

14 August 2008

Kubera Cross-Border Fund Limited

Interim Results for the period ended 30 June 2008

Kubera Cross-Border Fund Limited (“KUBC” or the “Company”) (LSE/AIM: KUBC), a closed-end investment company traded on the AIM market of the London Stock Exchange has issued its interim results for the six month period 1 January 2008 to 30 June 2008.

Highlights

- As at June 30, 2008, approximately 50% of the Company’s net assets consisted of investments in seven underlying portfolio companies, with one additional investment commitment made shortly after the reporting period’s end.
- Key per share information for the reporting period is as under:

Net asset value per share at beginning of period	US\$ 0.98
Net investment gain / (loss) per share	US\$ (0.01)
Unrealised and realised gain / (loss) on investments per share	US\$ (0.02)
Net asset value per share, at end of period	US\$ 0.95

Electronic and printed copies of the annual report will be sent to shareholders shortly. Copies of the report will be available, free of charge, from the offices of Grant Thornton Corporate Finance, 30 Finsbury Square, London EC2P 2YU, and will be available at the Company’s website www.kuberacrossborderfund.com.

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Notes to Editors:

Kubera Cross-Border Fund Limited (“KUBC” or the “Company”) is a Cayman Islands incorporated closed-end investment company traded on the AIM market of the London Stock Exchange.

The Company makes private equity investments in cross-border companies, primarily in businesses that operate in the US-India corridor. The Company’s investment manager, Kubera Partners (the “Investment Manager”), brings a strong track record of investing in or managing such businesses. On a selective basis the Company may invest in companies operating in other corridors between developed and emerging markets. Several of the Company’s investee companies also benefit from business activities in the fast-growing Indian domestic market.

The Company's investment objective is to seek to achieve returns by making capital investments in India centric cross-border businesses. KUBC will invest in and hold equity and/or debt securities in its investee companies, ideally securing majority control, where the Investment Manager believes that the experience and expertise of the executive team will facilitate growth, improve profitability, and enable an attractive exit.

CHAIRMAN'S STATEMENT

Dear Shareholders:

I am pleased to present the interim report of the Kubera Cross-Border Fund Limited ('the Company') for the six month period ended 30 June 2008.

Environment

India's economy continues to perform well, with real GDP growing at 9.0% in the fiscal year 2007-08, with projections of 8.0% growth for 2008-09¹. Factors driving long-term growth include favourable demographic trends, a large pool of skilled labour, continued growth in services, a resurgent manufacturing sector and rising integration into global trade. Concerns around energy prices and inflation are rife, as is the case with almost all global markets, but the underlying secular growth story remains in place.

The Manager has benefited from the turbulent global and Indian public equity markets, as market conditions have led to strong deal flow at attractive valuations for private companies. The Company has moderated its efforts in the US during this period, reflecting the more attractive growth/valuation opportunities available in India. We continue to see interesting US-based investment opportunities and will pursue these as appropriate.

Financial performance

At 30 June 2008, the net asset value per share was US\$0.9528 and approximately US\$140.2 million² had been invested or committed. All cash held pending investment in companies is placed in money market instruments or fixed deposits.

The decline in net asset value from the prior period is a consequence of the price volatility of and illiquidity discount on, the company's sole listed investment, GSS America. This worked in the Company's favour in the first quarter, but against the Company in the second quarter.

Prospects and shareholder information

The Company's competitive edge in the attractive cross-border niche in the India-centric private equity environment continues to strengthen, as a result of the Manager's experience and focus on this area. The Board anticipates that the Company will be fully invested in 2008, subject to holdbacks for follow-on investments and fees.

Strong macro trends continue to exist in the Company's target areas, and public and private company valuations have reduced substantially over the past few months. As a result, the Board believes the current market environment will provide numerous attractive investment opportunities for the Company in 2008 and 2009. We believe our exclusive and differentiated focus on cross-border businesses positions the Company to continue winning deals at below-market valuations and attractive terms.

Information on existing and new investments, quarterly net asset values and other material events relating to the Company are available through news releases made to the London Stock Exchange available on www.londonstockexchange.co.uk under ticker KUBC or through the Company's website at www.kuberacrossborderfund.com.

Our thanks for your continued support.

Martin M. Adams
Chairman

¹ Source: Reserve Bank of India, Monetary Policy Review 29 Jul 2009

² Includes co-investment by affiliates of the Manager

INVESTMENT MANAGER'S REPORT

Macro environment

The macro environment for the Company and its portfolio remains very attractive. Growth in the Indian economy continues unabated. Although rising inflation and global issues that arise from rising energy prices are cause for some concern, particularly in manufacturing businesses, almost all market analysts forecast continued strong GDP and export growth in India. The recent depreciation of the rupee (approximately 5.4% depreciation against the US dollar over the last four months)³ has helped ease exchange rate concerns that arose over the sharp appreciation of the rupee in early 2007.

In addition, the recent stock market correction in the US, India and other global markets has greatly enhanced our ability to obtain superior valuations and terms, and as a consequence we expect that 2008 and 2009 will be attractive for private equity investing in our target areas.

Investment environment and strategy

In both India and the US, we operate in a competitive private equity environment. In India, for example, US\$ 17.14 billion of private equity investments were consummated during the course of 2007⁴. However, in our specific target area of cross-border businesses, we rarely see competition that can effectively counter our ability to offer tangible assistance. We have found that both in the US and in India, management teams have become very aware of the importance of a stable value-added capital partner.

Investments

During the period covered by this report, the Company completed two investments: a \$10.23 million investment in GSS America, and a \$1.5 million investment in an Indian investment bank. On 18 June 2008, the Company also disclosed a binding agreement to invest up to \$22 million in Essel Shyam Communication Limited ("ESCL"). This investment is subject to regulatory approval and is expected to close in the third quarter.

On March 7, 2008, GSS America was admitted to trading on the Indian capital markets. Post listing, KUBC owns approximately 7.5% of the issued capital of the Company, which is subject to a mandatory lock-in period of one year. KUBC invested \$10.23 million in the Company on January 16, 2008 (including the pro rata investment by affiliates of Kubera Partners, LLC, the Investment Manager of KUBC), and its current cost basis is Indian Rupees 400 per share.

In the case of our two new unlisted investments in ESCL and the Indian investment bank, the Company obtained substantial minority interests in the underlying companies, favourable valuation terms, and strong governance rights including board seats and standard veto rights. We obtained strong rights in GSS America as well; as per regulatory requirements, these rights fall away at the time of a listing. We are engaged with all three companies in assisting with their growth strategies, primarily in the following three areas: recruiting in the US and in India at a senior level, evaluating follow-on acquisitions, and improving board reporting and governance.

Portfolio

Upon closing of the investment in ESCL, the Company will have made investments in eight companies. These eight investments are:

- Majority interests in:
 - *Synergies Castings*, the only vendor of specialised alloy wheels out of India; and
 - *Venture Infotek*, the leading provider of card processing services in India.

³ Source: Reserve Bank of India, Monetary Policy Review 29 Jul 2009

⁴ Source: Grant Thornton Dealtracker

- Minority interests in:
 - *Adayana, Inc*, a US-headquartered company focused on the e-learning and training industry with a development organisation in Hyderabad, India;
 - *Essel Shyam Communication*, a provider of end to end solutions for the media broadcasting and satellite communications industries in India and other emerging markets;
 - *Financial services co*, a rapidly growing asset management and corporate advisory firm based in South India; at this time the company's name is undisclosed for commercial sensibilities;
 - *GSS America*, an IT services company focused on infrastructure management services;
 - *Kejriwal Stationery*, a provider of stationery products for the US and Indian markets; and
 - *Ocimum Biosolutions*, a provider of integrated genomics outsourcing services.

Conclusion

We continue to be pleased with the continued strength of our investment theses, our existing investments and the quality of our investment pipeline. We are confident that as our portfolio continues to mature, investors in the Company will obtain unique exposure to the export side of the India story – India as a ‘factory to the world’ for products and services.

Kubera Partners LLC
Investment Manager

**CONSOLIDATED STATEMENT OF ASSETS
AND LIABILITIES**

AS AT 30 JUNE 2008

The Group

	Notes	30 Jun 2008 (un-audited) USD	30 Jun 2007 (un-audited) USD
ASSETS			
Non-current assets			
Investments in securities, at fair value (cost: USD 108,832,898)		103,250,739	40,000,000
Investments in Money Market, at fair value (cost: USD 94,765,784)		101,062,033	164,946,226
Short-term loan receivable		1,138,000	-
Cash and cash equivalents	6	104,278	4,909
Other assets	7	53,138	-
Total assets		<u>205,608,188</u>	<u>204,951,135</u>
Current liabilities			
Accounts payable	8	<u>106,837</u>	<u>120,378</u>
Total liabilities		<u>106,837</u>	<u>120,378</u>
Total net assets		USD <u><u>205,501,351</u></u>	<u><u>204,830,757</u></u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share Capital	9	2,060,000	2,060,000
Share Premium	9	203,940,000	203,940,000
Reserve		<u>(9,741,425)</u>	<u>(4,707,858)</u>
		196,258,575	201,292,142
Minority interest	10	<u>9,242,776</u>	<u>3,538,615</u>
Total shareholders' interests		USD <u><u>205,501,351</u></u>	<u><u>204,830,757</u></u>

The accompanying notes form an integral part of these consolidated financial statements.

**CONSOLIDATED SCHEDULE OF INVESTMENTS
FOR THE PERIOD 1 JANUARY 2008 TO 30 JUNE 2008**

The Group

INVESTMENT IN SECURITIES

					30 Jun 2008 (un-audited)		30 Jun 2007 (un-audited)	
	Investment date	Industry	Instrument	Cost USD	Fair Value USD	% of net assets	Fair Value USD	% of net assets
Adayana, Inc.	Jun-07	E-learning	Convertible participating preferred & Convertible preferred	20,000,000	20,000,000	9.73%	20,000,000	9.76%
	Feb-08		Equity	50,001	50,001	0.02%	-	-
Financial services co.	Apr-08	Financial services	Equity & convertible preference	1,500,000	1,500,000	0.73%	-	-
GSS America Infotech	Jan-08	IT Services	Equity	10,225,274	4,643,115	2.26%	-	-
Kejriwal Stationery Holdings Limited	Apr-07	Stationery products	Convertible redeemable preference	20,000,000	20,000,000	9.73%	20,000,000	9.76%
New Wave Holdings Limited	Sep-07	Transaction processing	Preferred	19,405,286	19,405,286	9.44%	-	-
	Jan-08		Preferred	2,340,000	2,340,000	1.14%	-	-
Ocimum Biosolutions (India) Limited	Dec-07	Life sciences	Preference	14,000,000	14,000,000	6.81%	-	-
			Equity	3,667	3,667	0.00%	-	-

Synergies Castings Limited	Dec-07	Automotive components	Equity	11,308,670	11,308,670	5.50%	-	-
			Compulsorily convertible preference	<u>10,000,000</u>	<u>10,000,000</u>	<u>4.87%</u>	<u>-</u>	<u>-</u>
				<u>108,832,898</u>	<u>103,250,739</u>	<u>50.23%</u>	<u>40,000,000</u>	<u>19.52%</u>
				Cost USD	Fair Value USD	% of net assets	Fair Value USD	% of net assets
INVESTMENT IN MONEY MARKET								
Money market instruments				<u>94,765,784</u>	<u>101,062,033</u>	<u>49.18%</u>	<u>164,946,226</u>	<u>80.53%</u>

Note:

On 18 June 2008, the Group entered into a binding agreement to invest up to \$22 million in Essel Shyam Communication Limited, a leading India based end to end solutions provider for the media broadcasting and satellite communications industries. This investment is subject to regulatory approval and is expected to close by September 2008.

The accompanying notes form an integral part of these consolidated financial statements.

**CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE PERIOD 1 JANUARY 2008 TO 30 JUNE 2008**

The Group

	NOTE	Six months to 30 Jun 2008 (un-audited) USD	23 Nov 2006 to 30 Jun 2007 (un-audited) USD
INCOME			
Interest income		64,172	166,081
Other income		8,975	-
		<u>73,147</u>	<u>166,081</u>
EXPENSES			
Organizational costs	2(d)	-	7,355,819
Investment Management fee	3	2,044,492	1,995,615
Re-imburement of expenses		181,594	-
Professional fees		53,852	25,555
Insurance		129,120	200,101
Director fees	4	66,296	65,238
Administration fees		17,500	-
Licence fees		4,626	1,500
Exchange difference		280	-
Other expenses		104,111	31,059
		<u>2,601,871</u>	<u>9,674,887</u>
Total expenses			
NET INVESTMENT LOSS		(2,528,724)	(9,508,806)
Unrealised loss on Investment on Securities		(5,582,159)	-
Unrealised gain on Investment on Money Market		650,827	4,110,676
Realised gain on Investment on Money Market		857,997	690,669
		<u>(6,602,059)</u>	<u>(4,707,461)</u>
NET DECREASE IN NET ASSETS RESULTING FROM OPERATIONS			
Minority interest		(488,047)	397
Equity holding of parent		(6,114,012)	(4,707,858)
		<u>(6,602,059)</u>	<u>(4,707,461)</u>

The accompanying notes form an integral part of these consolidated financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIOD 1 JANUARY 2008 TO 30 JUNE 2008**

The Group

	Six months to 30 Jun 2008 (un-audited) USD	23 Nov 2006 to 30 Jun 2007 (un-audited) USD
Shareholders' equity		
At the beginning of the period	202,372,587	-
Issued during the period	-	206,000,000
Net decrease in net assets resulting from operations	<u>(6,114,012)</u>	<u>(4,707,858)</u>
At the end of the period	<u><u>196,258,575</u></u>	<u><u>201,292,142</u></u>

The accompanying notes form an integral part of these consolidated financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD 1 JANUARY 2008 TO 30 JUNE 2008**

The Group

	Six months to 30 Jun 2008 (un-audited) USD	23 Nov 2006 to 30 Jun 2007 (un-audited) USD
Cash flows from operating activities		
Net decrease in net assets resulting from operations	(6,602,059)	(4,707,461)
Interest income	<u>(64,172)</u>	<u>(166,081)</u>
Operating loss before working capital changes	(6,666,231)	(4,873,542)
<i>Changes in working capital:</i>		
Increase in accounts receivable	(49,396)	-
Increase in accounts payable	<u>(17,723)</u>	<u>120,378</u>
Net cash used in operations	<u>(6,733,350)</u>	<u>(4,753,164)</u>
<i>Investing activities</i>		
Investments acquired	(3,789,895)	(204,946,226)
Short-term loan	(1,138,000)	-
Interest received	<u>64,172</u>	<u>166,081</u>
Net cash used in investing activities	<u>(4,863,723)</u>	<u>(204,780,145)</u>
<i>Financing activities</i>		
Proceeds from issue of shares	-	206,000,000
Minority interest	<u>1,322,746</u>	<u>3,538,218</u>
Net cash generated from financing activities	<u>1,322,746</u>	<u>209,538,218</u>
Net increase in cash and cash equivalents	<u>(10,274,327)</u>	<u>4,909</u>
	USD	USD
<i>Movement in cash and cash equivalents</i>		
Balance brought forward	10,378,605	-
Net increase during the period	<u>(10,274,327)</u>	<u>4,909</u>
Balance carried forward	<u>104,278</u>	<u>4,909</u>

The accompanying notes form an integral part of these consolidated financial statements.

KUBERA CROSS-BORDER FUND LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY 2008 TO 30 JUNE 2008

1 ORGANIZATION

Kubera Cross-Border Fund Limited (the "Company") was incorporated with limited liability and registered in the Cayman Islands as an exempted company under the Companies Law on 23 November 2006.

The Company is a closed-end investment company trading on AIM, a market operated by the London Stock Exchange plc. The Company makes private equity investments in cross-border companies, primarily in businesses that operate in the US-India corridor. On a selective basis the Company may invest in companies operating in other corridors between developed and emerging markets. Several of the Company's investee companies also benefit from business activities in the fast-growing Indian domestic market.

The Company is managed by Kubera Partners, LLC (the "Investment Manager"). The Investment Manager is responsible for the day-to-day management of the Company's investment portfolio in accordance with the Company's investment objective and policies.

The Company is a Limited Partner in Kubera Cross-Border Fund LP (the "Partnership") an exempted limited partnership incorporated on 28 November 2006, in accordance with the laws of the Cayman Islands. The primary business of the Partnership is to invest in, purchase and sell, investments for the purpose of carrying out an investment strategy that is consistent with the strategy described in the Admission Document and Offering Memorandum of the Company.

The Partnership has interests in a partially owned subsidiary incorporated in Mauritius, Kubera Cross-Border Fund (Mauritius) Limited. The primary business of Kubera Cross-Border Fund (Mauritius) Limited is to carry on business as an investment holding company and as at 30 June 2008, it had holdings in private equity investments.

Kubera Cross-Border Fund (GP) Limited, a company incorporated under the laws of the Cayman Islands and a wholly owned subsidiary of the Company serves as the General Partner of the Partnership.

2 SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America and are stated in United States dollars. The significant accounting policies are as follows:

(a) *Securities*

Securities listed on a stock exchange or traded on any other regulated market are valued at the last closing price on such exchange or market or, if no such price is available, at the mean of the bid and asked price on such day. If there is no such price or such market price is not representative of the fair market value of any such security, then the security is valued based on quotations readily available from principle-to-principle markets, financial publications, or recognized pricing services, or a good faith estimate of fair value is made in accordance with US GAAP.

If a security is listed on several stock exchanges or markets, the last closing price on the stock exchange or market which constitutes the main market for such security is used.

A discount from values of actively traded securities is taken for holdings of securities when there is a formal restriction that limits sale of the securities. Discounts for restricted equity securities from their market price range from 0% to 30%. When determining a discount to actively traded restricted securities, factors taken into consideration include the investee company's trading characteristics, the Company's ability to sell its position when the restriction expires, and the term of the restriction. The adjustment of the discount depends on the duration of the restriction.

In the event that a listed security has no such price or the market price is not representative of the fair market value, the security has limited marketability, or the security is unlisted, its fair value is determined by the Investment Manager, taking into account the financial conditions, operating results, value of additional equity or equity-related offerings of the issuer, comparable company transactions, performance multiples, or other valuation methodology that the Investment Manager in good faith considers appropriate. A revaluation of these securities is accepted by the Company only upon majority approval of the independent directors of the Company.

Because of the inherent uncertainty of valuations, those estimated values may differ significantly from the values that would have been used had a ready market for the securities existed, and the difference could be material.

(b) Foreign currency

Purchase and sales of investment securities and income and expenses item denominated in foreign currencies are translated into United States dollar amounts on the respective dates of such transactions. Investment securities and other assets and liabilities denominated in foreign currencies are translated into United States dollar amounts at each reporting date.

Currency translation gains and losses on investments, if any, are reflected in net unrealized appreciation on investments. All other translation gains and losses are recognised in the Statement of Operations.

(c) Use of estimates

The preparation of consolidated financial statements in conformity with US GAAP requires the directors 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 consolidated financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates.

(d) Others

Organizational costs of the Company are expensed as incurred.

(e) Basis of consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, Kubera Cross-Border Fund L.P. and Kubera Cross-Border Fund (GP) Limited and the partially owned subsidiary, Kubera Cross-Border Fund (Mauritius) Limited. All material intercompany balances and transactions have been eliminated. The un-audited financial statements for the period 23 November 2006 to 30 June 2007 have been re-grouped, where necessary for

consolidation purposes.

(f) Investment transactions and related investment income

Investment transactions are accounted for on a trade date basis. Interest and dividend income are recorded on the accrual basis.

(g) Cash and cash equivalents

Cash and cash equivalents represent amounts held with the Company's and Subsidiaries' bank accounts.

(h) Related parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions.

(i) Taxes

The current charge for income taxes is calculated in accordance with the relevant tax regulations applicable to the Company. Deferred tax assets and liabilities are recognized for future tax consequences attributable to temporary differences between the consolidated financial statements carrying amount of existing assets and liabilities and their respective tax bases and accumulated tax losses. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the Statement of Operations in the year that includes the enactment date. The measurement of deferred tax assets is reduced, if necessary, by a valuation allowance for any tax benefits of which future realization is uncertain.

3. INVESTMENT MANAGEMENT FEE

The Investment Manager is entitled to receive an aggregate investment management fee of 2 per cent per annum of the Company's net asset value determined based on the valuation policy of the Company, to be paid quarterly in advance based on the published net asset value of the Company of the previous quarter.

4. DIRECTORS' FEE AND EXPENSES

The Company pays each of its directors an annual fee of £20,000 and the Chairman is paid an annual fee of £25,000, plus reimbursement for out-of-pocket expenses incurred in the performance of their duties. The members of the Audit Committee are paid an annual fee of £2,000 and the Chairman of the Committee is paid an annual fee of £5,000. Each of Messrs. Mahadeva and Raghavendran has waived his Director's fees for so long as he is interested in the Investment Manager.

5. TAXATION

Under the laws of the Cayman Islands, the Company, Kubera Cross-Border Fund (GP) Limited and Kubera Cross-Border Fund L.P., are not required to pay any tax on profits, income, gains or appreciations and, in addition, no tax is to be levied on profits, income, gains, or appreciations or which is in the nature of estate duty or inheritance tax on the shares, debentures or other obligations of the Company and its Cayman-based subsidiaries, or by way of withholding in whole or part of a payment of dividend or other distribution of income or capital by the Company and its Cayman-based subsidiaries, to its members or a payment of principal or interest or other sums due under a debenture or other obligation of the Company and its Cayman-based subsidiaries.

However, the Company's partially owned subsidiary, Kubera Cross-Border Fund (Mauritius) Limited is subject to income taxes in Mauritius on its net income at a rate of 15%, though it receives a tax credit of 80% on its foreign source income. Thus the maximum effective tax rate is 3%. Capital gains are exempted from taxation in Mauritius. No tax was suffered by the Mauritius-based subsidiary due to tax losses.

6. CASH AND CASH EQUIVALENTS	30 Jun 2008	30 Jun 2007
	USD	USD
Cash at bank	<u>104,278</u>	<u>4,909</u>
7. OTHER ASSETS	30 Jun 2008	30 Jun 2007
	USD	USD
Interest receivable on short-term loan	44,572	-
Prepaid expenses	8,566	-
	<u>53,138</u>	<u>-</u>
8. ACCOUNTS PAYABLE	30 Jun 2008	30 Jun 2007
	USD	USD
Accrued expenses	<u>106,837</u>	<u>-</u>
9. SHARE CAPITAL AND SHARE PREMIUM	30 Jun 2008	30 Jun 2007
	USD	USD
Authorized share capital: 1,000,000,000 ordinary shares of US\$0.01 each	<u>10,000,000</u>	<u>10,000,000</u>
Issued and fully paid:	30 Jun 2008	30 Jun 2007
	USD	USD
Share Capital		
206,000,000 ordinary shares at US\$0.01 each	2,060,000	2,060,000
Share premium	<u>203,940,000</u>	<u>203,940,000</u>
At the end of the period	<u>206,000,000</u>	<u>206,000,000</u>
10. MINORITY INTEREST	30 Jun 2008	30 Jun 2007
	USD	USD
Opening balance	8,408,077	-
Share of capital	1,322,746	3,538,218
Profit share	<u>(488,047)</u>	<u>397</u>
	<u>9,242,776</u>	<u>3,538,615</u>

Minority Interest is primarily composed of the partnership interests of Kubera Cross-Border Incentives SPC - Co-Investment Segregated Portfolio in the consolidated affiliates. In accordance with the terms of the Amended and Re-stated Exempted Limited Partnership Agreement dated 21 December 2006, the Co-Investment Segregated Portfolio of Kubera Cross-Border Incentives SPC, a Cayman Islands segregated portfolio company was admitted as a Limited Partner to the Partnership, in addition to the Company

11. MATERIAL TRANSACTIONS WITH RELATED PARTIES

During the period there were no material transactions with related parties except as disclosed below.

	30 Jun 2008 USD	30 Jun 2007 USD
Investment Management fees paid to Kubera Partners LLC, the investment manager	<u>2,044,492</u>	<u>1,995,615</u>

The Company has borne part of expenses relating to deals made, on behalf of its subsidiaries. These would not be reclaimed back.

12. FINANCIAL HIGHLIGHTS

The following summarises the Company's financial highlights during the six month period ended 30 June 2008:

	30 Jun 2008 USD	30 Jun 2007 USD
<i>Per share information:</i>		
Net asset value per share on subscriptions/ beginning of period	0.98	1.00
Net investment gain / (loss)	(0.01)	(0.04)
Unrealised and realised gain / (loss) on investments	(0.02)	0.02
Net asset value per share, at end of period	0.95	0.98