)

Algebris Financial Income Fund (continued)

The Sub-Fund may invest substantially in deposits with credit institutions during periods of high market volatility.

The Sub-Fund's investments will be made in assets denominated in Euro or other G20 currencies. In order to minimise the foreign exchange risk, non-Euro denominated holdings may be hedged against the Base Currency.

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

The Sub-Fund may use FX forwards for hedging and currency risk management purposes.

The Sub-Fund may purchase and sell put and call equity options and interest rate options. Put options may be purchased by the Sub-Fund to (i) hedge against a decrease in the market generally; and (ii) hedge against the price of securities or other investments held by the Sub-Fund. Call options may be purchased by a Sub-Fund (i) to provide exposure to increases in the market; and (ii) to hedge against an increase in the price of securities or other investments that the Sub-Fund intends to purchase. The Sub-Fund may sell (or write) covered call options (i.e. where the Sub-Fund owns the security or other investment that is the subject of the call option) to enhance returns. The Sub-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 Sub-Fund may enter into equity swap agreements and contracts for differences to gain exposure to a particular basket of equity securities, to achieve profit as well as to hedge existing long positions.

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 2013 and the UCITS Regulations.

(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.

Notes to the Financial Statements (continued)
for the year ended 31 December 2013

2. Principal accounting policies (continued)

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

(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.

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.

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 year. 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.

Notes to the Financial Statements (continued)
for the year ended 31 December 2013

2. Principal accounting policies (continued)

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

(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. Realised gains or losses on forward contracts are recognised in 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.

Contracts for difference

Contracts for difference are agreements between the Company and third parties, which allow the Company to acquire an exposure to the price movement of specific securities without actually purchasing the securities. The changes in contract values are recorded as unrealised gains or losses and the Company recognises a realised gain or loss when the contract is closed. Unrealised gains and losses on contracts for difference are recognised in the Statement of Comprehensive Income. At each valuation point the difference in price between the contract price of the contracts for difference and the market price of the underlying equity is recorded as the fair value (unrealised gain or loss) of the contracts for difference. When a contracts for difference is closed the difference between the contract price of the contracts for difference and the market price is recorded as a realised fair value gain or loss in the Statement of Comprehensive Income.

Options

Options are valued at fair value based on the closing price on the relevant valuation date provided by the relevant counterparty.

The premium on written call options exercised is added to the proceeds from the sale of the underlying security or foreign currency in determining the realised gain or loss. The premium on written put options exercised is subtracted from the cost of the securities or foreign currencies purchased. Premiums received from written options, which expire unexercised, are treated as realised gains. For unsettled positions, unrealised gains or losses are recognised in the Statement of Comprehensive Income.

Realised and unrealised gains and losses on all derivative contracts are recognised in the Statement of Comprehensive Income.

(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 note 13 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.

Notes to the Financial Statements (continued)
for the year ended 31 December 2013

2. Principal accounting policies (continued)

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

(ix) Offsetting financial instruments (continued)

The Company holds master netting or similar agreements with HSBC Bank plc. The Company considers that it has a current legally enforceable right to set off the recognised amounts as further described in note 13 to the financial statements, however is not expected to realise the relevant assets and settle the liabilities simultaneously and therefore has not offset the relevant financial assets and liabilities under such agreements.

(x) Transaction costs

Transaction costs are incremental costs, which are 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 plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Transaction costs on the purchase of fixed income securities and forwards are included on 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.

Transaction costs on purchases and sales of equities, options and contracts for difference are included in net gains/(losses) on financial assets and liabilities in the Statement of Comprehensive Income for each Sub-Fund. Custody transactions costs are included in Custodian fees in the Statement of Comprehensive Income.

(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.

(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 Financial Position.

(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 effective interest rate basis.

Notes to the Financial Statements (continued)
for the year ended 31 December 2013

2. Principal accounting policies (continued)

(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 standard 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. On 19 November 2013, IASB decided not to have any effective date until all phases of the IFRS 9 project are complete. IFRS 9 has not been early adopted in these financial statements.

j) Changes to the accounting policies

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. IFRS 13, ‘Fair value measurement’, effective for annual periods beginning on or after 1 January 2013. The standard improves consistency and reduces complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRS.

The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRS. If an asset or a liability measured at fair value has a bid price and an ask price, the standard requires valuation to be based on a price within the bid-ask spread that is most representative of fair value and allows the use of mid-market pricing or other pricing conventions that are used by market participants as a practical expedient for fair value measurement within a bid-ask spread. On adoption of the standard the Company changed its valuation inputs for listed financial assets and liabilities to mid prices to be consistent with the inputs prescribed in the Company's offering document for the calculation of its Net Asset Value for subscriptions and redemptions. The use of mid prices is recognised as a standard pricing convention within the industry. In the prior year the Company utilised bid and ask prices for the listed financial assets and liabilities in accordance with IAS 39. The change in valuation inputs is considered to be a change in an estimate in accordance with IAS 8. It also replaces and expands the disclosure requirements about fair value measurements in other IFRSs, including IFRS 7 Financial Instruments: Disclosures.

ALGEBRIS UCITS FUNDS PLC

Notes to the Financial Statements (continued)
for the year ended 31 December 2013

2. Principal accounting policies (continued)

(j) Changes to the accounting policies (continued)

IFRS 7 Financial Instruments: Disclosures: In December 2011, the IASB amended IFRS 7 “Financial Instruments: Disclosures” to include offsetting requirements for financial assets and liabilities. Simultaneously the IASB made amendments to IAS 32 “Financial Instruments: Presentation” to clarify the criteria for offsetting for entities, and also to address inconsistencies in their application. The amendments affect all entities that have financial assets and liabilities that are either (1) offset or (2) subject to an enforceable master netting arrangement or similar agreement. This includes payables and receivables, which may consist of broker balances, cash balances, loans, customer deposits in the same institution. Entities will be required to disclose both gross information and net information about such derivative instruments to enable users of its financial statements to understand the effect of those arrangements on its financial position.

The amendments to IFRS 7 are effective for annual periods beginning on or after 1 January 2013, and interim periods within those annual periods. The Company has adopted the amendments on 1 January 2013.

The amendments to IAS 32 are effective for annual periods beginning on or after 1 January 2014, and interim periods within those annual periods. The Company has early adopted these amendments on 1 January 2013 which did not result in any significant changes to the financial statements.

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

	Total 2013 EUR	Algebris Financial Credit Fund 2013 EUR	Algebris Financial Income Fund 2013 EUR
Financial assets at fair value through profit or loss			
<i>Held for trading:</i>			
Transferable securities			
- Equity securities*	85,017,845	23,152,421	61,865,424
- Fixed income	170,913,076	135,784,507	35,128,569
Financial derivatives			
- Contract for difference	581,973	-	581,973
- Forward foreign exchange contracts	541,999	260,730	281,269
- Options	197,697	-	197,697
Total financial assets at fair value through profit or loss	257,252,590	159,197,658	98,054,932
Financial liabilities at fair value through profit or loss			
<i>Held for trading:</i>			
Financial derivatives			
- Contract for difference	(19,818)	-	(19,818)
- Forward foreign exchange contracts	(649,536)	(279,070)	(370,466)
- Options	(29,936)	-	(29,936)
Total financial liabilities at fair value through profit or loss	(699,290)	(279,070)	(420,220)
Net gain on financial assets and liabilities at fair value through profit or loss	10,024,416	4,092,253	5,932,163

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

ALGEBRIS UCITS FUNDS PLC

Notes to the Financial Statements (continued)
for the year ended 31 December 2013

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

	Total 2012 EUR	Algebris Financial Credit Fund 2012 EUR
Financial assets at fair value through profit or loss		
<i>Held for trading:</i>		
Transferable securities		
- Equity securities*	3,066,735	3,066,735
- Fixed income	37,668,699	37,668,699
Financial derivatives		
- Forward foreign exchange contracts	50,923	50,923
Total financial assets at fair value through profit or loss	40,786,357	40,786,357
Financial liabilities at fair value through profit or loss		
<i>Held for trading:</i>		
Financial derivatives		
- Forward foreign exchange contracts	(33,939)	(33,939)
Total financial liabilities at fair value through profit or loss	(33,939)	(33,939)
Net gain on financial assets and liabilities at fair value through profit or loss	1,800,003	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 2013.

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	23,152,421	-	-	23,152,421
- Fixed income	133,078,265	2,706,242	-	135,784,507
- Forward foreign exchange contracts	-	260,730	-	260,730
Total financial assets at fair value through profit or loss	156,230,686	2,966,972	-	159,197,658
Financial liabilities at fair value through profit or loss				
<i>Held for trading:</i>				
- Forward foreign exchange contracts	-	(279,070)	-	(279,070)
Total financial liabilities at fair value through profit or loss	-	(279,070)	-	(279,070)

There were no transfers between Level 1 and Level 2 during the year.

ALGEBRIS UCITS FUNDS PLC

Notes to the Financial Statements (continued)
for the year ended 31 December 2013

4. Fair value measurement (continued)

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 2013.

Algebris Financial Income Fund	Level 1	Level 2	Level 3	Total
	EUR	EUR	EUR	EUR
Financial assets at fair value through profit or loss				
<i>Held for trading:</i>				
- Equity securities	61,865,424	-	-	61,865,424
- Fixed income	35,128,569	-	-	35,128,569
- Contracts for difference	-	581,973	-	581,973
- Forward foreign exchange contracts	-	281,269	-	281,269
- Options	197,697	-	-	197,697
Total financial assets at fair value through profit or loss	97,191,690	863,242	-	98,054,932
Financial liabilities at fair value through profit or loss				
<i>Held for trading:</i>				
- Contracts for difference	-	(19,818)	-	(19,818)
- Forward foreign exchange contracts	-	(370,466)	-	(370,466)
- Options	(29,936)	-	-	(29,936)
Total financial liabilities at fair value through profit or loss	(29,936)	(390,284)	-	(420,220)

There were no transfers between Level 1 and Level 2 during the period.

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	Level 2	Level 3	Total
	EUR	EUR	EUR	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
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)

There were no transfers between Level 1 and Level 2 during the period.

ALGEBRIS UCITS FUNDS PLC

Notes to the Financial Statements (continued) for the year ended 31 December 2013

4. Fair value measurement (continued)

IFRS 13 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 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.

The Company has not disclosed the fair values for financial instruments such as cash and cash equivalents, due to/from broker, due to/from members and short-term receivables and payables because their carrying amounts are a reasonable approximations of fair values.

ALGEBRIS UCITS FUNDS PLC

Notes to the Financial Statements (continued) for the year ended 31 December 2013

4. Fair value measurement (continued)

Transaction costs

For Algebris Financial Credit Fund, 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. Transaction costs on purchases and sales of equities are included in net gains/(losses) on financial assets and liabilities in the Statement of Comprehensive Income

For Algebris Financial Income Fund, 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. Transaction costs on purchases and sales of equities, options and contracts for difference are included in net gains/(losses) on financial assets and liabilities in the Statement of Comprehensive Income. For Algebris Financial Income Fund, the transaction costs amount to EUR 87,794 for the period from 12 August 2013 to 31 December 2013.

5. Fees and expenses

Investment management fees

For Algebris Financial Credit Fund, 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 and 1.20% per annum of the Net Asset Value of the Class R.

For Algebris Financial Income Fund, the Investment Manager shall be entitled to receive an investment management fee (the "Management Fee") from the Company equal to 0.90% per annum of the Net Asset Value of the Class I Shares, 1.80% per annum of the Net Asset Value of the Class R Shares and 0.50% per annum of the Net Asset Value of the Class B Shares and Class XXL shares.

The Management Fee shall be (i) calculated and accrued daily; and (ii) is calculated by reference to the Net Asset Value of the relevant Shares before the deduction of that days' 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 year ended 31 December 2013 for amounted to EUR 918,130 (31 December 2012: EUR 45,671) of which EUR 163,837 (31 December 2012: EUR 45,671) was payable at year end.

Performance fees

Algebris Financial Credit Fund

The Performance Fee in respect of the Class I and Class R Accumulating Classes is equal to 10% of the excess of the Net Asset Value per Share of the relevant Class I Shares and Class R Shares (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 and Class R Distributing Classes is equal to 10% of the excess of the Adjusted NAV over the Adjusted High Water Mark.

ALGEBRIS UCITS FUNDS PLC

Notes to the Financial Statements (continued) for the year ended 31 December 2013

5. Fees and expenses

Performance fees (continued)

Algebris Financial Credit Fund (continued)

“Adjusted NAV” means the Net Asset Value per Share of the Class I and Class R 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 and Class R 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 and Class R 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 and Class R Shares, respectively.

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 and Class R Accumulating Share Classes) and the Adjusted NAV (with respect to the Class I and Class R 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.

Performance fees for the year ended 31 December 2013 amounted to EUR 1,082,427 (31 December 2012: EUR 281,690) of which EUR 845,143 (31 December 2012: EUR 281,562) was payable at year end.

There are no performance fees in respect of Algebris Financial Income Fund.

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.

ALGEBRIS UCITS FUNDS PLC

Notes to the Financial Statements (continued) for the year ended 31 December 2013

5. Fees and expenses (continued)

Administration fees (continued)

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 audited and 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 year ended 31 December 2013 amounted to EUR 160,522 (31 December 2012: EUR 23,362) of which EUR 18,956 (31 December 2012: EUR 9,456) was payable at year 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 of its reasonable vouched out-of-pocket expenses. Custodian fees for the year ended 31 December 2013 amounted to EUR 81,421 (31 December 2012: EUR 8,394) of which EUR 11,469 (31 December 2012: EUR 1,992) was payable at year 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 year ended 31 December 2013 amounted to EUR 44,012 (31 December 2012: EUR 11,476) of which EUR 11,589 (31 December 2012: EUR 2,682) was payable at year end.

Auditors' fees

Fees accrued for the statutory auditors, KPMG, in respect of the year ending 31 December 2013, 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 year ended 31 December 2013 amounted to EUR 18,280 (31 December 2012: EUR 4,781) of which EUR 7,517 (31 December 2012: EUR 4,781) was payable at year end.

Company secretarial fees

The Company has appointed Bradwell Limited as Company Secretary. Company secretarial fees for the year ended 31 December 2013 amounted to EUR 16,636 (31 December 2012: EUR 4,590) of which EUR 21,227 (31 December 2012: EUR 4,590) was payable at year end.

ALGEBRIS UCITS FUNDS PLC

Notes to the Financial Statements (continued)
for the year ended 31 December 2013

6. Other receivables

	Total 2013 EUR	Algebris Financial Credit Fund 2013 EUR	Algebris Financial Income Fund 2013 EUR
Interest receivable	3,227,288	2,468,701	758,587
	<u>3,227,288</u>	<u>2,468,701</u>	<u>758,587</u>

	Total 2012 EUR	Algebris Financial Credit Fund 2012 EUR	Algebris Financial Income Fund 2012 EUR
Interest receivable	788,160	788,160	788,160
	<u>788,160</u>	<u>788,160</u>	<u>788,160</u>

7. Other payables

	Total 2013 EUR	Algebris Financial Credit Fund 2013 EUR	Algebris Financial Income Fund 2013 EUR
Professional fees payable	34,838	23,828	11,010
Legal fees payable	24,401	24,401	-
Tax and Administration fees payable	36,250	33,585	2,665
Corporate Secretarial fees payable	21,227	16,591	4,636
Setting Up fee payable	20,000	-	20,000
Miscellaneous expenses payable	16,151	13,189	2,962
	<u>152,867</u>	<u>111,594</u>	<u>41,273</u>

	Total 2012 EUR	Algebris Financial Credit Fund 2012 EUR	Algebris Financial Income Fund 2012 EUR
Professional fees payable	11,473	11,473	11,473
Legal fees payable	9,828	9,828	9,828
Tax and Administration fees payable	7,574	7,574	7,574
Corporate Secretarial fees payable	4,590	4,590	4,590
Miscellaneous expenses payable	4,699	4,699	4,699
	<u>38,164</u>	<u>38,164</u>	<u>38,164</u>

ALGEBRIS UCITS FUNDS PLC

Notes to the Financial Statements (continued)
for the year ended 31 December 2013

8. Other expenses

	Total 2013 EUR	Algebris Financial Credit Fund 2013 EUR	Algebris Financial Income Fund 2013 EUR
Professional fees	77,435	66,425	11,010
Legal fees	27,499	27,499	-
Tax and Administrative fees	33,303	30,638	2,665
Corporate Secretarial fees	16,636	12,000	4,636
Anti Dilution Levy expenses	61,996	61,079	917
Registration fees	25,229	25,229	-
Miscellaneous expenses	68,332	53,735	14,597
	310,430	276,605	33,825

	Total 2012 EUR	Algebris Financial Credit Fund 2012 EUR
Professional fees	19,427	19,427
Legal fees	10,519	10,519
Tax and Administrative fees	7,574	7,574
Corporate Secretarial fees	4,590	4,590
Miscellaneous expenses	25,931	25,931
	68,041	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 for the year ended 31 December 2013 is as follows:

Algebris Financial Credit Fund

	At the beginning of the year	Shares Issued	Shares Redeemed	At the end of the year
CHF Class I Shares	1,000	1,646	-	2,646
CHF Class Md Shares	22,649	-	-	22,649
EUR Class I Shares	170,903	227,572	(108,660)	289,815
EUR Class Id Shares	232,015	98,224	-	330,239
EUR Class M Shares	20,000	369	(369)	20,000
EUR Class Md Shares	20,986	9,013	(29,999)	-
EUR Class R Shares	-	476,418	(117,014)	359,404
EUR Class Rd Shares	-	323,643	(7,902)	315,741
GBP Class I Shares	1,500	-	(1,500)	-
GBP Class Id Shares	-	248,147	(1,587)	246,560
GBP Class M Shares	142	-	(142)	-
GBP Class Md Shares	1,000	-	-	1,000

ALGEBRIS UCITS FUNDS PLC

Notes to the Financial Statements (continued)
for the year ended 31 December 2013

9. Share capital and redeemable participating shares (continued)

Algebris Financial Income fund

	At the beginning of the year	Shares Issued	Shares Redeemed	At the end of the year
CHF Class B Shares	-	3,474	-	3,474
CHF Class R Shares	-	2,000	-	2,000
EUR Class B Shares	-	397,882	(9,377)	388,505
EUR Class Bd Shares	-	81,145	-	81,145
EUR Class I Shares	-	59,319	(355)	58,964
EUR Class M Shares	-	10,395	-	10,395
EUR Class Md Shares	-	406	(406)	-
EUR Class R Shares	-	10,697	-	10,697
GBP Class Bd Shares	-	500	-	500
USD Class B Shares	-	151,941	-	151,941
USD Class Bd Shares	-	133,301	-	133,301
USD Class Id Shares	-	100,000	-	100,000
USD Class M Shares	-	1,000	-	1,000
USD Class Md Shares	-	172,015	-	172,015
USD Class R Shares	-	7,000	-	7,000

The movement in the number of redeemable participating shares for the year ended 31 December 2012 is as follows:

Algebris Financial Credit Fund

	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

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.

Algebris Financial Credit Fund

Share Class	2013		2012	
	Dividend per share	Gross Amount	Dividend per share	Gross Amount
CHF Class Md	CHF 1.160227	89,661	GBP 1.220847	22,882
EUR Class Id	EUR 0.671996	984,262	EUR 0.069665	16,163
EUR Class Md	EUR 0.861505	31,224	EUR 0.672741	14,118
EUR Class Rd	EUR 0.396885	444,894	-	-
GBP Class Id	GBP 0.477973	1,069	-	-
GBP Class Md	GBP 1.773968	5,921	GBP 0.792553	976
		<u>1,557,031</u>		<u>54,139</u>

ALGEBRIS UCITS FUNDS PLC

Notes to the Financial Statements (continued) for the year ended 31 December 2013

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 year ended 31 December 2013 (2012: Nil).

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 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.

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 Sub-Fund’s global exposure. This approach converts the Company’s FDI positions into an equivalent position of the underlying asset based on the market value of the underlying asset.

Notes to the Financial Statements (continued)
for the year ended 31 December 2013

13. Risks associated with financial instruments (continued)

(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 price risk, currency risk and interest rate risk.

(i) Price risk

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 2013 would have increased the net assets attributable to holders of redeemable shares for Algebris Financial Credit Fund by EUR 1,157,621 (31 December 2012: EUR 153,337) and Algebris Financial Income Fund by EUR 3,093,271. 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.

The table below outlines the Sub-Funds' net foreign currency risk exposure.

ALGEBRIS UCITS FUNDS PLC

Notes to the Financial Statements (continued)
for the year ended 31 December 2013

13. Risks associated with financial instruments (continued)

(a) Market risk (continued)

(ii) Currency risk (continued)

Algebris Financial Credit Fund as at 31 December 2013	Monetary assets/(liabilities) EUR	Non-monetary assets/(liabilities) EUR	Nominal exposure EUR	Total EUR
Australian Dollar	412,912	-	8,792	421,704
Pound sterling	26,231,299	1,625,694	(211,444)	27,645,549
Swiss Francs	(1,171)	-	-	(1,171)
United States Dollar	83,317,091	21,526,727	(53,861)	104,789,957
	109,960,131	23,152,421	(256,513)	132,856,039

Algebris Financial Income Fund as at 31 December 2013	Monetary assets/(liabilities) EUR	Non-monetary assets/(liabilities) EUR	Nominal exposure EUR	Total EUR
Australian Dollar	-	-	6,157	6,157
Canadian Dollar	9,430	802,501	-	811,931
Hong Kong Dollar	(12)	923,250	-	923,238
Japanese Yen	-	4,006,773	84,988	4,091,761
Polish Zloty	-	-	24,649	24,649
Pound sterling	4,929,357	4,124,062	195,497	9,248,916
Swedish Kroner	-	3,261,381	(58,004)	3,203,377
Swiss Francs	(272)	5,240,637	27,106	5,267,471
United States Dollar	21,332,505	34,892,399	70,277	56,295,181
	26,271,008	53,251,003	350,670	79,872,681

Algebris Financial Credit Fund as at 31 December 2012	Monetary assets/(liabilities) EUR	Non-monetary assets/(liabilities) EUR	Nominal exposure 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 2013 if any non-functional currencies had strengthened by 5% in relation to the respective functional currency of the Sub-Funds, with all other variables held constant, net assets attributable to holders of redeemable participating shares would have increased by the amounts shown below.

ALGEBRIS UCITS FUNDS PLC

Notes to the Financial Statements (continued)
for the year ended 31 December 2013

13. Risks associated with financial instruments (continued)

(a) Market risk (continued)

(ii) Currency risk (continued)

Algebris Financial Credit Fund as at 31 December 2013

	EUR
Australian Dollar	21,085
Pound sterling	1,382,277
Swiss Francs	(59)
United States Dollar	5,239,498
	<u>6,642,801</u>

Algebris Financial Income Fund as at 31 December 2013

	EUR
Australian Dollar	308
Canadian Dollar	40,597
Hong Kong Dollar	46,162
Japanese Yen	204,588
Polish Zloty	1,232
Pound sterling	462,446
Swedish Kroner	160,169
Swiss Francs	263,374
United States Dollar	2,814,759
	<u>3,993,635</u>

Algebris Financial Credit Fund as at 31 December 2012

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

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.

ALGEBRIS UCITS FUNDS PLC

Notes to the Financial Statements (continued)
for the year ended 31 December 2013

13. Risks associated with financial instruments (continued)

(a) Market risk (continued)

(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 2013	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	-	-	8,729,087	54,907,640	72,147,780	23,413,151	159,197,658
Cash and cash equivalents	14,935,305	-	-	-	-	-	14,935,305
Due from members	-	-	-	-	-	813,349	813,349
Accrued income and other receivables	-	-	-	-	-	2,519,951	2,519,951
Total Financial Assets	14,935,305	-	8,729,087	54,907,640	72,147,780	26,746,451	177,466,263
	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	-	-	-	-	-	279,070	279,070
Due to members	-	-	-	-	-	12,587	12,587
Performance fee payable	-	-	-	-	-	845,143	845,143
Dividends Payable	-	-	-	-	-	60	60
Investment management fee payable	-	-	-	-	-	119,182	119,182
Administrator's fees payable	-	-	-	-	-	11,392	11,392
Audit fee payable	-	-	-	-	-	2,881	2,881
Custodian fees payable	-	-	-	-	-	7,010	7,010
Accrued expenses and other payables	-	-	-	-	-	111,594	111,594
Net assets attributable to holders of redeemable participating shares	-	-	-	-	-	176,077,344	176,077,344
Total Financial Liabilities	-	-	-	-	-	177,466,263	177,466,263
Total interest sensitivity gap	14,935,305	-	8,729,087	54,907,640	72,147,780		

ALGEBRIS UCITS FUNDS PLC

Notes to the Financial Statements (continued)
for the year ended 31 December 2013

13. Risks associated with financial instruments (continued)

(a) Market risk (continued)

(iii) Interest rate risk (continued)

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
	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 2013 for Algebris Financial Credit Fund, 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 678,923 (31 December 2012: 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.

ALGEBRIS UCITS FUNDS PLC

Notes to the Financial Statements (continued)
for the year ended 31 December 2013

13. Risks associated with financial instruments (continued)

(a) Market risk (continued)

(iii) Interest rate risk (continued)

Interest rate risk

Algebris Financial Income Fund as at 31 December 2013	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	-	-	2,446,687	9,680,802	23,001,080	62,926,363	98,054,932
Cash and cash equivalents	5,979,315	-	-	-	-	-	5,979,315
Due from broker	-	-	-	-	-	1,086,544	1,086,544
Due from members	-	-	-	-	-	117,445	117,445
Accrued income and other receivables	-	-	-	-	-	881,674	881,674
Total Financial Assets	5,979,315	-	2,446,687	9,680,802	23,001,080	65,012,026	106,119,910
	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	-	-	-	-	-	420,220	420,220
Due to broker	-	-	-	-	-	699,085	699,085
Due to members	-	-	-	-	-	83,373	83,373
Investment management fee payable	-	-	-	-	-	44,655	44,655
Administrator's fees payable	-	-	-	-	-	7,564	7,564
Audit fee payable	-	-	-	-	-	4,636	4,636
Directors' fees payable	-	-	-	-	-	11,589	11,589
Custodian fees payable	-	-	-	-	-	4,459	4,459
Accrued expenses and other payables	-	-	-	-	-	41,273	41,273
Net assets attributable to holders of redeemable participating shares	-	-	-	-	-	104,803,056	104,803,056
Total Financial Liabilities	-	-	-	-	-	106,119,910	106,119,910
Total interest sensitivity gap	5,979,315	-	2,446,687	9,680,802	23,001,080		

At 31 December 2013 for Algebris Financial Income Fund, 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 175,643 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.

ALGEBRIS UCITS FUNDS PLC

Notes to the Financial Statements (continued) for the year ended 31 December 2013

13. Risks associated with financial instruments (continued)

(b) Credit risk (continued)

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.

The analysis below summarises the credit quality of the Sub-Funds's debt portfolio as at 31 December as rated by Standard & Poor's

Debt securities by rating category	Algebris Financial Credit Fund		Algebris Financial Income Fund
	2013	2012	2013
A+	-	3.88%	-
A	22.41%	-	21.63%
A-	18.56%	1.78%	23.46%
AA-	1.80%	-	4.88%
BBB+	4.57%	4.37%	5.05%
BBB	4.90%	17.17%	2.59%
BBB-	12.93%	23.54%	13.34%
BB+	11.60%	4.30%	5.61%
BB	8.26%	17.12%	4.61%
BB-	7.12%	9.79%	6.25%
B+	-	-	3.92%
B	-	2.09%	-
CCC	-	3.20%	-
C	-	2.19%	-
NR	5.87%	10.57%	6.63%
Ba2 (Moody's)	1.98%	-	-
BBB- (Fitch)	-	-	2.03%
Total	100%	100%	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..

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.

ALGEBRIS UCITS FUNDS PLC

Notes to the Financial Statements (continued)
for the year ended 31 December 2013

13. Risks associated with financial instruments (continued)

(b) Credit risk (continued)

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 2013

Financial assets	Counterparty	Credit rating	EUR
Cash and cash equivalents	HSBC Bank Plc	A+	14,935,305
Fixed Income Securities	HSBC Bank Plc	A+	135,784,507
Forward foreign exchange contracts	HSBC Bank Plc	A+	260,730
			150,980,542

Algebris Financial Income Fund as at 31 December 2013

Financial assets	Counterparty	Credit rating	EUR
Cash and cash equivalents	HSBC Bank Plc	A+	5,979,315
Fixed Income Securities	HSBC Bank Plc	A+	35,128,569
Forward foreign exchange contracts	HSBC Bank Plc	A+	281,269
			41,389,153

Algebris Financial Credit Fund as at 31 December 2012

Financial assets	Counterparty	Credit rating	EUR
Cash and cash equivalents	HSBC Bank Plc	A+	8,162,031
Fixed Income Securities	HSBC Bank Plc	A+	37,668,699
Forward foreign exchange contracts	HSBC Bank Plc	A+	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.

(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.

ALGEBRIS UCITS FUNDS PLC

Notes to the Financial Statements (continued)
for the year ended 31 December 2013

13. Risks associated with financial instruments (continued)

(c) Liquidity risk (continued)

At 31 December 2013 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 2013	Less than 1 month EUR	1-2 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	-	-	279,070	-	-	-	279,070
Due to members	12,587	-	-	-	-	-	12,587
Performance fee payable	845,143	-	-	-	-	-	845,143
Dividends Payable	60	-	-	-	-	-	60
Investment management fee payable	119,182	-	-	-	-	-	119,182
Accrued expenses and other payables	111,594	-	-	-	-	-	111,594
Administrator's fees payable	11,392	-	-	-	-	-	11,392
Audit fee payable	2,881	-	-	-	-	-	2,881
Custodian fees payable	7,010	-	-	-	-	-	7,010
Net assets attributable to holders of redeemable participating shares	176,077,344	-	-	-	-	-	176,077,344
	177,187,193	-	279,070	-	-	-	177,466,263

Algebris Financial Income Fund as at 31 December 2013	Less than 1 month EUR	1-2 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	28,675	21,079	370,466	-	-	-	420,220
Due to broker	699,085	-	-	-	-	-	699,085
Due to members	83,373	-	-	-	-	-	83,373
Investment management fee payable	44,655	-	-	-	-	-	44,655
Accrued expenses and other payables	41,273	-	-	-	-	-	41,273
Administrator's fees payable	7,564	-	-	-	-	-	7,564
Audit fee payable	4,636	-	-	-	-	-	4,636
Directors' fees payable	11,589	-	-	-	-	-	11,589
Custodian fees payable	4,459	-	-	-	-	-	4,459
Net assets attributable to holders of redeemable participating shares	104,803,056	-	-	-	-	-	104,803,056
	105,728,365	21,079	370,466	-	-	-	106,119,910

ALGEBRIS UCITS FUNDS PLC

Notes to the Financial Statements (continued) for the year ended 31 December 2013

13. Risks associated with financial instruments (continued)

(c) Liquidity risk (continued)

Algebris Financial Credit Fund as at 31 December 2012	Less than 1 month EUR	1-2 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	-	-	-	-	-	-	-
Net assets attributable to holders of redeemable participating shares	49,425,761	-	-	-	-	-	49,425,761
	49,864,208	-	33,939	-	-	-	49,898,147

(d) Offsetting Financial Instruments

None of the financial assets or financial liabilities are offset in the Statement of Financial Position. The disclosures set out in the tables below include financial assets and financial liabilities that are subject to an enforceable master netting arrangement or similar agreement that covers similar financial instruments.

The similar agreements include derivative clearing agreements, global master repurchase agreements and global master securities lending agreements. Similar financial instruments include derivatives, sale and repurchase agreements and securities borrowing agreements.

The ISDA and similar master netting arrangements do not meet the criteria for offsetting in the Statement of Financial Position. This is because they create a right of set-off of recognised amounts that is enforceable only following an event of default, insolvency or bankruptcy of the Fund or the counterparties. In addition, the Fund and its counterparties do not intend to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

ALGEBRIS UCITS FUNDS PLC

Notes to the Financial Statements (continued)
for the year ended 31 December 2013

13. Risks associated with financial instruments (continued)

(d) Offsetting Financial Instruments (continued)

Algebris Financial Credit Fund

31 December 2013

Financial assets which are subject to enforceable master netting arrangements or similar agreements are detailed in the following table.

Description of type of Financial Assets	Gross amount of recognized Financial Asset EUR	Gross amount of Financial Liabilities offset in the Statement of Financial Position EUR	Net amount of Financial Asset presented in the Statement of Financial Position EUR	Gross amounts not offset in the Statement of Financial Position			Net amount EUR
				Financial Instrument EUR	Cash Collateral received EUR		
Derivatives	260,730	-	260,730	(260,730)	-	-	-
	260,730	-	260,730	(260,730)	-	-	-

Financial liabilities which are subject to enforceable master netting arrangements or similar agreements are detailed in the following table.

Description of type of Financial Liabilities	Gross amount of recognized Financial Liabilities EUR	Gross amounts of Financial Assets offset in the Statement of Financial Position EUR	Net amount of Financial Liabilities presented in the Statement of Financial Position EUR	Gross amounts not offset in the Statement of Financial Position			Net amount EUR
				Financial Instrument EUR	Cash Collateral pledged EUR		
Derivatives	(279,070)	-	(279,070)	260,730	-	(18,340)	(18,340)
	(279,070)	-	(279,070)	260,730	-	(18,340)	(18,340)

ALGEBRIS UCITS FUNDS PLC

Notes to the Financial Statements (continued)
for the year ended 31 December 2013

13. Risks associated with financial instruments (continued)

(d) Offsetting Financial Instruments (continued)

Algebris Financial Income Fund

31 December 2013

Financial assets which are subject to enforceable master netting arrangements or similar agreements are detailed in the following table.

Description of type of Financial Assets	Gross amount of recognized Financial Asset EUR	Gross amount of Financial Liabilities offset in the Statement of Financial Position EUR	Net amount of Financial Asset presented in the Statement of Financial Position EUR	Gross amounts not offset in the Statement of Financial Position		
				Financial Instrument EUR	Cash Collateral received EUR	Net amount EUR
Derivatives	1,060,939	-	1,060,939	(420,220)	(50,155)	590,564
	1,060,939	-	1,060,939	(420,220)	(50,155)	590,564

Financial liabilities which are subject to enforceable master netting arrangements or similar agreements, are detailed in the following table.

Description of type of Financial Liabilities	Gross amount of recognized Financial Liabilities EUR	Gross amounts of Financial Assets offset in the Statement of Financial Position EUR	Net amount of Financial Liabilities presented in the Statement of Financial Position EUR	Gross amounts not offset in the Statement of Financial Position		
				Financial Instrument EUR	Cash Collateral pledged EUR	Net amount EUR
Derivatives	(420,220)	-	(420,220)	420,220	-	-
	(420,220)	-	(420,220)	420,220	-	-

ALGEBRIS UCITS FUNDS PLC

Notes to the Financial Statements (continued)
for the year ended 31 December 2013

13. Risks associated with financial instruments (continued)

(d) Offsetting Financial Instruments (continued)

Algebris Financial Credit Fund

31 December 2012

Financial assets which are subject to enforceable master netting arrangements or similar agreements are detailed in the following table.

Description of type of Financial Assets	Gross amount of recognized Financial Asset EUR	Gross amount of Financial Liabilities offset in the Statement of Financial Position EUR	Net amount of Financial Asset presented in the Statement of Financial Position EUR	Gross amounts not offset in the Statement of Financial Position		Net amount EUR
				Financial Instrument EUR	Cash Collateral received EUR	
Derivatives	50,923	-	50,923	(33,939)	-	16,984
	50,923	-	50,923	(33,939)	-	16,984

Financial liabilities which are subject to enforceable master netting arrangements or similar agreements, are detailed in the following table.

Description of type of Financial Liabilities	Gross amount of recognized Financial Liabilities EUR	Gross amounts of Financial Assets offset in the Statement of Financial Position EUR	Net amount of Financial Liabilities presented in the Statement of Financial Position EUR	Gross amounts not offset in the Statement of Financial Position		Net amount EUR
				Financial Instrument EUR	Cash Collateral pledged EUR	
Derivatives	(33,939)	-	(33,939)	33,939	-	-
	(33,939)	-	(33,939)	33,939	-	-

ALGEBRIS UCITS FUNDS PLC

Notes to the Financial Statements (continued)
for the year ended 31 December 2013

14. Net asset value table

The following table discloses the dealing Net Asset Value, the shares in issue and Net Asset Value per Share for each Share Class as at 31 December 2013 and 31 December 2012.

Algebris Financial Credit Fund

	Net Asset Value 2013	Shares in Issue	Net Asset Value per Share 2013
CHF Class I Shares	CHF 303,011	2,646	CHF 114.51
CHF Class Md Shares	CHF 2,522,318	22,649	CHF 111.36
EUR Class I Shares	EUR 33,705,686	289,032	EUR 116.62
EUR Class Id Shares	EUR 36,413,157	330,239	EUR 110.26
EUR Class M Shares	EUR 2,292,056	20,000	EUR 114.60
EUR Fund Class R Shares	EUR 38,039,686	359,404	EUR 105.84
EUR Fund Class Rd Shares	EUR 32,510,220	315,741	EUR 102.96
GBP Fund Class Id Shares	GBP 25,413,480	246,185	GBP 103.23
GBP Fund Class Md Shares	GBP 115,370	1,000	GBP 115.37

Algebris Financial Income Fund

	Net Asset Value 2013	Shares in Issue	Net Asset Value per Share 2013
CHF Fund Class B Shares	CHF 383,712	3,474	CHF 110.44
CHF Fund Class R Shares	CHF 205,374	2,000	CHF 102.69
EUR Fund Class B Shares	EUR 42,286,163	388,891	EUR 108.74
EUR Fund Class Bd Shares	EUR 8,823,995	81,145	EUR 108.74
EUR Fund Class I Shares	EUR 6,416,532	59,168	EUR 108.45
EUR Fund Class M Shares	EUR 1,137,943	10,395	EUR 109.47
EUR Fund Class R Shares	EUR 1,123,861	10,509	EUR 106.94
GBP Fund Class Bd Shares	GBP 54,306	500	GBP 108.61
USD Fund Class B Shares	USD 16,668,946	151,941	USD 109.71
USD Fund Class Bd Shares	USD 14,733,703	133,301	USD 110.53
USD Fund Class Id Shares	USD 10,232,723	100,000	USD 102.33
USD Fund Class M Shares	USD 102,800	1,000	USD 102.80
USD Fund Class Md Shares	USD 18,763,754	172,015	USD 109.08
USD Fund Class R Shares	USD 717,764	7,000	USD 102.54

Algebris Financial Credit Fund

	Net Asset Value 2012	Shares in Issue	Net Asset Value per Share 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

ALGEBRIS UCITS FUNDS PLC

Notes to the Financial Statements (continued) for the year ended 31 December 2013

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 2013 is valued using 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. On adoption of IFRS 13 the Company changed its valuation inputs for listed financial assets and liabilities presented in the financial statements to be consistent with the Company's prospectus. In the prior year the Company utilised bid and ask prices for the listed financial assets and liabilities in accordance with IAS 39. Hence no reconciliation to bid-ask prices is required as at 31 December 2013 and is not presented. This has been presented as at 31 December 2012. The establishment expenses incurred by the Company are amortised over 5 years in line with the prospectus and were written off in the financial statements in accordance with IFRS. Subscriptions/redemptions on 31 December 2013 are not considered in determining the Net Asset Value per share for share subscriptions and redemptions. However, they have been considered for financial statement purposes.

Algebris Financial Credit Fund as at 31 December 2013

	NAV calculated in accordance with the prospectus EUR	Subscriptions/ redemptions on 31 December EUR	Preliminary expense EUR	Financial Statements NAV EUR
CHF Class I Shares	246,848	-	(104)	246,744
CHF Class Md Shares	2,054,812	-	(868)	2,053,944
EUR Class I Shares	33,705,686	91,321	(14,232)	33,782,775
EUR Class Id Shares	36,413,157	-	(15,376)	36,397,781
EUR Class M Shares	2,292,056	-	(968)	2,291,088
EUR Class R Shares	38,039,686	-	(16,062)	38,023,624
EUR Class Rd Shares	32,510,220	-	(13,728)	32,496,492
GBP Class Id Shares	30,612,280	46,630	(12,926)	30,645,984
GBP Class Md Shares	138,971	-	(59)	138,912
Total	176,013,716	137,951	(74,323)	176,077,344

Algebris Financial Income Fund as at 31 December 2013

	NAV calculated in accordance with the prospectus EUR	Subscriptions/ redemptions on 31 December EUR	Preliminary expense EUR	Financial Statements NAV EUR
CHF Fund Class B Shares	312,592	-	(69)	312,523
CHF Fund Class R Shares	167,308	-	(37)	167,271
EUR Fund Class B Shares	42,286,163	(41,931)	(9,303)	42,234,929
EUR Fund Class Bd Shares	8,823,995	-	(1,941)	8,822,054
EUR Fund Class I Shares	6,416,532	(22,171)	(1,411)	6,392,950
EUR Fund Class M Shares	1,137,943	-	(250)	1,137,693
EUR Fund Class R Shares	1,123,860	20,050	(247)	1,143,663
GBP Fund Class Bd Shares	65,415	-	(14)	65,401
USD Fund Class B Shares	12,126,398	-	(2,667)	12,123,731
USD Fund Class Bd Shares	10,718,539	-	(2,358)	10,716,181
USD Fund Class Id Shares	7,444,146	-	(1,637)	7,442,509
USD Fund Class M Shares	74,785	-	(16)	74,769
USD Fund Class Md Shares	13,650,338	-	(3,003)	13,647,335
USD Fund Class R Shares	522,162	-	(115)	522,047
Total	104,870,176	(44,052)	(23,068)	104,803,056

ALGEBRIS UCITS FUNDS PLC

Notes to the Financial Statements (continued)
for the year ended 31 December 2013

15. Reconciliation of net asset value (continued)

Algebris Financial Credit Fund as at 31 December 2012

	NAV calculated in accordance with the prospectus EUR	Bid/Ask adjustments EUR	Preliminary expense EUR	Financial Statements NAV EUR
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

16. Exchange rates

The following exchange rates were used to translate assets and liabilities into the functional currency Euro for the Sub-Funds:

Algebris Financial Credit Fund

	2013	2012
Swiss francs	0.8147	0.8275
Euro	1.0000	1.0000
Pound Sterling	1.2046	1.2319
United States Dollar	0.7275	0.7577

Algebris Financial Income Fund

	2013
Swiss francs	0.8147
Euro	1.0000
Pound Sterling	1.2046
United States Dollar	0.7275

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.

ALGEBRIS UCITS FUNDS PLC

Notes to the Financial Statements (continued)
for the year ended 31 December 2013

17. Supplemental information (continued)

Financial Highlights*

Algebris Financial Credit Fund

	2013 CHF Class I	2013 CHF Class Md	2013 EUR Class I	2013 EUR Class Id	2013 EUR Class M
Net asset value, beginning of period	105.62	106.27	107.65	105.63	104.26
Income/(loss) from investment operations:					
Net investment income (loss)	5.67	7.05	5.47	5.50	7.06
Net realized and unrealized gain/(loss) from securities transactions and appreciation on deferred incentive fee	3.22	2.90	3.50	3.19	3.28
Distributions to holders of redeemable participating shares	-	(4.86)	-	(4.06)	-
Net increase in nets assets from operations	8.89	5.09	8.97	4.63	10.34
Net asset value, end of period	114.51	111.36	116.62	110.26	114.60
Total return before Incentive Allocation	8.79%	4.80%	8.53%	5.11%	9.89%
Incentive Allocation	(0.62)%	0.00%	(0.82)%	(0.75)%	0.00%
Total return after Incentive Allocation	8.17%	4.80%	7.71%	4.36%	9.89%
Ratios to average net assets:					
Expenses	4.50%	3.85%	4.25%	4.27%	3.84%
Incentive Allocation	0.89%	0.00%	0.88%	0.83%	0.00%
Total expenses and Incentive Allocation	5.38%	3.85%	5.13%	5.10%	3.84%
Net investment income/(expense) after Incentive Allocation	4.68%	6.51%	4.78%	4.98%	6.50%
		2013 EUR Class R	2013 EUR Class Rd	2013 GBP Class Id	2013 GBP Class Md
Net asset value, beginning of period		100.00	100.00	100.00	109.35
Income/(loss) from investment operations:					
Net investment income (loss)		3.98	2.95	3.24	7.27
Net realized and unrealized gain/(loss) from securities transactions and appreciation on deferred incentive fee		1.86	1.93	0.81	3.76
Distributions to holders of redeemable participating shares		-	(1.92)	(0.82)	(5.01)
Net increase in nets assets from operations		5.84	2.96	3.23	6.02
Net asset value, end of period		105.84	102.96	103.23	115.37
Total return before Incentive Allocation		5.45%	3.24%	2.37%	5.51%
Incentive Allocation		(0.84)%	(0.72)%	(0.69)%	0.00%
Total return after Incentive Allocation		4.61%	2.52%	1.68%	5.51%

ALGEBRIS UCITS FUNDS PLC

Notes to the Financial Statements (continued)
for the year ended 31 December 2013

17. Supplemental information (continued)

Financial Highlights* (continued)

Algebris Financial Credit Fund (continued)

	2013	2013	2013	2013
	EUR	EUR	GBP	GBP
	Class R	Class Rd	Class Id	Class Md
Ratios to average net assets:				
Expenses	5.11%	4.71%	2.03%	3.85%
Incentive Allocation	0.99%	0.75%	1.70%	0.00%
Total expenses and Incentive Allocation	6.10%	5.46%	3.73%	3.85%
Net investment income/(expense) after Incentive Allocation	4.62%	4.53%	3.08%	6.50%

Algebris Financial Income Fund

	2013	2013	2013	2013	2013
	CHF	CHF	EUR	EUR	EUR
	Class B	Class R	Class B	Class Bd	Class I
Net asset value, beginning of period	100.00	100.00	100.00	100.00	100.00
Income/(loss) from investment operations:					
Net investment income (loss)	1.20	0.25	1.41	1.48	0.53
Net realized and unrealized gain/(loss) from securities transactions and appreciation on deferred incentive fee	9.24	2.44	7.33	7.26	7.92
Net increase in nets assets from operations	10.44	2.69	8.74	8.74	8.45
Net asset value, end of period	110.44	102.69	108.74	108.74	108.45
Total return before Incentive Allocation	9.46%	2.69%	9.05%	8.47%	6.51%
Incentive Allocation	0.00%	0.00%	0.00%	0.00%	0.00%
Total return after Incentive Allocation	9.46%	2.69%	9.05%	8.47%	6.51%
Ratios to average net assets:					
Expenses	2.44%	5.60%	3.22%	3.34%	3.47%
Incentive Allocation	0.00%	0.00%	0.00%	0.00%	0.00%
Total expenses and Incentive Allocation	2.44%	5.60%	3.22%	3.34%	3.47%
Net investment income/(expense) after Incentive Allocation	3.43%	3.23%	3.65%	3.81%	3.21%

ALGEBRIS UCITS FUNDS PLC

Notes to the Financial Statements (continued)
for the year ended 31 December 2013

17. Supplemental information (continued)

Financial Highlights* (continued)

Algebris Financial Income Fund (continued)

	2013 EUR Class M	2013 EUR Class R	2013 GBP Class Bd	2013 USD Class B	2013 USD Class Bd
Net asset value, beginning of period	100.00	100.00	100.00	100.00	100.00
Income/(loss) from investment operations:					
Net investment income (loss)	1.39	0.67	1.49	1.29	1.41
Net realized and unrealized gain/(loss) from securities transactions and appreciation on deferred incentive fee	8.08	6.27	7.12	8.42	9.12
Net increase in nets assets from operations	9.47	6.94	8.61	9.71	10.53
Net asset value, end of period	109.47	106.94	108.61	109.71	110.53
Total return before Incentive Allocation	9.46%	7.58%	8.61%	9.71%	9.66%
Incentive Allocation	0.00%	0.00%	0.00%	0.00%	0.00%
Total return after Incentive Allocation	9.46%	7.58%	8.61%	9.71%	9.66%
Ratios to average net assets:					
Expenses	2.01%	3.92%	3.69%	2.89%	2.99%
Incentive Allocation	0.00%	0.00%	0.00%	0.00%	0.00%
Total expenses and Incentive Allocation	2.01%	3.92%	3.69%	2.89%	2.99%
Net investment income/(expense) after Incentive Allocation	4.27%	2.51%	3.82%	4.33%	3.86%
		2013 USD Class Id	2013 USD Class M	2013 USD Class Md	2013 USD Class R
Net asset value, beginning of period		100.00	100.00	100.00	100.00
Income/(loss) from investment operations:					
Net investment income (loss)		0.32	0.31	1.69	0.23
Net realized and unrealized gain/(loss) from securities transactions and appreciation on deferred incentive fee		2.01	2.49	7.39	2.31
Net increase in nets assets from operations		2.33	2.80	9.08	2.54
Net asset value, end of period		102.33	102.80	109.08	102.54
Total return before Incentive Allocation		2.33%	2.80%	9.08%	3.19%
Incentive Allocation		0.00%	0.00%	0.00%	0.00%
Total return after Incentive Allocation		2.33%	2.80%	9.08%	3.19%

ALGEBRIS UCITS FUNDS PLC

Notes to the Financial Statements (continued)
for the year ended 31 December 2013

17. Supplemental information (continued)

Financial Highlights* (continued)

Algebris Financial Income Fund (continued)

	2013 USD Class Id	2013 USD Class M	2013 USD Class Md	2013 USD Class R
Ratios to average net assets:				
Expenses	4.47%	1.78%	3.16%	5.55%
Incentive Allocation	0.00%	0.00%	0.00%	0.00%
Total expenses and Incentive Allocation	4.47%	1.78%	3.16%	5.55%
Net investment income/(expense) after Incentive Allocation	3.62%	5.75%	4.29%	3.09%

*The total returns detailed above exclude dividends received by shareholders.

*Ratios have been annualised.

Share Capital

For Algebris Financial Credit Fund, the Company paid 31 December 2013 redemptions of EUR 7,101 that were effective 1 January 2014, which would result in a 0.004% net decrease in the 31 December 2013 Net Assets, had they been treated as payable as at 31 December 2013, as would be required under accounting standards generally accepted in the United States of America.

For Algebris Financial Income Fund, the Company paid 31 December 2013 redemptions of EUR 80,484 that were effective 1 January 2014, which would result in a 0.077% net decrease in the 31 December 2013 Net Assets, had they been treated as payable as at 31 December 2013, 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.

ALGEBRIS UCITS FUNDS PLC

Notes to the Financial Statements (continued)
for the year ended 31 December 2013

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 year 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 2013) and the positions to be taken for tax year ended 31 December 2013 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 year ended 31 December 2013, the Company did not incur any interest or penalties.

Derivative Financial Instruments

The Company engages in transactions in financial derivative instruments for the purpose of efficient portfolio management. Efficient portfolio management techniques include contracts for difference, futures contracts, forward foreign exchange contracts and option contracts.

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

Algebris Financial Credit Fund

Derivatives type	Asset derivatives		Liability derivatives	
	Location in Statement of Financial Position	Fair value 2013 EUR	Location in Statement of Financial Position	Fair value 2013 EUR
Forward foreign exchange contracts	Financial assets at fair value through profit or loss - Financial derivative instruments	260,730	Financial liabilities at fair value through profit or loss - Financial derivative instruments	279,070
Total		<u>260,730</u>		<u>279,070</u>

ALGEBRIS UCITS FUNDS PLC

Notes to the Financial Statements (continued)
for the year ended 31 December 2013

17. Supplemental information (continued)

Derivative Financial Instruments (continued)

Algebris Financial Income Fund

Derivatives type	Asset derivatives		Liability derivatives	
	Location in Statement of Financial Position	Fair value 2013 EUR	Location in Statement of Financial Position	Fair value 2013 EUR
Contracts for difference	Financial assets at fair value through profit or loss - Financial derivative instruments	581,973	Financial liabilities at fair value through profit or loss - Financial derivative instruments	19,818
Forward foreign exchange contracts	Financial assets at fair value through profit or loss - Financial derivative instruments	281,269	Financial liabilities at fair value through profit or loss - Financial derivative instruments	370,466
Options	Financial assets at fair value through profit or loss - Financial derivative instruments	197,697	Financial liabilities at fair value through profit or loss - Financial derivative instruments	29,936
Total		<u>1,060,939</u>		<u>420,220</u>

The effect of transactions in derivative instruments to the statement of comprehensive income during the year to 31 December 2013 was as follows:

Algebris Financial Credit Fund

Derivative type	Location of gain/(loss) on derivatives recognised in Statement of Comprehensive income	Net realised	Net change in unrealised
		gain/(loss) on derivatives EUR	appreciation/(depreciation) on derivatives EUR
Forward foreign exchange contracts	Net gain/loss on financial assets and liabilities at fair value through profit or loss	3,883,232	(35,324)
Total		<u>3,883,232</u>	<u>(35,324)</u>

Algebris Financial Income Fund

Derivative type	Location of gain/(loss) on derivatives recognised in Statement of Comprehensive income	Net realised	Net change in unrealised
		gain/(loss) on derivatives EUR	appreciation/(depreciation) on derivatives EUR
Contracts for difference	Net gain on financial assets and liabilities at fair value through profit or loss	146,800	562,154
Forward foreign exchange contracts	Net gain/loss on financial assets and liabilities at fair value through profit or loss	572,770	(89,198)
Options	Net loss on financial assets and liabilities at fair value through profit or loss	(198,565)	(182,377)
Total		<u>521,005</u>	<u>290,579</u>

ALGEBRIS UCITS FUNDS PLC

Notes to the Financial Statements (continued) for the year ended 31 December 2013

18. Related parties

The below table provides an analysis of related party transactions for the year ended 31 December 2013.

	Relationship	Transaction type	Fees paid
Algebris Investments (UK) LLP	Investment Manager, Promoter	Investment management services	See note 5

The Investment Manager is a subsidiary of Algebris Investments Limited which, in turn, is a wholly owned subsidiary of Algebris Investments (Cayman) Ltd. Alexander Lasagna, Director of the Company, is also a Director of Algebris Investments (Cayman) Ltd.

Robert Hennessy was 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 year ended 31 December 2013 amounted to EUR 22,110 (31 December 2012: EUR 8,846) for the Algebris Financial Credit Fund of which EUR 5,009 (31 December 2012: EUR 5,854) was payable at 31 December 2013 and EUR 7,340 for the Algebris Financial Income Fund of which EUR 7,340 was payable at 31 December 2013. Robert Hennessy resigned as a Director of the Company on 21 November 2013.

Fees paid to the Directors and the Company Secretary for the year ended 31 December 2013 are included in note 5 of these financial statements.

19. Significant events during the year

A new Sub-Fund called the Algebris Financial Income Fund was launched on 12 August 2013.

20. Significant events subsequent to the year end

There have been no significant events subsequent to the year end.

21. Approval of financial statements

The financial statements were approved and authorised for issue by the Board of Directors on 23 April 2014.

ALGEBRIS UCITS FUNDS PLC

Algebris Financial Credit Fund

Schedule of Investments

as at 31 December 2013

Holdings	Financial Assets at Fair Value Through Profit or Loss	Fair Value EUR	% of Net Asset Value
Equity Securities			
United Kingdom		2,486,461	1.41
35,000	Royal Bank of Scotland (Series S) 6.6% (Preferred) Perpetual	532,155	0.30
21,000	Royal Bank of Scotland (Series M) (Preferred)	328,612	0.19
11,700	Nationwide Building Society (Preferred)	1,625,694	0.92
United States		20,665,960	11.74
210,000	Citigroup (Series K) (Preferred)	3,871,235	2.20
320,000	Countrywide Capital 7% (Preferred)	5,901,353	3.35
170,000	Goldman Sachs Group (Series J)	2,756,656	1.57
285,000	HSBC USA (Series G) (Preferred)	4,204,714	2.39
52,000	Morgan Stanley (Series C) (Preferred)	988,855	0.56
45,000	Synovus Financial (Preferred)	885,530	0.50
120,000	Wells Fargo & Co Var (Preferred) Perpetual	2,057,617	1.17
Total Equity Securities		23,152,421	13.15
Fixed Income Securities			
Austria		964,508	0.55
1,250,000	Erste Group Bank 6.375% 28/03/2023	964,508	0.55
Belgium		1,850,022	1.05
2,400,000	AG Insurance Perpetual	1,850,022	1.05
France		5,058,194	2.87
3,400,000	Credit Agricole 19/09/2033	2,730,586	1.55
3,000,000	Societe Generale Perpetual	2,327,608	1.32
Germany		4,343,718	2.47
1,300,000	Commerzbank 8.125% 19/09/2023	1,048,578	0.60
5,000,000	Deutsche Bank 24/05/2028	3,295,140	1.87
Hong Kong		1,839,644	1.04
2,500,000	China Citic Bank 07/05/2024	1,839,644	1.04

ALGEBRIS UCITS FUNDS PLC

Algebris Financial Credit Fund

Schedule of Investments (continued)

as at 31 December 2013

Holdings	Financial Assets at Fair Value Through Profit or Loss	Fair Value EUR	% of Net Asset Value
Fixed Income Securities (continued)			
Ireland		12,241,075	6.95
4,600,000	Baggot Securities Ltd 10.24% Perpetual	4,876,000	2.77
3,000,000	Bank of Ireland 10% 30/07/2016	3,213,000	1.82
4,150,000	UT2 Funding 30/06/2016	4,152,075	2.36
Italy		7,647,799	4.35
644,000	Intesa Sanpaolo 6.625% 13/09/2023	694,255	0.39
2,000,000	Intesa Sanpaolo Perpetual	2,137,680	1.21
800,000	Unicredit International Bank Perpetual	998,693	0.57
2,000,000	Unicredit 28/10/2025	2,035,900	1.16
500,000	Unicredit 5% 01/02/2016	609,247	0.35
1,075,000	Unicredit 6.95% 31/10/2022	1,172,024	0.67
Netherlands		3,269,619	1.86
2,700,000	Delta Lloyd Levensverzek 29/08/2042	3,269,619	1.86
Spain		23,245,903	13.20
7,000,000	Banco Bilbao Vizcaya ARG Perpetual	5,502,379	3.12
3,900,000	Banco Popular Espanol Perpetual	4,280,289	2.43
6,000,000	BBVA International Preferred Uniperson Perpetual	4,217,591	2.40
1,000,000	Caixabank VAR 14/11/2023	1,017,435	0.58
6,600,000	Santander Finance Preferred Uniper (Series 8) Perpetual	8,228,209	4.67
Switzerland		20,204,928	11.47
6,000,000	Credit Suisse 6.5% 08/08/2023	4,576,168	2.60
9,000,000	Credit Suisse Group Perpetual	6,956,569	3.95
3,075,000	Swiss Reinsurance Perpetual	2,449,531	1.39
6,150,000	UBS Stamford 7.625% 17/08/2022	5,132,923	2.91
1,500,000	UBS 22/05/2023	1,089,737	0.62

ALGEBRIS UCITS FUNDS PLC

Algebris Financial Credit Fund

Schedule of Investments (continued)

as at 31 December 2013

Holdings	Financial Assets at Fair Value Through Profit or Loss	Fair Value EUR	% of Net Asset Value
Fixed Income Securities (continued)			
United Kingdom		33,216,013	18.87
1,500,000	Bank of Scotland (Series B) Perpetual	1,883,644	1.07
5,331,000	Barclays Bank 7.625% 21/11/2022	4,142,155	2.35
9,400,000	Barclays Bank 8.25% Perpetual	7,077,695	4.02
1,850,000	Direct Line Insurance 27/04/2042	2,755,793	1.57
2,887,000	HBOS Sterling Finance Jersey Perpetual	3,781,879	2.15
4,500,000	LBG Capital No 1 (Series 1) 7.5884% 12/05/2020	5,772,895	3.28
800,000	LBG Capital No 1 6.439% 23/05/2020	850,144	0.48
500,000	LBG Capital No.1 (Series 8) 7.869% 25/08/2020	643,478	0.37
194,000	LBG Capital No 2 (Series 23) 15% 22/01/2029	377,433	0.22
50,000	Lloyds TSB Bank 13% Perpetual	72,500	0.04
500,000	Lloyds TSB Bank 19/12/2021	390,320	0.22
1,050,000	Royal Bank of Scotland 16/03/2022	901,353	0.51
3,400,000	Royal Bank of Scotland 6% 19/12/2023	2,486,150	1.41
1,300,000	Royal Bank of Scotland 6.125% 15/12/2022	964,740	0.55
700,000	Santander UK (144A) 5% 07/11/2023	509,873	0.29
500,000	Scottish Widows 5.5% 16/06/2023	605,961	0.34
United States		21,903,084	12.44
1,250,000	Bank of America (Series U) Perpetual	1,302,197	0.74
1,200,000	Citigroup Perpetual	1,909,646	1.09
2,800,000	Deutsche Bank Capital Trust III Perpetual	2,706,242	1.54
4,000,000	Deutsche Capital Trust IV (Series) Perpetual	551,550	0.31
1,500,000	Dresdner Funding Trust 8.151% 30/06/2031	1,906,591	1.08
864,000	Dresdner Funding Trust (144A) 8.151% 30/06/2031	76,107	0.04
325,000	HVB Funding Trust I (144A) 8.741% 30/06/2031	240,570	0.14
1,630,000	HVB Funding Trust III (144A) 9% 22/10/2031	1,248,801	0.71
2,115,000	Ing Capital Funding Trst III (Series 9) Perpetual	1,530,936	0.87
5,000,000	JPMorgan Chase & Co (Series R) Perpetual	3,510,112	1.99
1,000,000	Synovus Financial 5.125% 15/06/2017	754,765	0.43
500,000	Synovus Financial 7.875% 15/02/2019	411,029	0.23
1,000,000	Pennymac (144A) Conv 5.375% 01/05/2020	699,240	0.40
1,500,000	Prudential Financial 15/03/2044	1,058,490	0.60
6,130,000	Zions Perpetual	3,996,808	2.27
Total Fixed Income Securities		135,784,507	77.12

ALGEBRIS UCITS FUNDS PLC

Algebris Financial Credit Fund

Schedule of Investments (continued)

as at 31 December 2013

Holdings	Financial Assets at Fair Value Through Profit or Loss	Fair Value EUR	% of Net Asset Value
Forward Contracts*			
Buy GBP 24,134,500	Sell EUR 28,840,903 19/03/2014	215,716	0.12
Buy GBP 910,000	Sell EUR 1,074,402 19/03/2014	21,189	0.01
Buy EUR 396,126	Sell AUD 600,000 19/03/2014	8,792	0.01
Buy GBP 756,500	Sell EUR 904,693 19/03/2014	6,091	-
Buy GBP 141,300	Sell EUR 167,911 19/03/2014	2,206	-
Buy GBP 100,000	Sell EUR 119,046 19/03/2014	1,348	-
Buy GBP 121,160	Sell EUR 144,607 19/03/2014	1,263	-
Buy GBP 56,100	Sell EUR 66,391 19/03/2014	1,150	-
Buy GBP 114,500	Sell EUR 136,828 19/03/2014	1,023	-
Buy GBP 62,000	Sell EUR 74,058 19/03/2014	587	-
Buy GBP 23,200	Sell EUR 27,391 19/03/2014	540	-
Buy GBP 58,200	Sell EUR 69,549 19/03/2014	520	-
Buy EUR 2,401,013	Sell USD 3,300,000 19/03/2014	270	-
Buy GBP 3,780	Sell EUR 4,523 19/03/2014	28	-
Buy GBP 700	Sell EUR 835 19/03/2014	7	-
Total Forward Contracts		260,730	0.14
Total Financial Assets at Fair Value Through Profit or Loss		159,197,658	90.41
Financial Liabilities at Fair Value Through Profit or Loss			
Forward Contracts*			
Buy EUR 28,106,571	Sell GBP 23,520,000 19/03/2014	(210,223)	(0.12)
Buy EUR 97,143,892	Sell USD 133,595,000 19/03/2014	(46,161)	(0.03)
Buy CHF 2,505,600	Sell EUR 2,053,486 19/03/2014	(10,976)	(0.01)
Buy EUR 1,950,364	Sell USD 2,690,000 19/03/2014	(6,605)	-
Buy EUR 1,839,204	Sell USD 2,530,000 19/03/2014	(1,365)	-
Buy CHF 301,300	Sell EUR 246,933 19/03/2014	(1,320)	-
Buy USD 260,000	Sell EUR 190,307 19/03/2014	(1,158)	-
Buy EUR 46,263	Sell GBP 39,000 19/03/2014	(690)	-
Buy EUR 24,454	Sell GBP 20,650 19/03/2014	(407)	-
Buy EUR 8,183	Sell GBP 6,900 19/03/2014	(124)	-
Buy CHF 14,100	Sell EUR 11,531 19/03/2014	(37)	-
Buy CHF 1,500	Sell EUR 1,227 19/03/2014	(4)	-
Total Forward Contracts		(279,070)	(0.16)

ALGEBRIS UCITS FUNDS PLC

Algebris Financial Credit Fund

Schedule of Investments (continued)

as at 31 December 2013

Holdings	Financial Liabilities at Fair Value Through Profit or	Fair Value EUR	% of Net Asset Value
	Total Financial Liabilities at Fair Value Through Profit or Loss	(279,070)	(0.16)
	Net Financial Assets and Liabilities at Fair Value Through Profit or Loss	158,918,588	90.25
	Other Net Assets	17,158,756	9.75
	Total Net Assets Attributable to Holders of Redeemable Participating Shares	176,077,344	100.00
			% of total assets
	Transferable securities admitted to an official stock exchange listing or traded in a regulated market	158,936,928	89.56
	Over the counter financial derivatives	260,730	0.15
	Cash and other current assets	18,268,605	10.29
	Total	177,466,263	100.00

* The counterparty for all the forward contracts is HSBC Bank plc.

ALGEBRIS UCITS FUNDS PLC

Algebris Financial Income Fund

Schedule of Investments

as at 31 December 2013

Holdings	Financial Assets at Fair Value Through Profit or Loss	Fair Value EUR	% of Net Asset Value
	Equity Securities		
	Bermuda	498,541	0.48
6,500	PartnerRe Ltd	498,541	0.48
	Canada	802,501	0.76
47,300	RioCan Real Estate Investment Trust	802,501	0.76
	France	4,697,374	4.48
112,325	AXA	2,270,088	2.16
26,600	BNP Paribas	1,506,890	1.44
21,800	Societe Generale	920,396	0.88
	Germany	990,660	0.95
7,600	Allianz	990,660	0.95
	Hong Kong	923,250	0.88
396,000	BOC Hong Kong Holdings Ltd	923,250	0.88
	Italy	2,926,387	2.80
69,200	Banca IFIS	896,140	0.86
865,408	UnipolSai	2,030,247	1.94
	Japan	4,006,773	3.82
462,000	Aozora Bank Ltd	950,979	0.91
261,000	Mitsubishi UFJ Financial Group	1,251,160	1.19
321,000	Mizuho Financial Group	505,537	0.48
34,700	Sumitomo Mitsui Financial Group	1,299,097	1.24
	Sweden	3,261,381	3.11
154,000	Nordea Bank	1,507,723	1.44
85,750	Swedbank	1,753,658	1.67
	Switzerland	5,240,637	5.00
5,278	Banque Cantonale Vaudoise	2,091,821	2.00
68,812	GAM Holding	972,604	0.93
10,334	Zurich Insurance Group	2,176,212	2.07

ALGEBRIS UCITS FUNDS PLC

Algebris Financial Income Fund

Schedule of Investments (continued)

as at 31 December 2013

Holdings	Financial Assets at Fair Value Through Profit or Loss	Fair Value EUR	% of Net Asset Value
Equity Securities (continued)			
United Kingdom		4,124,062	3.93
197,600	HSBC Holdings	1,576,663	1.50
7,000,000	Quindell	1,644,236	1.57
6,500	Nationwide Building Society (Preferred)	903,163	0.86
United States		34,393,858	32.82
30,100	AllianceBernstein Holding LP	467,288	0.45
39,600	American Capital Agency	555,714	0.53
80,400	Annaly Capital Management	583,143	0.56
21,200	Apollo Global Management LLC	487,510	0.47
83,000	Apollo Investment	512,033	0.49
59,600	Ares Capital	770,473	0.73
61,500	Bank of America	696,606	0.66
20,000	Bank of New York Mellon	508,366	0.48
21,665	BB&T	588,199	0.56
40,500	Blackstone Group LP	928,088	0.89
42,801	Blackstone Mortgage Trust	844,748	0.81
15,800	Camden Property Trust	653,793	0.62
21,500	Carlyle Group LP	557,129	0.53
40,000	CBL & Associates Properties	522,625	0.50
39,300	Citigroup	1,489,832	1.42
90,000	Citigroup (Series J) (Preferred)	1,698,385	1.62
30,000	Citigroup (Series K) (Preferred)	553,034	0.53
37,357	Countrywide Capital 7% (Preferred)	688,928	0.66
17,509	Equity Residential	660,695	0.63
84,000	Fortress Investment Group LLC	523,090	0.50
41,200	Hatteras Financial	489,748	0.47
50,100	Home Loan Servicing Solutions Ltd	837,187	0.80
108,545	HSBC USA (Series G) (Preferred)	1,601,406	1.53
34,400	Invesco Ltd	910,927	0.87
100,000	iShares Mortgage Real Estate Capped ETF	838,062	0.80
34,900	JPMorgan Chase & Co	1,484,761	1.42
41,724	Kimco Realty Corp	599,483	0.57
32,400	KKR & Co LP	573,706	0.55
52,900	MetLife	2,075,053	1.98
14,700	Mid-America Apartment Communities	649,555	0.62
64,500	Morgan Stanley (Series C) (Preferred)	1,226,560	1.17
11,300	Northern Trust	508,771	0.48

ALGEBRIS UCITS FUNDS PLC

Algebris Financial Income Fund

Schedule of Investments (continued)

as at 31 December 2013

Holdings	Financial Assets at Fair Value Through Profit or Loss	Fair Value EUR	% of Net Asset Value
Equity Securities (continued)			
United States (continued)			
260,000	Nuveen Preferred Income Opportunities Fund	1,677,724	1.60
46,500	People's United Financial	511,480	0.49
15,200	Prudential Financial	1,019,747	0.97
13,800	Raymond James Financial	523,950	0.50
6,750	Simon Property Group	747,185	0.71
34,200	Starwood Property Trust	689,175	0.66
144,000	Two Harbors Investment	972,152	0.93
18,630	US Bancorp	547,542	0.52
17,900	Wells Fargo & Co	591,197	0.56
60,000	Wells Fargo & Co Var (Preferred) Perpetual	1,028,808	0.98
Total Equity Securities		61,865,424	59.03
Fixed Income Securities			
Belgium		616,674	0.59
800,000	AG Insurance Perpetual	616,674	0.59
France		2,686,995	2.56
1,800,000	Credit Agricole 19/09/2033	1,445,604	1.38
1,600,000	Societe Generale Perpetual	1,241,391	1.18
Germany		806,598	0.77
1,000,000	Commerzbank 8.125% 19/09/2023	806,598	0.77
Gurnsey		713,151	0.68
900,000	CSG Guernsey I Ltd 24/02/2041	713,151	0.68
Ireland		4,778,687	4.56
2,200,000	Baggot Securities Ltd 10.24% Perpetual	2,332,000	2.23
1,000,000	Bank of Ireland 10% 30/07/2016	1,071,000	1.02
1,375,000	UT2 Funding 30/06/2016	1,375,687	1.31
Italy		908,514	0.87
850,000	Intesa Sanpaolo Perpetual	908,514	0.87

ALGEBRIS UCITS FUNDS PLC

Algebris Financial Income Fund

Schedule of Investments (continued)

as at 31 December 2013

Holdings	Financial Assets at Fair Value Through Profit or Loss	Fair Value EUR	% of Net Asset Value
	Fixed Income Securities (continued)		
	Netherlands	968,776	0.93
800,000	Delta Lloyd Levensverzek 29/08/2042	968,776	0.93
	Spain	5,545,047	5.29
2,200,000	Banco Bilbao Vizcaya ARG Perpetual	1,729,319	1.65
2,000,000	Banco Popular Espanol Perpetual	2,195,020	2.09
1,300,000	Santander Finance Preferred Uniper (Series 8) Perpetual	1,620,708	1.55
	Switzerland	6,217,179	5.93
4,100,000	Credit Suisse Group Perpetual	3,169,104	3.02
2,150,000	Swiss Reinsurance Perpetual	1,712,680	1.63
1,600,000	UBS Stamford 7.625% 17/08/2022	1,335,395	1.28
	United Kingdom	8,510,147	8.12
1,000,000	Bank of Scotland Plc (Series B) Perpetual	1,255,763	1.20
1,200,000	Barclays Bank 7.625% 21/11/2022	932,393	0.89
2,400,000	Barclays Bank 8.25% Perpetual	1,807,071	1.72
1,000,000	Barclays Plc Perpetual	1,036,035	0.99
700,000	Direct Line Insurance 27/04/2042	1,042,732	0.99
700,000	LBG Capital No 1 (Series 1) 7.5884% 12/05/2020	898,006	0.86
940,000	Royal Bank of Scotland 16/03/2022	806,926	0.77
1,000,000	Royal Bank of Scotland 6% 19/12/2023	731,221	0.70
	United States	3,376,801	3.22
1,700,000	Ing Capital Funding Trst III (Series 9) Perpetual	1,230,540	1.17
2,500,000	JPMorgan Chase & Co (Series R) Perpetual	1,755,056	1.68
600,000	Zions Perpetual	391,205	0.37
	Total Fixed Income Securities	35,128,569	33.52
	Contract For Difference*		
45,900	Admiral Group	31,350	0.03
169,375	Barclays	55,245	0.05
85,300	BB Seguridade Participacoes	129,432	0.12
189,500	Henderson Group	111,686	0.11
56,300	Och Ziff Capital Management Group A Shares	89,803	0.09

ALGEBRIS UCITS FUNDS PLC

Algebris Financial Income Fund

Schedule of Investments (continued)

as at 31 December 2013

Holdings	Financial Assets at Fair Value Through Profit or Loss	Fair Value EUR	% of Net Asset Value
Contract For Difference * (continued)			
8,885	Powszechny Zaklad Ubezpieczen	24,648	0.02
73,589	Prudential	139,809	0.13
Total Contracts For Difference		581,973	0.55
Option			
450	CBOE SPX Volatility Index (VIX) 19 Call 22/01/2014	8,184	0.01
550	CBOE SPX Volatility Index (VIX) 20 Call 19/02/2014	22,007	0.02
222	Dow Jones EURO STOXX 50 (Price) Index 2950 Put 17/01/2014	15,984	0.01
485	iShares Dow Jones US Real Estate Index Fund 64 Put 18/01/2014	41,281	0.04
1,525	iShares MSCI Emerging Markets Index 39 Put 22/02/2014	39,939	0.04
498	iShares MSCI Emerging Markets Index 41 Put 18/01/2014	13,042	0.01
16	S&P 500 Index 1700 Put 22/02/2014	6,518	0.01
31	S&P 500 Index 1775 Put 22/03/2014	50,742	0.05
Total Option		197,697	0.19
Forward Contracts*			
	Buy EUR 3,824,241 Sell JPY 541,070,000 19/03/2014	85,354	0.08
	Buy USD 18,231,300 Sell EUR 13,218,462 19/03/2014	44,766	0.04
	Buy USD 16,204,700 Sell EUR 11,749,092 19/03/2014	39,790	0.04
	Buy USD 14,323,300 Sell EUR 10,384,997 19/03/2014	35,170	0.04
	Buy EUR 5,032,288 Sell CHF 6,140,000 19/03/2014	27,095	0.03
	Buy USD 10,000,000 Sell EUR 7,250,422 19/03/2014	24,554	0.02
	Buy GBP 460,000 Sell EUR 543,104 19/03/2014	10,711	0.01
	Buy EUR 393,491 Sell AUD 600,000 19/03/2014	6,157	0.01
	Buy EUR 803,769 Sell USD 1,100,000 19/03/2014	3,522	-
	Buy USD 700,000 Sell EUR 507,530 19/03/2014	1,719	-
	Buy GBP 52,800 Sell EUR 62,744 19/03/2014	824	-
	Buy USD 112,400 Sell EUR 81,449 19/03/2014	322	-
	Buy USD 98,900 Sell EUR 71,666 19/03/2014	284	-
	Buy USD 87,400 Sell EUR 63,333 19/03/2014	251	-
	Buy USD 60,100 Sell EUR 43,550 19/03/2014	172	-
	Buy EUR 72,628 Sell USD 99,700 19/03/2014	97	-

ALGEBRIS UCITS FUNDS PLC

Algebris Financial Income Fund

Schedule of Investments (continued)

as at 31 December 2013

Holdings	Financial Assets at Fair Value Through Profit or Loss	Fair Value EUR	% of Net Asset Value
	Forward Contracts*		
	Buy EUR 61,993 Sell USD 85,100 19/03/2014	83	-
	Buy EUR 727,580 Sell USD 1,000,000 19/03/2014	82	-
	Buy EUR 58,205 Sell USD 79,900 19/03/2014	77	-
	Buy AUD 600,000 Sell EUR 387,261 19/03/2014	73	-
	Buy EUR 51,430 Sell USD 70,600 19/03/2014	68	-
	Buy USD 100,000 Sell EUR 72,696 19/03/2014	54	-
	Buy USD 4,100 Sell EUR 2,971 19/03/2014	12	-
	Buy EUR 1,556 Sell CHF 1,900 19/03/2014	7	-
	Buy EUR 3,788 Sell USD 5,200 19/03/2014	5	-
	Buy EUR 901 Sell CHF 1,100 19/03/2014	4	-
	Buy GBP 400 Sell EUR 478 19/03/2014	4	-
	Buy GBP 300 Sell EUR 357 19/03/2014	4	-
	Buy GBP 400 Sell EUR 479 19/03/2014	3	-
	Buy GBP 300 Sell EUR 358 19/03/2014	3	-
	Buy USD 600 Sell EUR 435 19/03/2014	2	-
	Buy EUR 291 Sell USD 400 19/03/2014	-	-
	Buy USD 400 Sell EUR 291 19/03/2014	-	-
	Buy USD 3,400 Sell EUR 2,4474 19/03/2014	-	-
	Total Forward Contracts	281,269	0.27
	Total Financial Assets at Fair Value Through Profit or Loss	98,054,932	93.56
	Financial Liabilities at Fair Value Through Profit or Loss		
	Contracts For Difference*		
711,000	Man Group	(19,818)	(0.02)
	Total Contracts For Difference	(19,818)	(0.02)
	Option		
(222)	Dow Jones EURO STOXX 50 (Price) Index 2850 Put 17/01/2014	(7,770)	(0.01)
(498)	iShares MSCI Emerging Markets Index 36 Put 18/01/2014	(1,087)	-
(1,525)	iShares MSCI Emerging Markets Index 37 Put 22/02/2014	(21,079)	(0.02)
	Total Option	(29,936)	(0.03)

ALGEBRIS UCITS FUNDS PLC

Algebris Financial Income Fund

Schedule of Investments (continued)

as at 31 December 2013

Holdings	Financial Liabilities at Fair Value Through Profit or Loss	Fair Value EUR	% of Net Asset Value
Forward Contracts*			
Buy EUR 53,384,860	Sell USD 73,630,000 19/03/2014	(180,796)	(0.17)
Buy EUR 9,138,281	Sell GBP 7,690,000 19/03/2014	(120,059)	(0.12)
Buy EUR 2,952,217	Sell SEK 26,650,000 19/03/2014	(55,063)	(0.05)
Buy EUR 176,480	Sell SEK 1,590,000 19/03/2014	(2,941)	(0.01)
Buy EUR 310,316	Sell GBP 260,000 19/03/2014	(2,710)	-
Buy EUR 652,538	Sell USD 900,000 19/03/2014	(2,210)	-
Buy CHF 373,200	Sell EUR 305,871 19/03/2014	(1,647)	-
Buy CHF 200,000	Sell EUR 163,918 19/03/2014	(883)	-
Buy USD 125,800	Sell EUR 92,171 19/03/2014	(652)	-
Buy USD 111,600	Sell EUR 81,767 19/03/2014	(578)	-
Buy USD 98,600	Sell EUR 72,242 19/03/2014	(511)	-
Buy USD 153,200	Sell EUR 111,943 19/03/2014	(490)	-
Buy USD 135,700	Sell EUR 99,156 19/03/2014	(434)	-
Buy USD 119,900	Sell EUR 87,611 19/03/2014	(384)	-
Buy EUR 211,016	Sell JPY 30,590,000 19/03/2014	(366)	-
Buy USD 68,500	Sell EUR 50,189 19/03/2014	(355)	-
Buy USD 84,200	Sell EUR 61,525 19/03/2014	(270)	-
Buy USD 4,800	Sell EUR 3,517 19/03/2014	(25)	-
Buy USD 5,900	Sell EUR 4,311 19/03/2014	(19)	-
Buy CHF 1,900	Sell EUR 1,558 19/03/2014	(9)	-
Buy USD 95,400	Sell EUR 69,411 19/03/2014	(8)	-
Buy USD 83,600	Sell EUR 60,826 19/03/2014	(7)	-
Buy CHF 2,300	Sell EUR 1,881 19/03/2014	(6)	-
Buy EUR 355	Sell GBP 300 19/03/2014	(6)	-
Buy USD 74,000	Sell EUR 53,841 19/03/2014	(6)	-
Buy CHF 3,100	Sell EUR 2,532 19/03/2014	(5)	-
Buy CHF 2,600	Sell EUR 2,124 19/03/2014	(4)	-
Buy CHF 900	Sell EUR 738 19/03/2014	(4)	-
Buy USD 50,300	Sell EUR 36,597 19/03/2014	(4)	-
Buy CHF 1,200	Sell EUR 981 19/03/2014	(3)	-
Buy CHF 1,700	Sell EUR 1,388 19/03/2014	(3)	-
Buy USD 600	Sell EUR 440 19/03/2014	(3)	-
Buy USD 900	Sell EUR 658 19/03/2014	(3)	-
Buy CHF 1,400	Sell EUR 1,144 19/03/2014	(2)	-
Total Forward Contracts		(370,466)	(0.35)

ALGEBRIS UCITS FUNDS PLC

Algebris Financial Income Fund

Schedule of Investments (continued)

as at 31 December 2013

Holdings	Financial Liabilities at Fair Value Through Profit or Loss	Fair Value EUR	% of Net Asset Value
	Total Financial Liabilities at Fair Value Through Profit or Loss	(420,220)	(0.40)
	Net Financial Assets and Liabilities at Fair Value Through Profit or Loss	97,634,712	93.16
	Other Net Assets	7,168,344	6.84
	Total Net Assets Attributable to Holders of Redeemable Participating Shares	104,803,056	100.00
			% of total assets
	Transferable securities admitted to an official stock exchange listing or traded in a regulated market	96,993,993	91.40
	Over the counter financial derivatives	1,060,939	1.00
	Cash and other current assets	8,064,978	7.60
	Total	106,119,910	100.00

* The counterparty for all the contracts for differences and forward contracts is HSBC Bank plc.

ALGEBRIS UCITS FUNDS PLC

Algebris Financial Credit Fund

Schedule of Significant Changes in Investments (Unaudited)

Top 20 purchases as at 31 December 2013

Purchases	Cost EUR
Barclays Bank 8.25% Perpetual	6,969,703
Credit Suisse Group Perpetual	6,620,568
Banco Bilbao Vizcaya ARG Perpetual	6,607,344
Santander Finance Preferred Uniper (Series 8) Perpetual	6,493,097
LBG Capital No 1 (Series 1) 7.5884% 12/05/2020	5,645,197
Baggot Securities Ltd 10.24% Perpetual	5,199,625
Countrywide Capital 7% (Preferred)	5,042,046
Banco Popular Espanol Perpetual	4,584,625
Zions Perpetual	4,559,962
Credit Suisse 6.5% 08/08/2023	4,543,045
Caixabank VAR 14/11/2023	4,473,225
HSBC USA (Series G) (Preferred)	4,416,148
BBVA International Preferred Uniperson Perpetual	4,211,957
UT2 Funding 30/06/2016	3,807,400
Deutsche Bank 24/05/2028	3,800,800
Citigroup (Series K) (Preferred)	3,800,538
ABN Amro Bank 7.125% 06/07/2022	3,794,686
JPMorgan Chase & Co (Series R) Perpetual	3,666,593
Bank of Ireland 10% 30/07/2016	3,563,802
HBOS Sterling Finance Jersey Perpetual	3,491,064

ALGEBRIS UCITS FUNDS PLC

Algebris Financial Credit Fund

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

Top 20 sales as at 31 December 2013

Sales	Proceeds EUR
ABN Amro Bank 7.125% 06/07/2022	3,794,808
Societe Generale Perpetual	3,640,569
Caixabank VAR 14/11/2023	3,520,390
CSG Guernsey I Ltd 24/02/2041	3,180,492
Unicredit VAR 02/05/2023	2,699,907
BBVA Intl Pref Uniperson (Series F) Perpetual	2,621,930
Credit Suisse (Series) 18/09/2025	1,997,608
Barclays Plc Perpetual	1,942,750
Regions Financing TR II (REG) 15/05/2047	1,923,225
LBG Capital No 2 Plc (Series 21) 15% 21/12/2019	1,796,133
HSH Nordbank 14/02/2017	1,666,670
BBVA US Senior Uniper 4.664% 09/10/2015	1,580,143
Allianz SE 17/10/2042	1,468,682
Banco Bilbao Vizcaya ARG Perpetual	1,387,944
Man Strategic Hdgs Ltd 11% Perpetual	1,378,156
Santander UK (144A) 5% 07/11/2023	1,334,557
Santander Intl Debt 4% 24/01/2020	1,317,727
Banco Espirito Santo 5.875% 09/11/2015	1,259,118
Royal Bank of Scotland Plc 16/03/2022	1,258,308
Santander Issuances (Series 24) 27/07/2019	1,220,616

ALGEBRIS UCITS FUNDS PLC

Algebris Financial Income Fund

Schedule of Significant Changes in Investments (Unaudited)

Top 20 purchases as at 31 December 2013

Purchases	Cost EUR
Credit Suisse Group Perpetual	3,016,036
Banco Popular Espanol Perpetual	2,500,000
Baggot Securities Ltd 10.24% Perpetual	2,486,777
Banque Cantonale Vaudoise	2,099,045
Zurich Financial Services	2,002,390
AXA	1,988,136
Metlife	1,900,189
JPMorgan Chase & Co (Series R) Perpetual	1,786,076
Barclays Bank 8.25% Perpetual	1,779,499
Swiss Reinsurance Perpetual	1,727,102
Citigroup	1,686,906
HSBC USA (Series G) (Preferred)	1,681,932
Nuveen Preferred and Convertible Income Fund	1,681,608
HSBC Holdings	1,633,525
Banco Bilbao Vizcaya ARG Perpetual	1,632,075
Citigroup	1,602,672
Santander Finance Preferred Uniper (Series 8) Perpetual	1,594,647
Blackstone Group LP	1,564,687
CSG Guernsey I Ltd 24/02/2041	1,547,914
Swedbank	1,544,659

ALGEBRIS UCITS FUNDS PLC

Algebris Financial Credit Fund

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

Top 20 sales as at 31 December 2012

Sales	Proceeds EUR
LBG Capital No 2 Plc (Series 21) 15% 21/12/2019	1,347,100
Blackstone Group LP	1,018,139
Unicredit 28/10/2025	1,004,855
Sun Life Financial	939,328
Caixabank 14/11/2023	904,930
Toronto-Dominion Bank	860,466
CSG Guernsey I Ltd 24/02/2041	814,604
Fifth Third Bancorp	787,788
UBS Shares	785,596
Oaktree Capital Group Llc	782,875
Societe Generale Perpetual	769,284
Credit Suisse (Ser *) 18/09/2025	747,375
Camden Property Trust	743,463
Delta Lloyd	657,404
Canadian Imperial Bank of Commerce	652,901
Nationwide Building Society (Preferred)	599,583
Carlyle Group LP	568,476
Banco Popular Espanol Perpetual	550,781
Franklin Resources Inc	526,411
Hatteras Financial	450,097