MATRIX STRUCTURED PRODUCTS LIMITED

ANNUAL REPORT AND
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2010

MATRIX STRUCTURED PRODUCTS LIMITED

TABLE OF CONTENTS

MATRIX STRUCTURED PRODUCTS LIMITED

DIRECTORY

DIRECTORS
Bridget Guerin *(resigned 31 March 2011)*
Chris Merry *(appointed 31 March 2011; resigned 17 June 2011)*
Jennifer Parker *(appointed 23 June 2011)*
Mike Kirby*
James Keyes*
*Independent Directors
All Directors are non-executive

LEGAL ADVISORS
As to Bermuda law:
Appleby
Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

REGISTERED OFFICE
c/o Citi Hedge Fund Services Limited
Hemisphere House
9 Church Street
Hamilton HM11
Bermuda

RECEIVING AGENT AND REGISTRAR
Matrix Money Management (Matrix Ascension Plan 1, 2 & 3)
One Vine Street
London W1J OAH
UK

MANAGER
Matrix (Bermuda) Limited
c/o Citi Hedge Fund Services Limited
Hemisphere House
9 Church Street
Hamilton HM11
Bermuda

INDEPENDENT AUDITORS
PricewaterhouseCoopers
Chartered Accountants & Registered Auditors
One Spencer Dock
North Wall Quay
Dublin 1
Ireland

ADMINISTRATOR
CACEIS Fastnet Ireland Limited
One Custom House Plaza
International Financial Services Centre
Dublin 1
Ireland

LISTING SPONSOR
Whitmill Trust Company Limited
17 The Esplanade
St Helier
Jersey JE1 1WT
Channel Islands

COMPANY SECRETARY
Sharon Suess
c/o Citi Hedge Fund Services Limited
Hemisphere House
9 Church Street
Hamilton HM11
Bermuda

SEGREGATED ACCOUNTS REPRESENTATIVE
Appleby Management (Bermuda) Limited
Argyle House
41 A Cedar Avenue
Hamilton, HM 12
Bermuda

CUSTODIAN
CACEIS Bank Luxembourg - Dublin Branch
One Custom House Plaza
International Financial Services Centre
Dublin 1
Ireland

CORPORATE SECRETARY
Citi Hedge Fund Services (Ireland) Limited
One Georges Quay Plaza
Dublin 2
Ireland

DISTRIBUTOR
Matrix Money Management Limited
One Vine Street
London W1J OAH
UK

DIRECTORY (CONTINUED)

INVESTMENT ADVISER TO MASTER FUND
For Matrix Ascension Plan 1, 2 & 3 and Ascension Closed End
Winton Capital Management Limited
1-5 St Mary Abbot's Place
London W8 6LS
UK

INVESTMENT ADVISER TO MASTER FUND
For Matrix Asset Based 2 Closed End
Stillwater Capital Partners Inc
29th Floor
41 Madison Avenue
New York 10010
USA

INVESTMENT ADVISER TO MASTER FUND
For Matrix Event Driven Closed End, Matrix New Horizon Closed End, Matrix Credit Opportunities Closed End and Matrix Utopia Closed End
Matrix Money Management Limited
One Vine Street
London W1J 0AH
UK

MATRIX STRUCTURED PRODUCTS LIMITED

DIRECTORS' REPORT

The Directors present their annual report together with the audited financial statements of Matrix Structured Products Limited (the "Company") for the year ended 31 December 2010.

Activities, Business Review and Future Prospects

The Company was incorporated with limited liability in Bermuda on 20 April 2004 as a closed-ended investment company under The Companies Act 1981 and is registered as a segregated accounts company under The Segregated Accounts Companies Act 2000, with registered number EC#35209. A detailed review of the activities of the Company is set out in this report.

Results and Dividends

The results for the period are shown in the Statement of Operations on pages 53 to 55. The Directors declared no dividends during the year.

Directors

The Directors of the Company are set out on page 2.

Important Events During the Period

On 1 January 2010, the Matrix Horizon Closed End changed name to the Matrix New Horizon Closed End.

Subsequent Events

The Board approved a plan to close Matrix Credit Opportunities Closed End with effect from 30 April 2011. All monies were returned to shareholders in June 2011. Matrix Ascension Plan, Matrix Ascension Plan 2 and Matrix Ascension Plan 3 will all mature in 2011. Accordingly the financial statements for these 4 sub-funds have been prepared on a termination basis of accounting.

On 31 March 2011, Bridget Guerin resigned from her position as a Director of the Company. On that date, Chris Merry was appointed as a Director of the Company. On 17 June 2011, Chris Merry resigned from his position as a Director of the Company. On 23 June 2011, Jennifer Parker was appointed as a Director of the Company.

Statement of Directors' Responsibilities

The Directors are responsible for the preparation of the Financial Statements. In preparing those Financial Statements, the Directors:

- Ensure that the Financial Statements comply with the Bye-Laws and International Financial Reporting Standards, as published by the International Accounting Standards Board;
- 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 accounting records and for managing the Company in accordance with the Prospectus and the Bye-Laws. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud, error and non-compliance with law and regulations.

On behalf of the Directors

Jennifer Parker

Director

Director

27 July 2011

MATRIX STRUCTURED PRODUCTS LIMITED

Corporate Governance Statement for the Year Ended 31 December 2010 (Unaudited)

Combined Code on Corporate Governance

The policy of the Board of Directors (the "Board") is to manage the affairs of the Company to the highest standards of corporate governance and in accordance with the principles of good governance and the code of best practice as set out in the Combined Code on Corporate Governance ("Combined Code") issued by the Financial Reporting Council in June 2008. The Board adopted the Combined Code on 6 October 2008 and considers that it has complied throughout the year with the provisions for companies set out in the Combined Code.

Compliance with the Provisions of the Combined Code

Directors

The Company is led and controlled by a Board consisting of three Non-Executive Directors; Bridget Guerin, James Keyes and Mike Kirby. On 31 March 2011, Bridget Guerin resigned from her position as a Director of the Company. On that date, Chris Merry was appointed as a Director of the Company. On 17 June 2001, Chris Merry resigned from his position as a Director of the Company, on 23 June 2011 Jennifer Parker was appointed as a Director of the Company. James Keyes and Mike Kirby also act as independent directors.

Provision A2.2 of the Combined Code requires that the Chairman should meet independence criteria on appointment. James Keyes was re-appointed as Chairman on 20 September 2010 and meets the criteria.

Provision A.3.2 of the Combined Code requires a small company to have at least two independent Non-Executive Directors. The Company has fully met this requirement.

The Board meets regularly with meeting dates agreed for each year in advance. There is a formal agenda circulated to the Board before meetings and matters arising are circulated thereafter. There is frequent contact between the Directors and each Director is supplied on a timely basis with financial and operational information sufficient for the Board to discharge its duties. All Directors have access, as required, to independent professional advice.

During the year ended 31 December 2010 there were seven board meetings, three of which were held in person on 26 January in Geneva, 25 May in Dublin and 15 October in New York. The attendance of individual Directors at board meetings were: Bridget Guerin (7), James Keyes (6) and Mike Kirby (6).

Committees

As appropriate, the Board has delegated certain responsibilities to board committees, which operate within a defined Terms of Reference.

Nominations & Remuneration Committee

The Nominations & Remuneration Committee comprises of James Keyes and Mike Kirby and has written terms of reference which has been published on the Matrix Group's website. The Nominations & Remuneration Committee considers the balance of skills, knowledge and experience on the Board when defining the role and capabilities of new appointments. In accordance with the bye laws, at each Annual General Meeting each Director must retire from office but is eligible for re-election.

Audit Committee

The Audit Committee, which comprises of James Keyes and Mike Kirby, met on 15 February 2010, 24 June 2010 and 15 October 2010. The meetings were attended by both members.

Provision C.3.1 of the Combined Code requires the audit committee of a small company to have at least two members, both of whom should be independent Non-Executive Directors. The Board considers this requirement to have been met.

The Company considers that both members of the Audit Committee possess recent and relevant financial experience. The Audit Committee has written terms of reference which have been published on the Matrix Group's website. It monitors the integrity of the financial statements of the Company and any formal announcements relating to the Company's financial performance, reviewing significant financial reporting judgements contained in them. It reviews the Company's internal financial controls and the internal control and risk management systems. It makes recommendations to the Board, for it to put to shareholders for their approval in general meeting, in relation to the appointment, re-appointment and removal of the auditors, and approves the remuneration and terms of engagement of the auditors.

The Audit Committee reviews and monitors the auditors independence and objectivity and the effectiveness of the audit process, taking into consideration relevant professional and regulatory requirements. At the Audit Committee’s invitation, the auditors, Administrator and other Directors may attend meetings of the Audit Committee.

INVESTMENT MANAGERS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2010
MATRIX ASCENSION PLAN, ASCENSION PLAN 2 AND ASCENSION PLAN 3

The Matrix Ascension Plans aim to provide high returns and lower portfolio risk by benefiting from the returns of the Winton Trading Strategies Fund with the additional benefit of capital protection if shares are held until the relevant maturity dates. Over the twelve month period to 31 December 2010 the Winton Trading Strategies Fund returned 12.44%.

Winton Capital Management's ("Winton") investment objective is to deliver long term capital appreciation through compound growth. Winton aims to achieve this objective through the use of a diversified trading system that does not rely on favourable conditions in any particular market or on the general appreciation of asset values.

The founding principle of Winton is the belief that robust statistical research provides the richest and most reliable source of information on market behaviour. Consistent with this belief, Winton has invested heavily in research in an ongoing effort to refine, improve and further develop its statistical and mathematical models and trading procedures and methods. Winton's track record has been achieved during several periods of high volatility and some difficult market conditions.

At the end of 2010, Winton has around 200 members of staff, approximately half of which are dedicated to research and development.

Winton Trading Strategies Fund Performance:

Winton Trading Strategies Fund (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2010 (£)	-2.56	2.27	4.41	1.41	-0.75	1.44	-2.90	5.07	0.40	2.32	-2.32	3.38	12.44

January started well with the fund up over 2% mid month. However, the Obama administration's announcement of its intention to reduce speculative activities by banks started a sharp sell-off in equity markets, wiping out the portfolio's earlier gains. These losses were centred in the long equity positions with gains in short term rates providing only a partial cushion. The rally in the bond markets appeared to be almost a mirror image of their December fall which, despite this reversal of trend, had little impact on performance.

Concerns over Greek Sovereign Debt and its impact on the Euro formed the backdrop to February's trading. The Euro reacted by continuing its January fall, ending the month at around 1.36 to the US Dollar, whilst equity markets reversed their initial drop to end the month virtually flat. US and European bonds had a volatile time, with the lack of discernible trends contrasting to their monotonic rise in January.

The fund's gains through February were concentrated in currencies and interest rates, with a decent size short position in the Euro being the month's main hero. Stock index futures posted modest gains, with positions sizably reduced from the previous month. VaR was particularly low, in part because the short Euro and Sterling positions offset the risk of being long stocks.

Through March, there continued to be concerns over the economic situation in Greece with the risk of a similar story playing out in other European countries. The Euro rallied for the first two weeks of the month, before reversing to fall back below 1.35 to the US Dollar to make new lows for the year. Stock markets put in a strong performance with the Dow up 5% on the month, reaching a level not seen since September 2008.

INVESTMENT MANAGERS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2010
MATRIX ASCENSION PLAN, ASCENSION PLAN 2 AND ASCENSION PLAN 3 (CONTINUED)

The lack of clear direction in bond markets continued, making the sector the worst performing in March. Due to their strong rally the majority of March's gains were in equity indices. Weakness in the Euro and Sterling meant that strong gains were made in currencies, with crops and base metals also delivering a positive performance. The epicentre of action in the commodities markets was sugar, where over the course of the previous two months it went from a 25 year high of around $29 back down to $16.

The concerns over Greek sovereign debt climaxed in April, after Standard & Poor's cut the country's credit rating to junk status. Simultaneously Portugal and Spain's debt rating was cut, a sign that the crisis was spilling over into other European countries running large public sector deficits. Obama's determination to bring about financial regulatory reform was brought firmly back into the spotlight, soon after the SEC registered their controversial civil lawsuit against Goldman Sachs. The US Senate has subsequently edged closer to agreeing new legislation, after Republicans abandoned their efforts to block debate on the proposed bill.

Despite the political events through April, US stock indices continued their ascent whilst their European counterparts declined further. The portfolio's best performing sector was Currencies, with the Euro's slide towards 1.32 to the US Dollar making it the biggest contributor.

European economic concerns continued to dominate the financial news in May, with attention spreading from Greece to the problems of other indebted European countries. Even after a rescue package was announced, with nearly $1 trillion pledged to buy both European government and private debt, the reaction saw only a temporary pause in the Euro's decline and a more general rush to sell off risky assets.

Despite the concerns over sovereign debt, the rally in government bonds continued through May, leaving them by far the best performing sector. Currencies posted a positive performance with short Euro and Sterling positions covering losses from being long the Australian and Canadian Dollar. The worst performing sector was equity indices, where long positions were hurt by the strong downwards moves. Equity positions were reduced substantially from their peak, leaving the portfolio in a position where a further sell-off in risky assets would have been a net beneficial to the portfolio.

Sentiment in the markets continued to be heavily dominated by concerns over levels of sovereign debt in June. A number of European countries announced "austerity" budgets, signalling their intent to bring their deficits under control. In a sign that the concerns had moved beyond Europe, Japan also unveiled tough new public finance targets.

Whilst the Euro remained almost unchanged through June, yields on Greek, Portuguese and Spanish bonds continued to rise, reflecting continued scepticism about longer term viability. Elsewhere, however, bond yields in the larger developed countries fell, as doubts about the cyclical recovery rose, in part in response to weaker data, not least in China, but also in part due to uncertainty concerning the right course for policy.

Whilst there was agreement on the need for developed economies to demonstrate commitment to controlling deficits and the associated increase in debt stocks, the debate played out in the markets was whether it was the right moment for all countries to introduce austerity measures. The fear was that the simultaneous cut in public sector deficits across most of the developed world could have reversed the anaemic recovery and thus undermining each individual country's well-intentioned desire for greater fiscal prudence. The G20 summit at the end of June focused much of its attention on this question, a debate that was last played out in the Great Depression of the 1930s.

China announced that it was to break the Yuan's strict US Dollar peg, paving the way for a controlled level of appreciation. The currency peg has strained relations between the US and China which has been accused of holding its currency at an artificially low level so as to help domestic exporters at the expense of their foreign counterparts.

Fixed income markets were the strongest contributors to the portfolio's performance in June, with US bonds continuing to rise. Energies were the worst performing sector as short positions suffered in the face of a rally in crude oil. The value at risk ("VaR") of the portfolio peaked at around 14% before falling back down to around 10%.

July saw the defensive mood of May-June reverse with a rally in global equities, a stalling of the rise in Government bonds and a further recovery in the Euro. These moves suggested that concerns over withdrawal of the economic stimulus had been set aside for the time being. The results of the European Banking stress test were published, with only 7 out of 91 institutions falling short. While there had been some scepticism as to the test's severity this was not reflected in the markets where the Euro climbed throughout the month to get back up to 1.30 to the US Dollar.

The fund gave back a portion of its early 2010 gains in July. Currencies were the worst performing sector where, not surprisingly, losses were focused on the Euro. Precious metals and crops further contributed to the losses. Short term interest rates, driven by falls in US LIBOR rates, was the best performing sector.

August was a good month for the fund, driven by a sustained rally in government bonds. The optimistic sentiment of July sharply reversed as weak economic numbers created fears that the recovery in the US was losing traction. Data released showed a substantial fall in the sales of existing US homes in July, back to levels not seen for nearly 20 years. Investors appeared to be seeking comfort in the perceived safety of the fixed income markets. A US government auction of 7 year securities at the end of August was completed at all time record low yields, with reports of strong private investor flows into bond funds.

The fall in stock markets took them back to the levels seen at the start of July. Price movements in gold, crude oil and the Euro were all approximately equal and opposite to those of the prior month. These sharp reversals of strong intra-month trends are in stark contrast to the rally in US government bonds that lasted since April. The US ten year note futures moved back to levels not seen since the end of 2008, whilst German bund futures moved far beyond their 2008 highs.

Nearly all of August's gains can be attributed to the bonds sector, with small positive contributions from interest rates, currencies and precious metals. Crops and energies were the worst sectors, with meats, base metals and equities all flat on the month.

The start of September saw a sell-off in government bonds, in tandem with a rally in world equity markets. A statement by the US Federal Reserve towards the end of the month drove expectations of further quantitative easing so government bonds resumed their upward ascent. In yet another reversal of their fortunes equity markets closed the month up. Gold prices hit fresh highs; its safe-haven status suggesting that market participants collectively feared the actions of governments and central bankers would lead to higher levels of inflation.

September's pinnacle of excitement was the Bank of Japan ("BoJ") intervening to sell Yen which had hit a 15 year high against the US Dollar. After a large one day fall in the Yen-Dollar exchange rate, the market resumed its ascent, suggesting that the willingness of the BOJ to intervene further may be tested. Crude oil ended the month close to where it started, whilst base metals and grains both moved higher. In cotton futures the market hit a 15 year high.

INVESTMENT MANAGERS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2010
MATRIX ASCENSION PLAN, ASCENSION PLAN 2 AND ASCENSION PLAN 3 (CONTINUED)

The two top performing sectors through September were crops and precious metals. Losses were concentrated in the energy and fixed income markets. Gains in the Australian Dollar offset against losses in the Euro, whilst the Japanese Yen trading ended the month flat. The fund entered October as it did at the start of September with its short term performance coupled to further moves in government bonds. However the fund went long equity markets, which offered a small "hedge" to the fixed income positions.

October was another interesting month for trend following. The portfolio went into the month well positioned to profit from the unfolding market events. Stock markets continued their September rally, whilst government bonds slowed during the first week of the month before subsequently dropping. The falling US Dollar and buoyant gold price reversed mid-month before recovering a little towards month end. The Japanese Yen continued to rise, taking it above the levels at which the BoJ had previously intervened in the foreign exchange markets.

The prospect of further quantitative easing continued to be a dominant theme. Closely linked to this was talk of "currency wars"; with the actions of individual countries giving the appearance of competitive devaluations in their currencies. This took the form both of direct currency intervention (as the BoJ did in September) and the indirect debasing effect of quantitative easing. Comparisons were drawn to the 1930s, when Spain, the UK, Japan, the US and France all successively devalued their currencies by exiting the gold standard.

The G20 meeting at the end of October pledged to avoid competitive devaluations. This, however, only related to direct devaluation, and did not address the suggestion that China has been holding its currency at an artificially low rate. It seemed likely therefore that the focus within financial markets would continue to be around further economic stimulus in the US and the knock on effect that this may have had on the US Dollar.

The main contributors to the positive performance during October were stock indices, currencies, precious metals and agricultural markets. On a VaR basis the bonds sector dropped from 30% of total portfolio risk to just below 20% in October. This increased diversification in the portfolio, and reduced the previous dominance of this one sector. Despite these changes to the portfolio's composition, total VaR remained relatively constant through the month.

In November, attention from quantitative easing or "QE2" in America shifted back to European sovereign debt in what started to look like a game of trans-Atlantic ping-pong. As the month closed, Ireland agreed the terms of an €85 billion joint bailout from the IMF and the European Union. The Euro, unsurprisingly, fell during the month helping the US Dollar to reverse its fall of the last two months.

The average correlation in the markets traded remained high, and so available diversification remained low. Investor do not need a PhD in statistics to understand this, with many market commentators describing the markets as either having "risk on" or "risk off" days. Accordingly the portfolio rose during the first week of November as the US Dollar fell and stocks, bonds and commodity prices rose. These price moves subsequently reversed, leaving the portfolio in the familiar position of having made three steps forward and two steps back over the course of the last two months. November's losses were focused in bonds and currencies, with precious metals showing a small gain.

In December, the markets were overcome with a dose of year-end optimism as memories of November's Irish bailout faded. The Euro remained relatively steady after its previous month's fall. US equities rallied, leaving the S&P 500 up 12.8% for 2010. In contrast European equities fell, with the Dow Jones Euro Stoxx down 5.8% from a year ago. Commodity markets generally rose, with crude oil ending the year back above $90 a barrel.

INVESTMENT MANAGERS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2010
MATRIX ASCENSION PLAN, ASCENSION PLAN 2 AND ASCENSION PLAN 3 (CONTINUED)

Overall the fund had a very good performance in 2010. The top performing sector in 2010 was bonds, with positive contributions from currencies, interest rates, precious metals and crops. The worst sector was energies, with other losses in base metals and stock indices.

Winton Capital Management Limited
March 2011

INVESTMENT MANAGER'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2010
MATRIX NEW HORIZON CLOSED END
MATRIX EVENT DRIVEN CLOSED END

Market Overview January 2010 to end December 2010

MACRO OVERVIEW

2010 was very much a year of two halves. In the first half, positive sentiment and market direction in the first quarter was wiped out in the second quarter. Towards the end of April, investor sentiment was extremely high and many believed the rally in risky assets such as equities, credit and commodities could only continue to go one way. This was demonstrated by the VIX Index (widely regarded as the fear index) trading to a low level of 15.5%, down from a high of 90% in the panic of 2008. In May, fears over the solvency of European Sovereigns, ignited by Greece becoming dangerously close to defaulting, caused investors to sell risky assets with a haste not seen since the last quarter of 2008. Volatility spiked as a "flash crash" in the US equity market caused further panic.

Greece CDS spreads traded up to a high of 947bps, which indicated a very high probability of default unless there was intervention. Investors also started to re-price the credit risk in other European nations and the CDS spreads of Spain and Portugal widened to levels of 279bps and 467bps respectively. Even the UK came under pressure. In such an environment it was no surprise that equities were hit and in May the S&P500 index was down -8.20% and the FTSE 100 index down -6.57%. These moves were outdone by the peripheral European markets, with the Spanish IBEX index down -10.80% and Italy MIB index down -9.36% in May.

To the surprise of many, "safe" government bonds had increased in price and yields offered declined significantly. Bill Gross, manager of the world's biggest bond fund, said in December 2009 that the U.S. Treasury market is overvalued, with sectors such as treasury bills taking on "bubble" like characteristics. In the face of record issuance to fund deficits and the expectation of increased inflation, most expected yields to rise. However, in actual fact U.S. Treasury Bill 10 year yields went from a yield of 3.83% at the start of the year down to 2.93% and UK 10 year Gilts went from a yield of 4.01% down to 3.35%, to the end of June.

In the second half of the year, markets continued to be volatile but from the lows at the end of June, equity markets staged one of the quickest rallies in history, not only wiping out YTD losses but leaving most bourses in decent positive territory for the year. The key drivers of this rally were that Europe, and in particular Germany made it clear they would simply bail out any peripheral country who could not meet their debt requirements and further monetary stimuli in the form of QE2 caused a rapid rise in equities and particularly commodities. This also led to a year end sell off in the major government bond markets. UK 10 year Gilts having reached a low in yield terms in August at 2.83%, retraced to finish the year at 3.40%. US 10 year Treasuries similarly, went from a yield of 2.46%, to also finish the year at 3.40%.

2010 will go down as being one of the toughest years for some of the biggest and best macro funds, who simply could not get the direction of the market or the timing right. This also made it somewhat tricky from a Fund of Fund strategy allocation viewpoint, as there were few strategies that made money consistently throughout the year. We were able to make money and maintain low correlation by having a focus on funds that maintain low net exposures and that also tend to focus on specific situations, rather than market events, in order to produce returns.

INVESTMENT MANAGER'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2010
MATRIX NEW HORIZON CLOSED END

Matrix New Horizon Closed End aims to achieve consistently high annual returns with low volatility.

Matrix New Horizon Fund Closed End invests in the sterling class shares of the Matrix Horizon Fund and the sterling class shares of the Matrix New Horizon Fund (the "Master Funds"). The investment objective of both of the Master Funds is to achieve consistently high annual returns in sterling terms with low volatility. Matrix Horizon Closed End changed its name to Matrix New Horizon Closed End on 1 January 2010.

In January 2009, a decision was made by the Directors of Matrix Alternative Investment Strategies Fund Limited to close the Matrix Horizon Fund because they were unhappy with the performance of its underlying investment in the Collingham Investment Fund. The Directors of Matrix Structured Products Limited elected to re-invest the proceeds received from Matrix Horizon Fund into the Matrix New Horizon Fund which is being managed by Matrix Money Management Limited with an identical objective to the Matrix Horizon Fund. The first investment into the Matrix New Horizon Fund was made on 1 April 2009 and by the end of December 2010 Matrix New Horizon Closed End continuation class was invested 74.34% in the Matrix New Horizon Fund and 24% in the Horizon Fund.

On 22 September 2009, the Board of Matrix Alternative Investment Strategies Fund Limited were informed by the Directors of the Collingham Investment Fund that they had taken the decision to close the fund and redeem from the underlying funds as at 31 December 2009. This process has now happened and the only holdings remaining in the Collingham Investment Fund are the illiquid holdings held in their Designated Investment Share Classes. These holdings will be liquidated when it is possible to do so and the funds will be returned to the Horizon Fund as cash which will then be passed on to Matrix New Horizon Closed End and reinvested in shares in the New Horizon Fund. The holdings held in the Designated Share Classes of the Collingham Investment Fund became unhedged against the US Dollar as from 1 January 2010.

In July 2009, shareholders who wanted to redeem from Matrix Horizon Closed End were given the opportunity to elect to switch their holding into Redemption Class Shares which were created on 1 August. Full redemptions were placed on all positions held by these Redemption Class Shares and all monies received are being paid out to Shareholders. As at 31 December 2010, Redemption Class Shareholders have received 90.4% of their holdings back in cash.

Review of Performance – Continuation Class
The Continuation Class of Matrix New Horizon Closed End returned 2.42% over the twelve month period to 31 Dec 2010. This compares to a return of 4.43% for the EurekaHedge Fund of Fund Index. This result was largely driven by the performance of the Matrix New Horizon Fund, which returned 4.71% over the period. The Matrix Horizon Fund continued to be a drag on performance, returning -11.25% over the period.

Please see the monthly returns for the period 1 Jan 2010 to 31 Dec 2010 below:

Continuation £ Shares net monthly % returns

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2010 (£)	0.37	0.81	0.60	0.41	-1.05	-0.81	-0.49	0.90	0.38	0.79	-0.05	0.57	2.42

Matrix New Horizon Fund Performance
The Institutional Sterling Shares of the Matrix New Horizon Fund returned 4.71% in 2010. The annualised return from launch to Dec 2010 was 5.16% with a volatility of 2.37%, the return for UK Gilts 5-15 years was 2.78% and a volatility of 5.03% over the same period. Correlation to the FTSE 100 Dividends reinvested index over this period was 0.36.

Whilst the fund did very well in terms of controlling volatility and correlation, we would like the returns to be higher and therefore we have been making changes to the portfolio to increase the returns. We aim to maintain a low correlation, but we have ample room to increase the volatility up by 2% with an associated increase in returns.

The following table shows the underlying holdings in which the Matrix New Horizon Fund was invested during the period.

Allocation by Fund	1 Jan 10 Allocation	31 Dec 10 Allocation	Change	2010 Performance	2010 Contribution
Clive Capital Fund	7.92%	4.94%	-2.98%	18.03%	1.08%
Lazard Rathmore Fund	3.24%	6.13%	2.89%	15.87%	0.73%
LYNX	2.66%	4.50%	1.84%	18.38%	0.67%
Pelagus Capital Fund	4.07%	6.82%	2.75%	12.20%	0.63%
Capula Global Relative Value Fund	7.14%	5.39%	-1.75%	10.18%	0.59%
Finisterre Sovereign Debt Fund	5.02%	4.42%	-0.60%	12.03%	0.55%
Arrowgrass Fund	7.38%	5.21%	-2.16%	4.23%	0.33%
MLIS York Event Driven Fund UCITS	0.00%	0.00%	0.00%	8.45%	0.29%
King Street Capital Ltd	6.25%	2.55%	-3.69%	5.53%	0.28%
JCAM Global Fund	3.21%	3.24%	0.03%	7.33%	0.27%
Davidson Kempner International, Ltd	3.14%	0.00%	-3.14%	7.48%	0.22%
GLG Emerging Markets Credit Opportunity Fund	4.05%	4.42%	0.37%	5.15%	0.19%
GLG Emerging Currency and Fixed Income Fund Ltd.	0.00%	1.81%	1.81%	6.22%	0.18%
Claren Road Credit Master Fund	3.22%	3.16%	-0.06%	4.49%	0.18%
COMAC Global Macro Fund	7.68%	4.55%	-3.14%	1.22%	0.17%
Saba Capital Fund Ltd.	0.00%	4.53%	4.53%	3.63%	0.17%
Brevan Howard Emerging Markets Fund	7.91%	3.03%	-4.88%	2.03%	0.12%
Gruss Global Investors	3.13%	1.64%	-1.49%	3.18%	0.08%
Senrigan Fund Ltd	0.00%	2.97%	2.97%	2.44%	0.07%
Ivory Offshore Flagship Fund Ltd.	0.00%	1.64%	1.64%	3.42%	0.06%
New Generation Turnaround Fund (Bermuda) LP	0.00%	1.49%	1.49%	3.44%	0.05%
TT Mid-Cap Europe Long/Short Fund Ltd.	0.00%	1.35%	1.35%	3.79%	0.05%
Winton Futures Fund	0.00%	1.32%	1.32%	3.77%	0.05%
Wexford Offshore Catalyst Fund Limited	0.00%	1.35%	1.35%	3.32%	0.05%
Wolverine Convertible Arbitrage Fund Limited	0.00%	2.34%	2.34%	1.80%	0.04%
APM Hedged Global Commodity Fund, LDC	0.00%	0.81%	0.81%	5.19%	0.04%
Bennelong Asia Pacific Multi Strategy Fund	0.00%	0.14%	0.14%	38.68%	0.04%
Brevan Howard Master Fund	3.61%	1.38%	-2.23%	0.94%	0.03%
Hard Assets 2x Fund Ltd.	0.00%	1.49%	1.49%	1.81%	0.03%
Finisterre Credit Fund	0.00%	1.82%	1.82%	1.32%	0.03%
Trafalgar Trading Fund Inc. (GBP)	0.00%	1.56%	1.56%	1.35%	0.02%
Waterstone Market Neutral Master Fund Ltd	0.00%	1.50%	1.50%	1.25%	0.02%
Capstone Vol (Offshore) Limited	0.00%	1.50%	1.50%	0.74%	0.01%
Archview Credit Opportunities	0.00%	0.75%	0.75%	1.39%	0.01%
Finisterre GBP Sov Debt	0.00%	1.60%	1.60%	0.59%	0.01%

INVESTMENT MANAGER'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2010
MATRIX NEW HORIZON CLOSED END (CONTINUED)

Allocation by Fund	1 Jan 10 Allocation	31 Dec 10 Allocation	Change	2010 Performance	2010 Contribution
HFR - Lazard Rathmore Fund	0.00%	0.82%	0.82%	0.89%	0.01%
Aslan Capital Offshore Fund, Ltd.	0.00%	0.16%	0.16%	-7.18%	-0.01%
Vicis Capital Fund (International)	0.00%	0.94%	0.94%	-5.87%	-0.06%
Paulson Advantage Fund Ltd.	4.35%	0.00%	-4.35%	-7.57%	-0.27%

36 out of 39 funds contributed positively to the performance of the Matrix New Horizon Fund, with the largest negative contribution coming from Paulson Advantage Fund which was redeemed during the period.

Funds Added / Removed for the period 1 Jan – 31 Dec 2010

The following funds were added to the portfolio during 2010:

Ivory Offshore Flagship Fund Ltd.
New Generation Turnaround Fund (Bermuda) LP
TT Mid-Cap Europe Long/Short Fund Ltd.
Winton Futures Fund
Wexford Offshore Catalyst Fund Limited
Wolverine Convertible Arbitrage Fund Limited
APM Hedged Global Commodity Fund, LDC
Bennelong Asia Pacific Multi Strategy Fund
Hard Assets 2x Fund Ltd.
Finisterre Credit Fund
Trafalgar Trading Fund Inc. (GBP)
Waterstone Market Neutral Master Fund Ltd
Capstone Vol (Offshore) Limited
Archview Credit Opportunities
Finisterre GBP Sov Debt
HFR - Lazard Rathmore Fund
Aslan Capital Offshore Fund, Ltd.
Vicis Capital Fund (International)

The following funds were removed from the portfolio during 2010:

MLIS York Event Driven Fund UCITS
Davidson Kempner International, Ltd
Paulson Advantage Fund Ltd.

Performance by Strategy and Gross Contribution to the Class for the period 1 Jan - 31 Dec 2010

Allocation by Strategy	1 Jan 10 Allocation	31 Dec 10 Allocation	Change	2010 Contribution
Fixed Income Relative Value	11.22%	12.21%	1.00%	1.22%
Discretionary Commodities	7.92%	7.24%	-0.68%	1.15%
Event Driven - Credit	13.73%	8.46%	-5.27%	0.82%
Convertible Bond Arbitrage	3.24%	10.80%	7.56%	0.80%
Emerging Market Credit	9.07%	12.26%	3.19%	0.77%
Systematic Trend Following	2.66%	5.82%	3.16%	0.72%
Fundamental Credit Long/Short	9.47%	5.72%	-3.75%	0.46%
Emerging Markets	7.91%	4.85%	-3.07%	0.30%
Credit Relative Value	2.59%	4.53%	1.95%	0.26%

Performance by Strategy and Gross Contribution to the Class for the period 1 Jan - 31 Dec 2010 (continued)

Allocation by Strategy	1 Jan 10 Allocation	31 Dec 10 Allocation	Change	2010 Contribution
Fundamental Equity Long/Short	0.00%	4.50%	4.50%	0.15%
Distressed/Restructuring	3.13%	3.88%	0.75%	0.14%
Event Driven - Equity	4.35%	2.97%	-1.38%	0.09%
Global Macro	13.69%	5.92%	-7.76%	0.07%
Equity Market Neutral	4.55%	1.56%	-2.99%	0.06%
Volatility Arbitrage	0.00%	2.59%	2.59%	-0.01%

Fixed Income Relative Value (+122bps)
The Fixed Income markets are currently very interesting and the opportunity set is very rich for funds in this space. Due to the current glut of debt issuance by governments to fund spending and deficits, there are lots of opportunities to make money from temporary mis-pricings. In addition to this, funds have also been able to make profits from the volatility caused by the European Sovereign Debt problems.

Discretionary Commodities (+115bps)
We had a positive view on commodities going into 2010 and we maintain that view for 2011. The funds we own take long and short positions in different commodities based on their analysis of the forward demand/supply conditions. Most of the positive returns in 2010 were generated from long positions in energy, precious metals and agricultural commodities.

Event Driven Credit (+82bps)
Given the massive rally in the credit markets since the lows of 2008, there is little value left to being long only in credit. However, there have been lots of events/special situations for funds to profit from. A typical example would be for the fund to buy a company's debt at a discount to par and then suggest to the company that they should issue new, longer duration debt in order to buy back the outstanding debt issue. This improves the company's shorter term debt profile and the fund benefits because the debt is sold back to the company at a premium from where it was bought.

Convertible Bond ("CB") Arbitrage (+80bps)
CB Arbitrage was one of the hardest hit strategies in 2008, but made a very strong comeback in 2009. This continued in 2010 as the bonds remained 'cheap' to fair value, plus there were bouts of high volatility in the equity markets from which CB funds benefit. We expect 2011 also to be good, especially for those funds with an expertise in identifying special situations within the CB market.

Emerging Market ("EM") Credit (+77bps)
EM Credit funds were able to benefit from the relative cheapness of EM bonds versus the equivalent credit worthiness in developed markets. This is mainly due to a lack of coverage/understanding of the different behaviour of emerging markets. These funds generally find cheap bonds to buy on the long side, whilst also using a variety of hedges to protect from macro shocks that may occur in these markets.

Systematic Trend Following (+72bps)
These quantitatively driven funds had a difficult first half of 2010 as the markets were volatile but overall directionless. However, the second half proved to be much better and they were able to benefit from the move in equities and commodities, both of which rallied strongly from July onwards.

Fundamental Credit Long/Short (+46bps)
These funds had an average year and did not return as much as we were hoping. This can be mostly explained by the fact that there was a lack of dispersion within most markets, including credit. Therefore, most credits moved up and down together, whereas for these funds to be very profitable you would see strong credits rise in value and weak credits fall. We have reduced this strategy weighting as we feel that such dispersion may not increase in the credit markets until 2012.

Emerging Markets (+30bps)
These funds will trade all aspects of Emerging Markets, including debt, equities and FX based on fundamental macro analysis. However, 2010 proved to be a difficult year for fundamental macro strategies due to the 'risk on, risk off' nature of the year. The funds were able to generate some profits from being long Emerging Markets FX versus short the US Dollar.

Credit Relative Value (+26bps)
These funds were able to produce good returns in 2010 without taking either market risk or risk at the company level. They trade all parts of the capital structure within the same company and are able to exploit the fact that one part becomes rich or cheap versus another part. We have increased our exposure to this strategy as we believe they will continue to exploit opportunities in 2011.

Fundamental Equity Long/Short (+15bps)
Equity funds struggled with the market volatility in the first half of the year, particularly in May and June. However, they were able to capture returns from the better market sentiment which occurred in the second half of the year and many recovered YTD losses to finish the year in positive territory. This strategy exhibits high correlation to equities and therefore the fund will only ever contain a limited exposure.

Distressed/Restructuring (+14bps)
The default rate in corporate bonds was expected to be very high in 2010 and therefore this strategy was due to perform well. However, due to the massive amounts of Quantitative Easing and extremely low interest rates, new High Yield bonds were very much in demand. Therefore, many companies which would have a problem repaying debt were able to push the problem down the road and refinance their short term debt. This meant that the 2010 returns for this strategy were below expectations.

Event Driven Equity (+9bps)
Merger volumes were lower than expected in 2010, many company CEOs delayed any strategic plans in the wake of the volatility surrounding Greece. Most merger arbitrage deals are profitable for the funds in this space, but they do require there to be a healthy deal flow to make above average returns. So whilst they did make profits in 2010, the level was below our expectations. Market participants expect deal volumes to increase in 2011, however if market volatility is high due to macro events, it could continue to be below targets.

Global Macro (+7bps)
Fundamental macro funds were probably the most disappointing of any strategy in 2010. Whilst they did not lose money on the year as a whole, their returns were close to flat. The risk on, risk off episodes combined with high correlation amongst asset classes and the actions of central banks, all contributed to a poor 2010. Many of the biggest and best macro funds had their worst year ever in terms of performance. We reduced our exposure to this strategy significantly in order to reallocate money in to other strategies where the environment was better.

Equity Market Neutral (+6bps)
Due to the high correlation amongst stocks, these funds were not really able to benefit from being long a basket of cheap stocks versus being short expensive stocks, as most stocks either went up together in a risk on mode, or down together in a risk off environment. Dispersion did increase on the last 3 months of the year and so funds were able to eke out small gains for the year as a whole.

Volatility Arbitrage (-1bps)
This was the only strategy to actually contribute negatively to performance. Although there were isolated periods of high volatility during 2010, volatility actually declined during the year, the VIX Index for example started the year at 21% but ended lower at 17%.

Outlook for 2011
The recent data flow indicates that we have entered a period of robust and broad-based global growth. The growth picture for later this year, however, is becoming more uncertain. Firstly, the terrible tsunami and subsequent events in Japan have caused volatility to spike across all markets. Secondly, the significant increases in oil prices will negatively impact growth if they continue to rise. Finally, the planned rate hikes by the ECB will put further pressures on peripheral European countries. Although the Fund has minimal exposure to Japanese equity markets, the subsequent risks to the global recovery are bound to have knock on effects. We have always been careful to select funds which have extensive hedges in place and stringent risk management controls and therefore we are expecting any losses to be acceptable given the magnitude of the market moves.

In the near term, beyond the news flowing out of the Middle East, North Africa and Japan there are other events to watch closely. In the U.S., the Fed is about to conclude its QE2 program during the second quarter. The supply of treasury issuance to the market will increase sharply after the program. Combining that with rising headline inflation and continued European Sovereign debt concerns in the next few months, we think there is a high probability of a steepening sell-off in the treasury markets, and further volatility in commodity and equity markets.

We believe that recent global events will remind investors about the benefits of portfolio diversification and the need for investments that offer protective qualities. As such we continue to focus on investing in well balanced portfolios that have a high degree of risk management.

Matrix Horizon Fund Performance Report
The Institutional Sterling Shares of the Matrix Horizon Fund returned -11.25% over the twelve month period to 31 Dec 2010.

Remaining share holdings in Horizon Fund
The Matrix Horizon Fund invested proceeds exclusively into the Collingham Investment Fund ("CIF"), managed by Collingham Capital Management. The CIF is currently in liquidation and this process is being managed by Bee Asset Management ("BAM"). The Matrix Horizon Fund is in the process of liquidating assets as fast as possible, the timing of which is difficult to predict and is subject to change. The remaining investments in the Matrix Horizon Fund are side pockets of the CIF. Below is an up-date outlining each underlying fund's current situations.

Matrix Horizon Fund Breakdown
The table overleaf shows the current holdings and allocation percentages as provided by BAM as of 31 Dec 2010 along with the fund's status.

INVESTMENT MANAGER'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2010
MATRIX NEW HORIZON CLOSED END (CONTINUED)

HORIZON HOLDINGS	% Allocation
HIGHLAND CREDIT STRATEGIES FUND	27.51%
HARBINGER	19.64%
GOLDMAN SACHS INVESTMENT PARTN	16.55%
PLAINFIELD SPECIAL SITUATIONS FUND	13.43%
GLG EMERGING MARKETS SPECIAL	8.20%
THAMES RIVER HILLSIDE APEX II	6.11%
BLUEBAY MULTI-STRATEGY FUND	3.69%
CANYON VALUE REALIZATION FUND	2.99%
BENNELONG ASIA PACIFIC	1.88%

Underlying Fund Update

Highland Credit Strategies Fund (27.51%)

The fund is left with direct loans, life settlement policies and private equity positions. It is currently locked in a litigation battle between two different sets of shareholders. "Prior redeemers" had placed redemptions into the fund prior to June 2008 and believe they should be paid ahead of others who placed redemptions into the fund after this date ("Redeemers"). Redeemers believe the assets of the fund should be divided irrespective of when the redemption was placed. A mediator has been appointed and whilst there has been some degree of compromise between the two sides, no final resolution has been reached and therefore the assets within the fund cannot be liquidated and cash returned. We are in touch with the working groups and other Fund of Hedge Fund groups involved.

Harbinger (19.64%)

Approximately 1% of the fund is still tied up with the bankruptcy of Lehman Brothers and as such the monies will be released upon resolution by the administrators. The remaining contains private equity positions which the manager is actively trying to sell, but cash can only be released once such sales have taken place.

Goldman Sachs Investment Partners (16.55%)

The fund contains private equity positions. This is not a liquidating sidepocket and as such the proceeds will be realised when the manger feels the investments have reached an appropriate value.

Plainfield Special Situations Master Fund (13.43%)

The fund was invested in distressed investments, high-yield bonds and also made loans to businesses. Plainfield, which managed $5 billion, faced a wave of withdrawal requests in 2008. Plainfield is now reporting that it oversees $3.3 billion, with about $2.74 billion of that representing money from those investors who have placed redemptions. Redeeming investors were compulsorily put into a 3 year lock share class which expires in late 2011. That portion is being slowly wound down, and the fund is to repay investors by June 2012.

GLG Emerging Markets Special (8.2%)

There are 3 remaining positions within the fund, one of which is worth approx 95% of the portfolio and is a minority equity stake in Siberian Anthracite, a Russian coal manufacturer. The expected IPO in 2008 did not take place due to the market environments and subsequently having explored other buyer options, the manager decided to hire a leading financial advisory firm in June. They have finished their due diligence and will start liaising with prospects with a view to providing liquidity. The other two positions are very small: one is an investment in commodities which is approx 3.5% and the other is in an Indian hospital, approx 1.5%. The manager is hopeful that they will be able to sell the main holding, Siberian Anthracite which is over 90% of the fund.

Thames River Hillside Apex II (6.11%)
2008 redemptions forced Thames River Capital to wind up its $430m Hillside Apex fund. The long/short global credit emerging markets, high yield and distressed fund had been trading for over a decade. They established a run-off vehicle at the end of 2008 for investors who wanted to sell. But following further redemptions, Thames River decided to wind up the fund. There was a proportion of the fund in illiquid positions and they have taken a considerable amount of time to work through. They have returned a high portion of the capital.

Bluebay Multi-Strategy Fund (3.69%)
The fund contained investments in European corporate and global emerging market debt products and declined from $1.8 billion at 30 June 2008 to $1.0 billion at 30 June 2009. Net redemptions accounted for $0.6 billion of the decline with the balance of $0.2 billion due to fund performance. At the end of 2008, a redemption class was created and since its creation has been liquidating the assets contained. Proceeds are paid out as liquidations occur.

Canyon Value Realization Fund (2.99%)
The fund trades in global credit, including emerging markets, high yield, distressed debt and convertible bonds. As of 31 December 2008, investors elected to be either Ongoing or Redeeming Investors. As the table below shows, for every £1000 of value redeemed at the end of 2008 the fund has already paid that back and more. There still remains an approximate 6.5% of the original value which is owed upon liquidation of further holdings.

Redeeming Investor Balance Summary as of Dec 2010

Dec 31 2008 Balance	£1,000
Cash Distributions to Date	£1,017
Remaining Designated Investment Balance	£65
Total Value of Distributions + Remaining Balance	£1,082

Bennelong Asia Pacific (1.88%)
This fund was focussed on risk arbitrage, special situations and value driven equity. Due to disappointing performance in 2009, the fund received large redemptions and creation of a side pocket was approved by investors and came into effect at 31 October 2009. At creation the four positions in the side pocket represented approximately 12.5% of AUM within the master fund. These four positions remain as at Feb 2011. They are an Australian Energy Company, Unlisted Chinese Energy Company, Australian Aviation Leasing Company and a Listed Australian Transport Company.

Review of Performance – Redemption Class
The Redemption Share Class of Matrix New Horizon Closed End returned -12.18% over the twelve month period to 31 Dec 2010. This compares to a return of 4.43% for the EurekaHedge Fund of Fund Index.

The Redemption Class has been liquidating assets and returning cash to shareholders. As at 31 Dec 2010, Redemption Class Shareholders have received 90.4% of their holdings back in cash.The Redemption Class is 100% invested in the Matrix Horizon Fund. Please see the investment commentary above for further details.

Please see the monthly returns for the period 1 Jan 2010 to 31 Dec 2010 below:

Redemption £ Shares net monthly % returns

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2010 (£)	-0.50	2.09	1.23	-2.01	2.74	-3.25	-4.30	-1.32	-2.83	-1.98	1.55	-4.00	-12.18

Matrix Money Management Limited
March 2011

MATRIX STRUCTURED PRODUCTS LIMITED

INVESTMENT MANAGER'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2010
MATRIX EVENT DRIVEN CLOSED END

Matrix Event Driven Fund Closed End invests its assets (to the extent not retained in cash) in the Matrix Event Driven Fund (the "Master Fund"). The investment objective of the Master Fund is to provide consistently high returns over a market cycle by investing in a range of absolute return funds that seek to capitalise on the opportunities presented by the global economic environment, dislocations in the financial markets and specific corporate events.

On 1 April 2009, the Master Fund underwent restructuring involving the creation of a side pocket (the "Designated Share Class") which held nine underlying funds which were illiquid due to them locking or winding up. As of 31 December 2010, the Designated Share Class contained is invested in 10 underlying funds, 2 of which have their value written down to zero.

A Retail Redemption Share Class and a Retail Continuation Share Class was also created. As a result of this restructuring, Matrix Event Driven Closed End held approximately 75% of its holding in the Retail Continuation Share Class, 13% in the Retail Redemption Share Class and 12% in the Designated Share Class.

As at 31 December 2010, 84.5% of its holdings were in the Master Fund Retail Continuation Shares, 2.8% were in the Retail Redemption Shares and 9.4% were in the Designated Shares.

Review of Performance
Matrix Event Driven Closed End shares returned +3.43% over the twelve month period to 31 Dec 2010. This compares to a return of 4.43% for the EurekaHedge Fund of Funds Index.

Please see the monthly returns for the period 1 Jan 2010 to 31 Dec 2010 below:

£ Shares net monthly % returns

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2010 (£)	0.87	-0.49	1.56	0.99	-2.65	-0.77	0.94	-0.54	2.00	0.64	0.13	0.78	3.43

Master Fund Review

Review of Performance – Matrix Event Driven Continuation Class
The Institutional Sterling Shares of the Matrix Event Driven Fund Continuation Class returned 4.01**%** in 2010. The annualised return from the change of investment manager in Jan 2009 to Dec 2010 was 6.71% with a volatility of 4.43%, the return for UK Gilts 5-15 years was 4.28% and a volatility of 5.99% over the same period. Correlation to the FTSE 100 Dividends reinvested index over this period was 0.54.

The following table shows the underlying holdings in which the Matrix Event Driven Continuation Class was invested during the period.

Allocation by Fund	1 Jan 10 Allocation	31 Dec 10 Allocation	Change	2010 Performance	2010 Contribution
Cevian Capital Fund	2.35%	4.18%	1.83%	44.10%	1.22%
Icahn Fund Ltd	5.78%	7.78%	2.00%	10.79%	0.76%
Cerberus International Fund	7.00%	7.91%	0.91%	10.32%	0.75%
Lazard Rathmore Fund	2.51%	6.06%	3.56%	18.43%	0.61%
The Children's Investment Fund	5.54%	7.35%	1.81%	7.33%	0.53%
Capula Global Relative Value Fund	5.03%	6.39%	1.36%	10.18%	0.51%
Marathon Special Opportunity Fund	9.72%	0.46%	-9.26%	4.63%	0.46%
King Street Capital Ltd	12.52%	7.24%	-5.28%	5.47%	0.46%

INVESTMENT MANAGER'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2010
MATRIX EVENT DRIVEN CLOSED END (CONTINUED)

Allocation by Fund	1 Jan 10 Allocation	31 Dec 10 Allocation	Change	2010 Performance	2010 Contribution
JCAM Global Fund	5.66%	7.21%	1.55%	7.38%	0.46%
Davidson Kempner International, Ltd	4.43%	0.00%	-4.43%	7.48%	0.35%
Arrowgrass Fund	4.61%	5.45%	0.84%	4.23%	0.21%
Gruss Global Investors	5.53%	6.78%	1.25%	3.18%	0.19%
MLIS York Event Driven Fund UCITS	2.86%	0.00%	-2.86%	4.47%	0.18%
Senrigan Fund Ltd	0.00%	6.12%	6.12%	2.44%	0.15%
Archview Credit Opportunities	0.00%	4.97%	4.97%	3.74%	0.13%
HFR - Lazard Rathmore Fund	2.35%	0.00%	-2.35%	5.42%	0.13%
Waterstone Market Neutral Master Fund Ltd	0.00%	4.87%	4.87%	1.43%	0.07%
Finisterre Credit Fund	0.00%	4.76%	4.76%	1.30%	0.06%
AG Super Fund	0.27%	0.25%	-0.02%	13.49%	0.03%
Niederhoffer Diversified Program	1.71%	0.00%	-1.71%	0.38%	0.01%
Scoggin Worldwide Fund	0.00%	0.00%	0.00%	0.00%	0.00%
Hermitage Global Fund	0.03%	0.04%	0.00%	-4.99%	-0.00%
Paulson Advantage Fund Ltd.	9.88%	0.00%	-9.88%	-7.57%	-0.79%
Marathon Overseas Fund	4.00%	2.99%	-1.01%	-39.14%	-1.80%

21 out of 24 funds contributed positively to performance, with the exceptions being Paulson Advantage Fund which was redeemed from and Marathon Overseas Fund which is an investment made by the previous manager of the Master Fund and for which a full redemption has been placed. Hermitage Global Fund had negative returns due to its long exposure to Russian equities.

Funds Added / Removed for the period 1 Jan – 31 Dec 2010

The following funds were added to the portfolio during 2010:

Senrigan Fund Ltd
Archview Credit Opportunities
Waterstone Market Neutral Master Fund Ltd
Finisterre Credit Fund

The following funds were removed from the portfolio during 2010:

Davidson Kempner International, Ltd
MLIS York Event Driven Fund UCITS
HFR - Lazard Rathmore Fund
Niederhoffer Diversified Program
Scoggin Worldwide Fund
Paulson Advantage Fund Ltd.

Performance by Strategy and Gross Contribution to the Matrix Event Driven Continuation Class for the period 1 Jan - 31 Dec 2010

Allocation by Strategy	1 Jan 10 Allocation	31 Dec 10 Allocation	Change	2010 Contribution
Event Driven - Equity	33.43%	33.37%	-0.06%	2.79%
Event Driven - Credit	14.70%	12.67%	-2.04%	1.02%
Convertible Bond Arbitrage	4.85%	10.93%	6.08%	0.81%
Emerging Market Credit	9.72%	5.22%	-4.50%	0.53%
Fixed Income Relative Value	5.03%	6.39%	1.36%	0.51%
Fundamental Credit Long/Short	12.52%	7.24%	-5.28%	0.46%
Global Macro	1.71%	0.00%	-1.71%	0.01%
Distressed/Restructuring	9.79%	14.99%	5.20%	-1.44%

INVESTMENT MANAGER'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2010
MATRIX EVENT DRIVEN CLOSED END (CONTINUED)

Event Driven Equity (+279bps)
Merger volumes were lower than expected in 2010, many company CEOs delayed any strategic plans in the wake of the volatility surrounding Greece. Most merger arbitrage deals are profitable for the funds in this space, but they do require there to be a healthy deal flow to make above average returns. So whilst they did make profits in 2010, the level was below our expectations. Market participants expect deal volumes to increase in 2011, however if market volatility is high due to macro events, it could continue to be below targets. The majority of returns were generated from those funds that take an activist approach with the companies' management board.

Event Driven Credit (+102bps)
Given the massive rally in the credit markets since the lows of 2008, there is little value left to being long only in credit. However, there have been lots of events/special situations for funds to profit from. A typical example would be for the fund to buy a company's debt at a discount to par and then suggest to the company that they should issue new, longer duration debt in order to buy back the outstanding debt issue. This improves the company's shorter term debt profile and the fund benefits because the debt is sold back to the company at a premium from where it was bought.

Convertible Bond ("CB") Arbitrage (+81bps)
CB Arbitrage was one of the hardest hit strategies in 2008, but made a very strong comeback in 2009. This continued in 2010 as the bonds remained 'cheap' to fair value, plus there were bouts of **high** volatility in the equity markets from which CB funds benefit. We expect 2011 also to be good, especially for those funds with an expertise in identifying special situations within the CB market.

Emerging Market ("EM") Credit (+53bps)
EM Credit funds were able to benefit from the relative cheapness of EM bonds versus the equivalent credit worthiness in developed markets. This is mainly due to a lack of coverage/understanding of the different behaviour of emerging markets. These funds generally find cheap bonds to buy on the long side, whilst also using a variety of hedges to protect from macro shocks that may occur in these markets.

Fixed Income Relative Value (+51bps)
The Fixed Income markets are currently very interesting and the opportunity set is very rich for funds in this space. Due to the current glut of debt issuance by governments to fund spending and deficits, there are lots of opportunities to make money from temporary mis-pricings. In addition to this, funds have also been able to make profits from the volatility caused by the European Sovereign Debt problems.

Fundamental Credit Long/Short (+46bps)
These funds had an average year and did not return as much as we were hoping. This can be mostly explained by the fact that there was a lack of dispersion within most markets, including credit. Therefore, most credits moved up and down together, whereas for these funds to be very profitable you would see strong credits rise in value and weak credits fall. We have reduced this strategy weighting as we feel that such dispersion may not increase in the credit markets until 2012.

Global Macro (+1bps)
Fundamental macro funds were probably the most disappointing of any in 2010. Whilst they didn't lose money on the year as a whole, their returns were close to flat. The risk on, risk off episodes combined with high correlation amongst asset classes and the actions of central banks, all contributed to a poor 2010. Many of the biggest and best macro funds had their worst year ever in terms of performance. We reduced our exposure to this strategy significantly in order to reallocate money in to other strategies where the environment is better.

Distressed/Restructuring (-144bps)
The default rate in corporate bonds was expected to be very high in 2010 and therefore this strategy was due to perform well. However, due to the massive amounts of Quantitative Easing and extremely low interest rates, new High Yield bonds were very much in demand. Therefore, many companies which would have a problem repaying debt were able to push the problem down the road and refinance their short term debt. This meant that the 2010 returns for this strategy were below expectations.

Outlook for 2011
The terrible events in Japan have caused volatility to spike across all markets. Additionally, there are further risks surrounding events in the Middle East, the banking system in Europe which is facing a second round of stress tests (this time there might actually be some stress in the test) and the ECB discussing the possible need to raise rates. So although the Fund has minimal exposure to Japanese equity markets, the subsequent risks to the global recovery are bound to have knock on effects. We have always been careful to select funds which have extensive hedges in place and stringent risk management controls and therefore we are expecting any losses to be acceptable given the magnitude of the market moves.

Notwithstanding the recent volatility, the number of merger transactions has been increasing, with some interesting large deals such as Deutsche Borse's $9.5 billion offer for NYSE Euronext and Ensco PLC's $8.5 billion proposal for Pride International. These deals offer uncorrelated return potential which cannot be accessed by long only equity funds.

Review of Performance – Matrix Event Driven Redeeming Class
The Institutional Sterling Shares of the Matrix Event Driven Redeeming Class returned 6.63% in 2010. The Matrix Event Driven Redeeming Class does not have a currency hedge and is therefore subject to gains and losses due to the movement of the FX rate between GBP and the USD. During the period, the GBP fell 3.45% against the USD, which equates to a gain for the class. The portfolio produced a gain of 3.18%; therefore the combined performance was a positive 6.63%.

As at the 31 Dec 2010 approximately 79% of the Matrix Event Driven Redeeming Class has been paid out to shareholders.

The following table shows the underlying holdings in which the Matrix Event Driven Redeeming Class was invested during the period.

Allocation by Fund	1 Jan 10 Allocation	31 Dec 10 Allocation	Change	2010 Performance	2010 Contribution
Cerberus International Fund	14.61%	33.47%	18.86%	10.32%	2.34%
The Children's Investment Fund	11.55%	31.09%	19.55%	7.33%	1.93%
Icahn Fund Ltd	20.26%	24.05%	3.79%	9.79%	1.26%
Marathon Special Opportunity Fund	19.09%	1.94%	-17.15%	4.58%	1.05%
AG Super Fund	0.56%	0.95%	0.39%	13.48%	0.09%
Hermitage Global Fund	0.07%	0.15%	0.09%	-4.99%	-0.01%
Marathon Overseas Fund	8.26%	12.63%	4.37%	-39.13%	-6.28%

Performance by Strategy and Gross Contribution to the Matrix Event Driven Redeeming Class for the period 1 Jan - 31 Dec 2010

Allocation by Strategy	1 Jan 10 Allocation	31 Dec 10 Allocation	Change	2010 Contribution
Event Driven - Equity	46.48%	88.77%	42.28%	5.52%
Emerging Market Credit	19.09%	1.94%	-17.15%	1.05%
Distressed/Restructuring	8.82%	13.59%	4.76%	-6.19%

Event Driven Redeeming Class Payout

The following table details the underlying positions within the Matrix Event Driven Redeeming Class, their current allocation size and anticipated re-payment of redemption proceeds. A full redemption instruction has been placed for each of the holdings in order to achieve the proceeds as soon as possible.

		% Expected to be paid by end of	
Fund Name	**% of RED CLASS**	**2011**	**2012**
AG Super Fund	1%	0%	100%
Cerberus International Fund	15%	40%	100%
Hermitage Global Fund	0%	0%	100%
Icahn Fund Ltd	6%	100%	100%
Marathon Overseas Fund	12%	10%	100%
Marathon Special Opportunity Fund	2%	0%	100%
The Children's Investment Fund	31%	49%	100%
Grand Total		**62%**	**100%**

AG Super Fund (1%)

This is a small residual side pocket holding. Proceeds will be paid out upon realisation of the underlying private securities by AG Super Fund.

Cerberus International Fund (15%)

This fund is currently in the process of attempting to sell its private equity positions. It has made one distribution to date and we expect small distributions over time as cash is realised. However, the sizing and timing of these payments cannot be forecasted accurately and will be dependent on successful sales of their private equity positions.

Icahn Fund (6%)

Redemptions have been placed in line with the original subscription terms of the fund which were a 3 year lock and semi annual redemptions with 90 days notice. We do not anticipate any difficulties in receiving these proceeds as they become due. Full redemptions were paid in April 2011.

Marathon Overseas Fund (12%)

This fund was forced to suspend redemptions in 2008 as the underlying holdings were not liquid enough to meet the full level of redemptions. Marathon's Overseas Fund focuses on opportunistically investing and trading in sovereign and corporate debt in the emerging markets. The fund contains a mixture of credit and some private equity positions. A full redemption has been placed and we have received regular distributions as cash is raised in the portfolio. We expect this to continue until full proceeds are received.

Marathon Special Opportunity Fund (2%)

This fund was forced to suspend redemptions in 2008 as the underlying holdings were not liquid enough to meet the full level of redemptions. Marathon's Special Opportunities fund includes a high level of exposure to High Yield Bonds, Bank Debt, Distressed Securities and Special Situations in the US and other major regions of the world. This holding has returned the bulk of monies due and this was subsequently paid out to shareholders.

INVESTMENT MANAGER'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2010
MATRIX EVENT DRIVEN CLOSED END (CONTINUED)

The Children's Investment Fund (31%)
Redemptions have been placed in line with the original subscription terms of the fund, which may be redeemed on the first Redemption Day of the 60th month following the date on which the Class C Shares were purchased. We do not anticipate any difficulties in receiving these proceeds as they become due later in 2011.

Review of Performance – Matrix Event Driven Designated Share Class
The Institutional Sterling Shares of the Matrix Event Driven Designated Share Class returned 2.98**%** in 2010.

The following table shows the underlying holdings in which the Matrix Event Driven Designated Share Class was invested during the period.

Allocation by Fund	1 Jan 10 Allocation	31 Dec 10 Allocation	Change	2010 Performance	2010 Contribution
Highland Crusader Fund	25.82%	29.28%	3.46%	15.87%	4.16%
Marathon Special Opportunity Fund	19.73%	13.35%	-6.37%	8.74%	1.27%
Global Opportunities (GO) Fund	2.40%	2.59%	0.19%	15.72%	0.37%
King Street Capital Ltd	1.59%	1.58%	-0.01%	-2.33%	0.04%
Scoggin Worldwide Fund	1.75%	1.13%	-0.62%	-16.78%	-0.26%
Maxam EM Investable Index	1.94%	1.42%	-0.52%	-25.82%	-0.52%
RAB Special Situations Fund	20.71%	18.23%	-2.49%	-7.33%	-1.59%
DB Zwirn Special Opportunities Fund	19.20%	12.31%	-6.89%	-21.77%	-3.67%

Performance by Strategy and Gross Contribution to the Matrix Event Driven Designated Share Class for the period 1 Jan - 31 Dec 2010

Allocation by Strategy	1 Jan 10 Allocation	31 Dec 10 Allocation	Change	2010 Contribution
Emerging Market Credit	19.73%	13.35%	-6.37%	1.27%
Distressed/Restructuring	46.77%	42.72%	-4.05%	0.22%
Fundamental Credit Long/Short	1.59%	1.58%	-0.01%	0.04%
Emerging Markets	1.94%	1.42%	-0.52%	-0.52%
Event Driven - Equity	23.12%	20.82%	-2.29%	-1.22%

With the exception of RAB Special Situations Fund, the timing of distributions from the above funds cannot be predicted with any degree of certainty. Below is a summary of the status of each fund:

Highland Crusader Fund (29.28%)
This fund is left with direct loans, life settlement policies and private equity positions. It is currently locked in a litigation battle between two different sets of shareholders. "Prior redeemers" (of which we are one) had placed redemptions into the fund prior to June 2008 and believe they should be paid ahead of others who placed redemptions into the fund after this date ("Redeemers"). We are working with other fund of hedge fund groups involved to bring a resolution through the courts. A petition has been served to wind up the affairs of the fund and a court date has been set for 2 May 2011 to rule on the appointment of an independent liquidator.

RAB Special Situations Fund (18.23%)
Shareholders in this fund agreed to a 3 year lock in October 2008. Therefore we have a redemption placed for October 2011 and expect to receive the full value of the proceeds as the fund contains mostly listed equities in the portfolio.

INVESTMENT MANAGER'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2010
MATRIX EVENT DRIVEN CLOSED END (CONTINUED)

Marathon Special Opportunity Side Pocket (13.35%)
The manager created this side pocket in 2008 in order to place the fund's more illiquid and private holdings. We will receive proceeds as they are raised from the sale of such assets. The quantity and timing is unknown. The manager is very much an ongoing entity and we receive regular monthly communications and have conducted a due diligence visit to their New York office.

DB Zwirn / Fortress Global Recovery Fund (12.31%)
DB Zwirn was involved in direct lending and was unable to pay redemptions from the fund. As the investment manager began to have cash flow issues, Fortress took over the management of the fund. Fortress is a much stronger group and listed on the NYSE. Fortress are prudently liquidating the fund and have an incentive to raise as much cash as possible in a timely manner. We have now begun to receive payments, but once again these are uncertain as to quantity and timing. We have conducted a due diligence visit to their office in New York.

Global Opportunities Fund (2.59%)
This equity fund is now almost fully liquidated. The manager is actively working to liquidate the balance. We receive regular pricing and communications.

MAXAM Investable Index (1.42%)
This index now has a residual exposure to side pockets of the Emerging Market funds in which it invested. We receive the proceeds as and when they are generated.

Scoggin Worldwide Fund Side Pocket (1.13%)
This is a small residual side pocket holding and the fund expects the capital to be returned to shareholders by the first quarter 2011.

King Street Capital Side Pocket (1.58%)
This is a small residual side pocket holding. Proceeds will be paid out upon realisation of the underlying private securities. This is not a liquidating sidepocket and as such the proceeds will be realised when the manger feels the investments have reached an appropriate value.

Matrix Money Management Limited
March 2011

INVESTMENT MANAGER'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2010
MATRIX ASSET BASED 2 CLOSED END

Matrix Asset Based 2 Closed End invests all of its assets (to the extent not retained in cash) in the Institutional Class Sterling Shares of the Master Fund, Matrix Asset Based 2 Fund. The investment objective of the Master Fund is to achieve capital appreciation and consistent returns over the medium term with low correlation to major stock and fixed income market indices by investing in a portfolio of Underlying Funds that employ Asset Backed Investment Strategies.

Over the twelve months from 1 Jan 2010 to 31 Dec 2010, the Institutional Sterling Class Shares of Matrix Asset Based 2 Closed End returned -33.51%. Please see the Fund's monthly returns for the period 1 Jan 2010 to 31 Dec 2010 below.

Matrix Asset Based 2 Closed End net monthly % returns

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2010(£)	-3.40	4.62	-7.33	-0.67	2.91	-4.61	-5.71	-1.92	-12.31	-3.88	1.38	-7.86	-33.51

2010 Review

The global monetary stimulus that was anticipated to provide credit availability to underlying ABL Managers' portfolios did not occur in 2010. As such, the ABL sector continued to experience stress, even as global equity and bond markets rallied. More banks in the USA and abroad were taken over by the Federal Deposit Insurance Corporation ("FDIC") and other government agencies and borrowers continued to be unable to refinance their loans. This led to massive defaults, restructurings, foreclosures, and losses. Many underlying managers had to change their businesses to become more and more actively involved in the operation and work-outs of the underlying borrowers' collateral. In many cases that was real estate and operating businesses. 2010 saw a lot of lost equity and continued write-downs. Additionally, the Stillwater Pricing Committee wrote down the NAVs of underlying funds. These were judgment calls based on qualitative due diligence of underlying managers and what they own. These write-downs were significant but, we believe, realistic.

The extremely challenging illiquidity experienced in 2010 across the entire asset based financing sector has affected the fund's underlying managers and consequently, the Stillwater Matrix Fund itself.

In 2010 we continued to work with our lender to ensure an orderly manner in which to pay-down the leverage facility. The Stillwater Matrix Fund continued to repay its obligations under the leverage facility on a monthly basis. KBC was paid back more than $30 million in 2010. The fund actively and aggressively worked with underlying managers in order to accelerate repayment of our investments. The manager participated in creditor committees, investor committees and in some cases retained counsel to assist in the process. The manager hired independent consultants to assist as well. The fund was also active in the secondary markets to locate buyers of underlying funds at prices that will not greatly affect the performance of the fund. Finally, at the end of the year, the manager of the fund decided to halve its accrued fees from January 2011 onward.

Please note that the analysis below is for the Stillwater Matrix Fund USD share class in which the Master Fund, Matrix Asset Based 2 Fund invests. No currency hedging has been place since February 2009.

INVESTMENT MANAGER'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2010
MATRIX ASSET BASED 2 CLOSED END (CONTINUED)

Review of Performance against the Objective

The Stillwater Matrix Fund's investment objective was to generate consistent returns over the medium-term with low volatility and correlation to major stock and fixed income market indices. Such returns were expected to be associated with a low degree of risk. The fund was not able to achieve its objectives throughout 2010, generating a negative return of -34.28% (including the side pocket) and -33.11% (net of side pocket). The losses were caused by underlying managers being forced to write-down the value of their collateral as well as the rise in the number of borrowers either defaulting or being late on paying the interest payments on their loans. Most, if not all underlying managers have suspended redemptions and have been in wind-down or liquidation in 2010. Many managers who were "lenders" to various industries found themselves in equity positions, having to manage operations, work with boards and liquidate borrowers' companies' assets. One time real estate lenders now own the properties and find themselves in a difficult position. Seldom does the lender do any better with the property or operation than the original buyer (whose equity would be wiped out). This drastic shift in 2010 from managers being wall-street investment firms (or lending operations) to actually operators has had a negative affect on performance. It resulted in further erosion of values and illiquidity.

Review of Strategies Used by the Stillwater Matrix Fund

Diversification was important for the fund and thus our portfolio was split into eight strategies. By 31 Dec 2010 the fund had 38 non side-pocket managers that originate and underwrite all the loans in their respective strategies. The strategies are; Trade Finance, Entertainment, Senior Secured Lending with Warrants, Insurance, Multi-Strategy, Legal/Litigation Backed Lending, Corporate Lending, Real Estate Lending and Equity/Public Company. The 12-month attribution to performance by strategy and the 31 Dec 2009 and 31 Dec 2010 allocations to each strategy were as follows:

Strategy Breakdown	31 Dec 2009	31 Dec 2010	Change	Approximate Attribution to Performance Over 12-month Period
Trade Finance	8.68%	8.19%	-0.50%	-0.04%
Entertainment	13.91%	11.56%	-2.35%	-9.39%
Sr Secured with Warrants	8.81%	6.68%	-2.13%	-7.70%
Insurance Finance	1.26%	0.32%	-0.94%	-2.43%
Multi-Strategy	33.43%	25.45%	-7.98%	-10.23%
Legal/Litigation Backed	1.48%	1.63%	0.15%	0.30%
Corporate Lending	25.20%	26.02%	0.82%	-0.25%
Real Estate Lending	7.23%	7.71%	0.48%	-3.95%
Equity/Public Company	-	12.44%	12.44%	-0.59%
Total	100.00%	100.00%		-34.28%

Trade Finance (-0.04%)

Trade Finance comprised 8.19% of the fund in 2010, a decrease from 8.69% in December 2009. The fund has three underlying managers in this space and did not add any new managers over the course of 2010. These funds purchase trade accounts receivables or promissory notes issued by corporate entities for working capital or trade finance purposes. Such debts were typically less than 2 years, and the funds would usually have a security interest in the underlying collateral being financed.

Entertainment Lending (-9.39%)

Entertainment Lending comprised 11.56% of the fund in 2010, a decrease from 13.91% in December 2009. The fund has three underlying managers in this space and did not add any new managers over the course of 2010. These funds provided asset based financing to film & TV production markets or middle market distributors of entertainment content such as film libraries, music catalogues and electronic game licenses.

Senior Secured with Warrants (-7.70%)

Senior Secured with Warrants comprised 6.68% of the fund at the end of 2010, a decrease from 8.81% in December 2009. The fund has three underlying managers in this space and did not add any new managers over the course of 2010. These funds lend money to emerging growth and small-cap public companies, typically through senior-secured asset-backed convertible debentures. The funds would typically receive interest on the loan as well as warrants that convert into freely tradable common stock. The sever underperformance in this sector is primarily due to our Pricing Committee's writedowns of underlying funds' NAVs based on qualitative information from the underlying managers and their lack of actual liquidity. Additionally, asset values such as real estate, inventory, equipment, etc. that comprised the collateral on the transactions were written-down as their appraised values decreased.

Insurance Finance (-2.43%)

Insurance Finance comprised 0.32% of the fund at the end of 2010, a decrease from 1.26% in December 2009. The fund has one underlying manager in this space and did not add any new managers over the course of 2010. This fund focuses on life and premium finance. The negative performance in this sector is due to write downs in the Insurance Premium Finance and Life Settlement markets. As occurred in 2009, certain events and circumstances continued to occur in the Insurance Premium Finance market during 2010 that led to substantial increases in the primary risks affecting the value of the investments. During 2010 the lack of liquidity and disruption in the life settlement market continued and led to remaining buyers demanding higher internal rates of return for their life settlement investments. As a result, the value of the underlying collateral was adversely affected. Additionally, as underlying managers lacked the cash resources to maintain policies, they either were forced to allow them to lapse with no value or sell them at deep discounts.

Multi-Strategy (-10.23%)

Multi-Strategy comprised 25.45% of the fund at the end of 2010, a decrease from 33.43% in December 2009. The fund redeemed from one manager in this space in 2010 and ended with fifteen managers. Multi-Strategy ABL funds originate, underwrite, and service secured asset backed loans to a variety of borrowers across multiple strategies including accounts receivable, factoring, leasing, insurance, real estate, instalment sale contracts, energy, commodity finance, consumer credit receivables, and other collateral. Many funds used to take advantage of markets that are underserved by traditional sources of financing either due to the small size of the loans (ranging from $100,000 to $10,000,000) or the unique needs of the borrower (short time horizon due to opportunistic purchase). The severe losses in this sector were primarily due to the real estate lending and insurance portions of these funds. Both these categories suffered from writedowns of collateral, foreclosures. In the case of life settlements, actual lapses of policies due to the fact that the managers did not have the cash flow to support the premium payments.

Legal Claims / Litigation Backed (+0.30%)

Legal Claims / Litigation Backed Lending comprised 1.63% of the fund at the end of 2010, an increase from 1.48% in December 2009. The fund has one underlying manager in this space and did not add any new managers over the course of 2010. This fund typically purchases legal settlements from lawyers who provide contingent fee legal services. Alternatively, the fund provides revolving lines of credit for working capital to 'personal injury' or 'contingency-only' law firms. This sector performed relatively well in 2010. While we have been receiving proceeds from the manager to pay down our leverage, the positive performance coupled with negative performances in other sectors has led to a slight increase in the sector's weighting. The low contribution to overall performance was due to its low weighting.

Corporate Lending (-0.25%)
Corporate Lending comprised 26.02% of the fund at the end of 2010, an increase from 25.20% in December 2009. The fund has seven underlying managers in this space and did not add any new managers over the course of 2010. These funds would lend on a senior secured basis to private and public middle market companies in need of short term financing ranging from six months to two years. These funds were typically in a senior secured position. Collateral may include plant, equipment, buildings, patents, receivables, infrastructure, enterprise value, etc. Managers in this space benefited slightly in 2010 and did not perform as poorly as the rest of the ABL space. This is because larger, global banks started to lend in this space. However, many of their underlying loans needed to be restructured and worked out.

Real Estate Lending (-3.95%)
Real Estate Lending comprised 7.71% of the fund at the end of 2010, an increase from 7.23% in December 2010. The fund has four underlying managers in this space and did not add any new managers over the course of 2010. These funds source, originate, self-underwrite and service short term commercial real estate bridge loans. Lending terms used to be typically 6 to 24 months and were secured by first position or second position trust deeds on real estate, assignment of rents and many personal guarantees. Loans would have been made for raw land, new construction, acquisition development, rehabilitation and property improvements. The negative performance in this sector is due the significant global real estate devaluation, which has continued from 2008/09 and a lack of refinancing or secondary markets for all real estate products.

Equity/Public Company (-0.59%)
Equity/Public Company comprised 12.44% of the fund at the end of 2010. This "strategy" consists of one manager and was the direct result of the reverse merger that The Stillwater Asset Backed Fund did with a public company called Gerova Financial Group.

KBC – Leverage Provider to the Stillwater Matrix Fund
As a reminder, in the fourth quarter of 2008, the fund's leverage facility provider, KBC Financial Products ("KBC"), informed Stillwater of its' desire to cancel the facility and requested its' repayment in full. As a result, redemption requests were submitted to all underlying managers. We anticipate that it will take at least three years to repay KBC in full, given the current illiquidity, the lack of certainty and the reluctance by underlying Mangers to provide cash-flow projections.

Performance Outlook for 2011
As we enter 2011, the fund's performance and liquidity outlook continues to remain uncertain. The liquidity which the underlying managers require has yet to enter the privately originated lending markets. The fund will probably continue to experience negative performance and continued illiquidity in 2011.

Approximately 350 US Banks were seized by the Federal Deposit Insurance Corporation ("FDIC") in the last 2 years and unfortunately, we do not believe the liquidity crisis is over yet. It is difficult, if not impossible, to call a "bottom." The general theme for all underlying managers continues to be that three events need to occur in order for them to be able to return cash in a timely manner and for asset values to stabilise and hopefully begin to recover:

- Commercial banks and private lenders need to begin to provide credit to borrowers to enable them to refinance their current loans. Even though the credit markets have slowly begun to open, it still remains difficult for the companies to which the underlying funds loaned cash, to access lending at this time;

- A widespread, sustained improvement in the global economies that gives businesses and consumers confidence to resume economic growth in order to enable asset sales;

- A pick up in mergers and acquisitions to enable lenders who have repossessed borrowers' businesses to sell them to raise cash. Merger and acquisition growth has yet to penetrate the small cap companies to which the underlying managers loaned cash.

Investor Liquidity Outlook for 2011

For the foreseeable future, the fund will not be in a position to meet redemption requests or to place a sterling currency hedge given the current illiquid nature of the fund's underlying managers and the need to repay the leverage facility prior to fulfilling any redemption requests by investors. We anticipate that it will take at least three years to repay KBC in full. We continue to work with our lender to ensure an orderly manner in which to pay-down the leverage facility and anticipate 2011 to see a continuation of the repayment of the fund's leverage facility.

Cash received from redemptions for 2010 was lower than we had projected. As of late, those projections have been a lot lower as there are continued delays in the projections of the underlying managers. We did end the year receiving a higher amount in December ($9.8 million) from the underlying managers than we had originally projected.

In 2010 KBC was repaid approximately $30 million. We began the year 2010 with the leverage facility equalling $93.3 million and capital equalling $128.1 million (0.73 to 1) for a total fund AUM of $221.4 million and ended 2010 with the leverage facility equalling $63.2 million and capital equalling $83.4 million (0.76 to 1) for a total fund AUM of $146.6 million.

Stillwater Capital
March 2011

INVESTMENT MANAGER'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2010
ASCENSION CLOSED END

Ascension Closed End aims to achieve long term capital appreciation through compound growth. Ascension Closed End invests its assets into the Class D sterling shares of the Winton Futures Fund. During the period the Ascension Closed End Institutional Shares returned +14.39%.

Winton Capital Management's (Winton) investment objective is to deliver long term capital appreciation through compound growth. Winton aims to achieve this objective through the use of a diversified trading system that does not rely on favourable conditions in any particular market or on the general appreciation of asset values.

The founding principle of Winton is the belief that robust statistical research provides the richest and most reliable source of information on market behaviour. Consistent with this belief, Winton has invested heavily in research in an ongoing effort to refine, improve and further develop its statistical and mathematical models and trading procedures and methods. Winton's track record has been achieved during several periods of high volatility and some difficult market conditions.

At the end of 2010, Winton has around 200 members of staff, approximately half of which are dedicated to research and development.

Winton Futures Fund Performance ("the Fund"):

The Winton Futures Fund is managed in the same way as the Winton Trading Strategies Fund. The performance numbers for Ascension Closed End are shown below.

Ascension Closed End - Institutional Share Class (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2010 (£)	-2.67	2.42	4.84	1.65	-0.97	1.35	-2.70	4.89	0.86	2.48	-2.07	3.76	14.30

Winton Capital Management
March 2011

INVESTMENT MANAGER'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2010
MATRIX CREDIT OPPORTNITIES CLOSED END

Matrix Credit Opportunities Closed End invests in the sterling institutional class shares of the Matrix Credit Opportunities Fund (the "Master Fund") whose objective is to achieve high returns with moderate volatility, small draw downs and to exhibit low correlation to the broader markets.

Review of Performance

The Institutional Share Class of Matrix Credit Opportunities Closed End returned +4.85% over the twelve month period to 31 Dec 2010. This compares to a return of 4.43% for the EurekaHedge Fund of Funds Index. The annualised return from launch to Dec 2010 was 6.78% with a volatility of 2.31%, the return for UK Gilts 5-15 years was 4.73% and a volatility of 5.01% over the same period. Correlation to the FTSE 100 Dividends reinvested index over this period was 0.29.

Please see the monthly returns for the period 1 Jan 2010 to 31 Dec 2010 below:

Institutional £ Shares net monthly % returns

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2010 (£)	1.53	-0.44	1.20	0.87	-1.20	-0.32	0.51	0.38	0.83	0.79	0.11	0.51	4.85

Master Fund Review

The following table shows the underlying holdings in which the Master Fund was invested during the period.

Allocation by Fund	1 Jan 10 Allocation	31 Dec 10 Allocation	Change	2010 Performance	2010 Contribution
HFR - Lazard Rathmore Fund	3.15%	9.32%	6.17%	19.92%	1.03%
Paulson Credit Opportunities I Fund	10.02%	6.05%	-3.97%	11.07%	0.87%
Finisterre Sovereign Debt Fund	8.84%	7.49%	-1.35%	11.73%	0.75%
Saba Capital Fund Ltd.	0.00%	8.72%	8.72%	8.50%	0.71%
JCAM Global Fund	9.13%	7.51%	-1.62%	7.38%	0.57%
Davidson Kempner International, Ltd	8.91%	0.00%	-8.91%	7.48%	0.52%
Arrowgrass Fund	10.91%	6.44%	-4.47%	4.23%	0.46%
Claren Road Credit Master Fund	11.97%	7.31%	-4.66%	4.50%	0.45%
GLG Emerging Markets Credit Opportunity Fund	7.53%	8.46%	0.93%	5.15%	0.39%
Finisterre Credit Fund	0.00%	7.92%	7.92%	5.46%	0.35%
King Street Capital Ltd	9.18%	4.39%	-4.79%	4.86%	0.29%
Halcyon Partners Offshore Fund	0.00%	8.34%	8.34%	3.72%	0.29%
Waterstone Market Neutral Master Fund Ltd	0.00%	8.33%	8.33%	4.29%	0.28%
Gruss Global Investors	8.91%	5.46%	-3.45%	3.18%	0.27%
Archview Credit Opportunities	0.00%	6.67%	6.67%	3.74%	0.21%
Lazard Rathmore Fund	3.36%	0.00%	-3.36%	2.37%	0.06%
Ionic Capital International Fund	7.30%	0.00%	-7.30%	-3.26%	-0.13%

16 out of 17 funds contributed positively to the performance of the Master Fund, with the exception being Ionic which was redeemed in June 2010.

Funds Added / Removed for the period 1 Jan – 31 Dec 2010

The following funds were added to the portfolio during 2010:

Saba Capital Fund Ltd.
Finisterre Credit Fund
Halcyon Partners Offshore Fund
Waterstone Market Neutral Master Fund Ltd
Archview Credit Opportunities

The following funds were removed from the portfolio during 2010:

Davidson Kempner International, Ltd
Lazard Rathmore Fund
Ionic Capital International Fund

Performance by Strategy and Gross Contribution to the Master Fund for the period 1 Jan - 31 Dec 2010

Allocation by Strategy	1 Jan 10 Allocation	31 Dec 10 Allocation	Change	2010 Contribution
Event Driven - Credit	28.95%	22.29%	-6.66%	1.84%
Emerging Market Credit	16.38%	23.87%	7.50%	1.49%
Convertible Bond Arbitrage	6.51%	17.65%	11.14%	1.38%
Distressed/Restructuring	18.93%	12.12%	-6.81%	1.35%
Fundamental Credit Long/Short	21.15%	11.70%	-9.45%	0.74%
Credit Relative Value	7.30%	8.72%	1.43%	0.58%

Event Driven Credit (+184bps)
Given the massive rally in the credit markets since the lows of 2008, there is little value left to being long only in credit. However, there have been lots of events/special situations for funds to profit from. A typical example would be for the fund to buy a company's debt at a discount to par and then suggest to the company that they should issue new, longer duration debt in order to buy back the outstanding debt issue. This improves the company's shorter term debt profile and the fund benefits because the debt is sold back to the company at a premium from where it was bought.

Emerging Market ("EM") Credit (+149bps)
EM Credit funds were able to benefit from the relative cheapness of EM bonds versus the equivalent credit worthiness in developed markets. This is mainly due to a lack of coverage/understanding of the different behaviour of emerging markets. These funds generally find cheap bonds to buy on the long side, whilst also using a variety of hedges to protect from macro shocks that may occur in these markets.

Convertible Bond ("CB") Arbitrage (+138bps)
CB Arbitrage was one of the hardest hit strategies in 2008, but made a very strong comeback in 2009. This continued in 2010 as the bonds remained 'cheap' to fair value, plus there were bouts of high volatility in the equity markets from which CB funds benefit. We expect 2011 also to be good, especially for those funds with an expertise in identifying special situations within the CB market.

INVESTMENT MANAGER'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2010
MATRIX CREDIT OPPORTNITIES CLOSED END (CONTINUED)

Distressed/Restructuring (+135bps)
The default rate in corporate bonds was expected to be very high in 2010 and therefore this strategy was due to perform well. However, due to the massive amounts of Quantitative Easing and extremely low interest rates, new High Yield bonds were very much in demand. Therefore, many companies which would have a problem repaying debt were able to push the problem down the road and refinance their short term debt. This meant that the 2010 returns for this strategy were below expectations.

Fundamental Credit Long/Short (+74bps)
These funds had an average year and did not return as much as we were hoping. This can be mostly explained by the fact that there was a lack of dispersion within most markets, including credit. Therefore, most credits moved up and down together, whereas for these funds to be very profitable you would see strong credits rise in value and weak credits fall. We have reduced this strategy weighting as we feel that such dispersion may not increase in the credit markets until 2012.

Credit Relative Value (+58bps)
These funds were able to produce good returns in 2010 without taking either market risk or risk at the company level. They trade all parts of the capital structure within the same company and are able to exploit the fact that one part becomes rich or cheap versus another part. We have increased our exposure to this strategy as we believe they will continue to exploit opportunities in 2011.

Further Information
The Board decided to close the Matrix Credit Opportunities Closed End with effect from 30 April 2011. All monies were returned to shareholders in June 2011.

Matrix Money Management Limited
March 2011

INVESTMENT MANAGER'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2010
MATRIX UTOPIA CLOSED END

Matrix Utopia Closed End aims to provide positive returns over a market cycle by investing in a portfolio of Funds of Hedge Funds and Single Manager Hedge Funds. Such returns are expected to be associated with a moderate degree of risk and have a low correlation to broader equity indices.

Review of Performance
The Institutional Sterling Shares of the Matrix Utopia Closed End returned 0.50**%** in 2010. This compares to a return of 4.43% for the EurekaHedge Fund of Fund Index.

Please see the monthly returns for the period 1 Jan 2010 to 31 Dec 2010 below:

Institutional £ Shares net monthly % returns

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2010 (£)	0.04	0.62	0.47	0.74	-1.14	-0.92	-0.28	0.06	0.01	0.48	0.01	0.42	0.50

Performance by Strategy and Gross Contribution to the Class for the period 1 Jan - 31 Dec 2010

	Jan-10	Dec-10		
Allocation by Strategy	**Allocation**	**Allocation**	**Change**	**Contribution**
Event Driven - Credit	57.08%	49.02%	-8.06%	2.06%
Credit Long/Short	14.19%	21.59%	7.39%	0.52%
Macro / Directional	5.34%	5.57%	0.22%	0.48%
Event Driven - Equity	10.00%	11.05%	1.05%	0.30%
Market Neutral	1.82%	5.52%	3.70%	0.05%
Asset Based Lending	7.59%	6.00%	-1.58%	-2.54%

Event Driven Credit (+206bps)
Given the massive rally in the credit markets since the lows of 2008, there is little value left to being long only in credit. However, there have been lots of events/special situations for funds to profit from. A typical example would be for the fund to buy a company's debt at a discount to par and then suggest to the company that they should issue new, longer duration debt in order to buy back the outstanding debt issue. This improves the company's shorter term debt profile and the fund benefits because the debt is sold back to the company at a premium from where it was bought. Convertible Bond Arbitrage was one of the hardest hit strategies in 2008, but made a very strong comeback in 2009. This continued in 2010 as the bonds remained 'cheap' to fair value, plus there were bouts of high volatility in the equity markets from which CB funds benefit. We expect 2011 also to be good, especially for those funds with an expertise in identifying special situations within the CB market.

Fundamental Credit Long/Short (+52bps)
These funds had an average year and did not return as much as we were hoping. This can be mostly explained by the fact that there was a lack of dispersion within most markets, including credit. Therefore, most credits moved up and down together, whereas for these funds to be very profitable you would see strong credits rise in value and weak credits fall.

Macro / Directional (+48bps)
Quantitatively driven macro funds had a difficult first half of 2010 as the markets were volatile but overall directionless. However, the second half proved to be much better and they were able to benefit from the move in equities and commodities, both of which rallied strongly from July onwards.

Fundamental macro funds were close to flat in 2010. The risk on, risk off episodes combined with high correlation amongst asset classes and the actions of central banks, all contributed to a poor 2010. Our positive view on commodities going into 2010 contributed to positive performance and we maintain that view for 2011. The funds we own take long and short positions in different commodities based on their analysis of the forward demand/supply conditions. Most of the positive returns in 2010 were generated from long positions in energy, precious metals and agricultural commodities.

Event Driven Equity (+30bps)
Merger volumes were lower than expected in 2010, many company CEOs delayed any strategic plans in the wake of the volatility surrounding Greece. Most merger arbitrage deals are profitable for the funds in this space, but they do require there to be a healthy deal flow to make above average returns. So whilst they did make profits in 2010, the level was below our expectations. Market participants expect deal volumes to increase in 2011, however if market volatility is high due to macro events, it could continue to be below targets.

Market Neutral (+5bps)
Due to the high correlation amongst stocks, these funds were not really able to benefit from being long a basket of cheap stocks versus being short expensive stocks, as most stocks either went up together in a risk on mode, or down together in a risk off environment. Dispersion did increase on the last 3 months of the year and so funds were able to eke out small gains for the year as a whole. Although there were isolated periods of high volatility during 2010 (which benefits market neutral funds), volatility actually declined during the year, the VIX Index for example started the year at 21% but ended lower at 17%.

Asset Based Lending (-254bps)
The negative returns for Asset Based Lending were due to the negative returns of the underlying funds in the Stillwater Matrix Fund. These were largely caused by managers writing down the value of their collateral as well as the rise in the number of borrowers either defaulting or being late on paying the interest payments on their loans. Almost all underlying funds are in liquidation and managers are deeply involved in every loan and asset. They are not doing any lending at all. Instead, they are focused on foreclosures, asset management and sales. Liquidity continued to be a problem in 2010, although progress was made on repaying the Stillwater Matrix's leverage facility to KBC. Managers may have historically been able to sell performing loans at par or greater in order to meet their redemptions, but now the market, where it exists at all, is only searching for a discount of original value. Virtually all underlying funds have applied gates and suspensions of redemptions while they try to generate cash from loans that are being repaid to meet their redemption requests.

Outlook for 2011
The recent data flow during indicates that we have entered a period of robust and broad-based global growth. The growth picture for later this year, however, is becoming more uncertain. Firstly, the terrible tsunami and subsequent events in Japan have caused volatility to spike across all markets. Secondly, the significant increases in oil prices will negatively impact growth if they continue to rise. Finally, the planned rate hikes by the ECB will put further pressures on peripheral European countries. Although the Fund has minimal exposure to Japanese equity markets, the subsequent risks to the global recovery are bound to have knock on effects. We have always been careful to select funds which have extensive hedges in place and stringent risk management controls and therefore we are expecting any losses to be acceptable given the magnitude of the market moves.

In the near term, beyond the news flowing out of the Middle East, North Africa and Japan there are other events to watch closely. In the U.S., the Fed is about to conclude its QE2 program during the second quarter. The supply of treasury issuance to the market will increase sharply after the program. Combining that with rising headline inflation and continued European Sovereign debt concerns in the next few months, we think there is a high probability of a steepening sell-off in the treasury markets, and further volatility in commodity and equity markets.

We believe that recent global events will remind investors about the benefits of portfolio diversification and the need for investments that offer protective qualities. As such we continue to focus on investing in well balanced portfolios that have a high degree of risk management.

Matrix Money Management Limited
March 2011

pwc

Independent Auditors' Report

To the Shareholders and Board of Directors of

Matrix Structured Products Limited

We were engaged to audit the accompanying financial statements of Matrix Structured Products Limited (the "Company"), which comprise the Statement of Net Assets Attributable to Redeemable Participating Shareholders, and the Statement of Operations, Statement of Changes in Net Assets Attributable to Redeemable Participating Shareholder and Statement of Cash Flows for the year then ended, the Schedule of Investments and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with International Standards on Auditing. Because of the matters described in the basis for disclaimer of opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for disclaimer of opinion

The Company comprises a number of sub-funds. Certain of these funds invest in one or more underlying related investment funds ("Investee funds") within Matrix Alternative Investment Strategies Fund Limited ("Matrix Alternative"). The auditors of Matrix Alternative have issued a disclaimer of opinion on the financial statements of Matrix Alternative for the year ended 31 December 2010. This disclaimer of opinion on the financial statements of Matrix Alternative results from a disclaimed opinion being issued by the auditors of an investment fund into which a sub-fund of Matrix Alternative invests.

The auditors of Stillwater Matrix Segregated Portfolio Fund ("Stillwater") (a sub-fund of The Stillwater Market Neutral Fund III, SPC), which is the sole Investee Fund of the Matrix Alternative – Matrix Asset Based 2 Fund have issued a disclaimer of opinion on the 31 December 2010 financial statements of Stillwater. Matrix Alternative's investment in Stillwater, through Matrix Asset Based 2 Fund, amounted to $68,220,262, approximately 24% of the Matrix Alternative's net assets value. The disclaimer was due to the following reasons:

- Inability to obtain sufficient appropriate audit evidence in relation to $103,939,312 of the fair value of the investment in an option held as at the 31 December 2010, based on a leveraged basket of underlying funds and representing 150.34% of Stillwater's net asset value;

pwc

- Inability to determine the recoverability of receivable balances due from fund managers (receivable balances are with counterparties who have suspended redemptions) of $7,509,871 at the 31 December 2010.
- Uncertainty in relation to the ability of Stillwater to repay leverage of approximately $63,199,631 owing to KBC Investments Cayman Islands V Ltd. Stillwater is presently redeeming investments in order to repay the leverage however, certain of the investment funds in the option basket have either suspended redemptions or have redeemed interests with investments in new vehicles as payment in kind, which raises uncertainty about Stillwater's ability to repay the leverage. The financial statements of Stillwater do not include any adjustments that might result from the outcome of this uncertainty.

The auditors of Stillwater concluded that as they were not able to apply other auditing procedures to satisfy themselves as to the matters described above, the scope of their work was not sufficient to enable them to express an opinion on the financial statements of Stillwater at 31 December 2010.

The auditors of Stillwater also disclaimed their opinion on the financial statements for the year ended 31 December 2009 as a result of a number of matters detailed in that report. As a result of this disclaimer of opinion in the prior year Stillwater financial statements, our audit opinion on the financial statements of the Matrix Alternative was similarly disclaimed for the year ended 31 December 2009.

Disclaimer of opinion on the Company's financial statements

Because of the significance of the matters described in the basis for disclaimer of opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements.

Emphasis of matter – valuation of options

Without qualifying our opinion we draw your attention to note 2 in the financial statements. The Company invests in a number of OTC options whose fair value is determined by the option counterparty, BNP Paribas. Due to the inherent uncertainty of valuation, estimated values may differ from the values that would have been used had a ready market for the OTC options existed and such differences could be material. A similar modification was included in our opinion on the financial statements of the Company for the period ended 31 December 2009.

Emphasis of matter – termination of the Matrix Credit Opportunities Closed End

We draw your attention to Note 15 on page 86 which describes the fact that the Matrix Credit Opportunities Fund Closed End terminated on the 30 April 2011 and accordingly the financial statements for this sub-fund have been prepared on a termination basis. Our opinion is not qualified in this respect.

PricewaterhouseCoopers

PricewaterhouseCoopers
Dublin
27 July 2011

MATRIX ASCENSION PLAN

SCHEDULE OF INVESTMENTS AS AT 31 DECEMBER 2010

Holding	Financial Assets	Fair Value £	% of Net Asset Value
	Call option		
12,391,241	BNP Paribas OP440PN Option 11/07/2011	20,634,468	100.00
	Total Financial Assets at Fair Value Through Profit or Loss	**20,634,468**	**100.00**
	Other Net Assets	-	-
	Total Net Assets	**20,634,468**	**100.00**

SCHEDULE OF INVESTMENTS AS AT 31 DECEMBER 2009

Holding	Financial Assets	Fair Value £	% of Net Asset Value
	Call option		
12,391,241	BNP Paribas OP440PN Option 11/07/2011	18,657,273	100.00
	Total Financial Assets at Fair Value Through Profit or Loss	**18,657,273**	**100.00**
	Other Net Assets	-	-
	Total Net Assets	**18,657,273**	**100.00**

MATRIX ASCENSION PLAN 2

SCHEDULE OF INVESTMENTS AS AT 31 DECEMBER 2010

Holding	Financial Assets	Fair Value £	% of Net Asset Value
	Call option		
8,849,258	BNP Paribas OP480PN Option 28/10/2011	13,348,505	100.00
	Total Financial Assets at Fair Value Through Profit or Loss	**13,348,505**	**100.00**
	Other Net Assets	-	-
	Total Net Assets	**13,348,505**	**100.00**

SCHEDULE OF INVESTMENTS AS AT 31 DECEMBER 2009

Holding	Financial Assets	Fair Value £	% of Net Asset Value
	Call option		
8,849,258	BNP Paribas OP480PN Option 28/10/2011	12,055,349	100.00
	Total Financial Assets at Fair Value Through Profit or Loss	**12,055,349**	**100.00**
	Other Net Assets	-	-
	Total Net Assets	**12,055,349**	**100.00**

MATRIX ASCENSION PLAN 3

SCHEDULE OF INVESTMENTS AS AT 31 DECEMBER 2010

Holding	Financial Assets	Fair Value £	% of Net Asset Value
	Call option		
3,601,140	BNP Paribas SI590 Option 30/09/2011	4,482,167	100.00
	Total Financial Assets at Fair Value Through Profit or Loss	**4,482,167**	**100.00**
	Other Net Assets	-	-
	Total Net Assets	**4,482,167**	**100.00**

MATRIX ASCENSION PLAN 3

SCHEDULE OF INVESTMENTS AS AT 31 DECEMBER 2009

Holding	Financial Assets	Fair Value £	% of Net Asset Value
	Call option		
3,601,140	BNP Paribas SI590 Option 30/09/2011	4,102,944	100.00
	Total Financial Assets at Fair Value Through Profit or Loss	**4,102,944**	**100.00**
	Other Net Assets	-	-
	Total Net Assets	**4,102,944**	**100.00**

MATRIX NEW HORIZON CLOSED END

SCHEDULE OF INVESTMENTS AS AT 31 DECEMBER 2010

Holding	Financial Assets	Fair Value £	% of Net Asset Value
	Matrix Horizon & New Horizon Funds		
	Continuing Holdings:		
421,693	Matrix Horizon Fund – Retail Sterling Shares	453,784	6.31
4,947,861	Matrix New Horizon Fund – Retail Sterling Shares	5,348,142	74.34
	Redeemable Holdings:		
1,182,926	Matrix Horizon Fund – Retail Sterling Shares	1,272,947	17.69
	Total Financial Assets at Fair Value Through Profit or Loss	**7,074,873**	**98.34**
	Other Net Assets	119,235	1.66
	Total Net Assets	**7,194,108**	**100.00**

SCHEDULE OF INVESTMENTS AS AT 31 DECEMBER 2009

Holding	Financial Assets	Fair Value £	% of Net Asset Value
	Matrix Horizon & New Horizon Funds		
	Continuing Holdings:		
2,915,779	Matrix Horizon Fund – Retail Sterling Shares	3,549,378	24.18
6,071,696	Matrix New Horizon Fund – Retail Sterling Shares	6,290,884	42.87
	Redeemable Holdings:		
3,659,782	Matrix Horizon Fund – Retail Sterling Shares	4,455,053	30.36
	Total Financial Assets at Fair Value Through Profit or Loss	**14,295,315**	**97.41**
	Other Net Assets	379,685	2.59
	Total Net Assets	**14,675,000**	**100.00**

MATRIX STRUCTURED PRODUCTS LIMITED

MATRIX EVENT DRIVEN CLOSED END
SCHEDULE OF INVESTMENTS AS AT 31 DECEMBER 2010

Holding	Financial Assets	Fair Value £	% of Net Asset Value
	Matrix Event Driven Fund		
6,260,210	Matrix Event Driven Fund – Sterling Retail Continuation Shares	7,154,167	84.51
212,702	Matrix Event Driven Fund – Sterling Retail Redeeming Shares	226,485	2.68
873,705	Matrix Event Driven Fund – Sterling Sidepocket Shares	803,197	9.49
	Unrealised gain on forward currency contracts	3,471	0.04
	Total Financial Assets at Fair Value Through Profit or Loss	**8,187,320**	**96.72**
	Other Net Assets	277,729	3.28
	Total Net Assets	**8,465,049**	**100.00**

Forward Currency Contracts, Open as at 31 December 2010

Currency Bought	Amount Bought	Currency Sold	Amount Sold	Currency Market Value GBP	Maturity	Unrealised Gain/Loss
GBP	256,853	USD	400,000	255,481	04/01/2011	1,373
GBP	257,637	USD	400,000	255,481	02/02/2011	2,098
						3,471

- The Counterparty for the above Forward Contracts is CACEIS Bank Luxembourg

SCHEDULE OF INVESTMENTS AS AT 31 DECEMBER 2009

Holding	Financial Assets	Fair Value £	% of Net Asset Value
	Matrix Event Driven Fund		
7,328,775	Matrix Event Driven Fund – Sterling Retail Continuation Shares	8,085,105	80.94
615,002	Matrix Event Driven Fund – Sterling Retail Redeeming Shares	616,601	6.17
1,066,289	Matrix Event Driven Fund – Sterling Sidepocket Shares	951,876	9.53
	Unrealised gain on forward currency contracts	17,384	0.18
	Total Financial Assets at Fair Value Through Profit or Loss	**9,670,966**	**96.82**
	Unrealised loss on forward currency contracts	(23,906)	(0.24)
	Total Financial Liabilities at Fair Value Through Profit or Loss	**(23,906)**	**(23,906)**
	Other Net Assets	341,502	3.42
	Total Net Assets	**9,988,562**	**100.00**

Forward Currency Contracts, Open as at 31 December 2009

Currency Bought	Amount Bought	Currency Sold	Amount Sold	Currency Market Value GBP	Maturity	Unrealised Gain/Loss
USD	1,121,642	GBP	677,279	694,562	05/01/2010	17,287
GBP	1,276,499	USD	2,100,000	1,300,397	05/01/2010	(23,906)
GBP	557,500	USD	900,000	557,313	02/02/2010	97
						(6,522)

- The Counterparty for the above Forward Contracts is CACEIS Bank Luxembourg

MATRIX STRUCTURED PRODUCTS LIMITED

MATRIX ASSET BASED 2 CLOSED END

SCHEDULE OF INVESTMENTS AS AT 31 DECEMBER 2010

Holding	Financial Assets	Fair Value £	% of Net Asset Value
	Matrix Asset Based 2 Fund		
41,406,048	Matrix Asset Based 2 Fund - Institutional Sterling Shares	13,514,934	99.65
4,093,319	Matrix Asset Based 2 Fund - Sidepocket Sterling Shares	93,737	0.69
	Total Financial Assets at Fair Value Through Profit or Loss	**13,608,671**	**100.34**
	Other Net Liabilities	(46,473)	(0.34)
	Total Net Assets	**13,562,198**	**100.00**

SCHEDULE OF INVESTMENTS AS AT 31 DECEMBER 2009 (RESTATED)

Holding	Financial Assets	Fair Value £	% of Net Asset Value
	Matrix Asset Based 2 Fund		
41,406,048	Matrix Asset Based 2 Fund - Institutional Sterling Shares	20,992,866	99.53
4,093,319	Matrix Asset Based 2 Fund - Sidepocket Sterling Shares	51,576	0.24
	Total Financial Assets at Fair Value Through Profit or Loss	**21,044,442**	**99.77**
	Other Net Assets	47,156	0.23
	Total Net Assets	**21,091,598**	**100.00**

ASCENSION CLOSED END

SCHEDULE OF INVESTMENTS AS AT 31 DECEMBER 2010

Holding	Financial Assets	Fair Value £	% of Net Asset Value
	Matrix Ascension Closed Fund		
173,996	Winton Futures Fund–Class D	42,387,089	99.92
	Total Financial Assets at Fair Value Through Profit or Loss	**42,387,089**	**99.92**
	Other Net Assets	34,366	0.08
	Total Net Assets	**42,421,455**	**100.00**

SCHEDULE OF INVESTMENTS AS AT 31 DECEMBER 2009

Holding	Financial Assets	Fair Value £	% of Net Asset Value
	Matrix Ascension Closed Fund		
121,861	Winton Futures Fund–Class D	25,937,181	69.10
103,000	Winton Futures Fund–Class D	9,752,223	25.98
10,000	Winton Futures Fund–Class D	948,895	2.53
5,000	Winton Futures Fund–Class D	517,063	1.38
3,000	Winton Futures Fund–Class D	300,000	0.80
	Total Financial Assets at Fair Value Through Profit or Loss	**37,455,362**	**99.79**
	Other Net Assets	80,179	0.21
	Total Net Assets	**37,535,541**	**100.00**

MATRIX CREDIT OPPORTUNITIES CLOSED END
SCHEDULE OF INVESTMENTS AS AT 31 DECEMBER 2010

Holding	Financial Assets	Fair Value £	% of Net Asset Value
	Matrix Credit Opportunities Fund		
4,247,722	Matrix Credit Opportunities Fund – Institutional Sterling Shares	4,771,466	99.14
	Total Financial Assets at Fair Value Through Profit or Loss	**4,771,466**	**99.14**
	Other Net Assets	41,320	0.86
	Total Net Assets	**4,812,786**	**100.00**

SCHEDULE OF INVESTMENTS AS AT 31 DECEMBER 2009

Holding	Financial Assets	Fair Value £	% of Net Asset Value
	Matrix Credit Opportunities Fund		
3,875,907	Matrix Credit Opportunities Fund – Institutional Sterling Shares	4,133,267	98.79
	Total Financial Assets at Fair Value Through Profit or Loss	**4,133,267**	**98.79**
	Other Net Assets	50,590	1.21
	Total Net Assets	**4,183,857**	**100.00**

MATRIX UTOPIA CLOSED END
SCHEDULE OF INVESTMENTS AS AT 31 DECEMBER 2010

Holding	Financial Assets	Fair Value £	% of Net Asset Value
	Matrix Utopia Fund		
5,000	Finisterre Sovereign Debt Fund -Class D1- Series 1	502,296	3.66
3,931	Matrix Asset Based 2 Fund - Institutional Sterling Shares	1,713	0.01
103	Matrix Asset Based 2 Fund - Sidepocket Sterling Shares	3	-
5,971,528	Matrix Credit Opportunities Fund - Institutional Sterling Shares	6,707,818	48.84
38,132	Matrix Event Driven Fund – Redeeming Institutional Sterling Shares	40,893	0.30
157,908	Matrix Event Driven Fund - Sterling Sidepocket Shares	145,165	1.06
54,114	Matrix Structured Product Limited - Ascension Closed End	606,352	4.41
243,309	Matrix Structured Product Limited - Asset Based II Closed End	654,902	4.77
457,968	Matrix Structured Product Limited - Event Driven Closed End	3,938,526	28.68
28,051	Matrix Structured Product Limited – New Horizon Closed Ended Continuing	274,996	2.00
32,104	Matrix Structured Product Limited – New Horizon Closed Ended Redeeming	275,357	2.00
400,000	Matrix UCITS Funds Plc - Lazard Opportunities Institutional Shares	402,800	2.93
	Unrealised gain on forward currency contracts	6,941	0.05
	Total Financial Assets at Fair Value Through Profit or Loss	**13,557,762**	**98.71**
	Other Net Assets	176,899	1.29
	Total Net Assets	**13,734,661**	**100.00**

MATRIX UTOPIA CLOSED END
SCHEDULE OF INVESTMENTS AS AT 31 DECEMBER 2010 (CONTINUED)

Forward Currency Contracts, Open as at 31 December 2010

Currency Bought	Amount Bought	Currency Sold	Amount Sold	Currency Market Value GBP	Maturity	Unrealised Gain/Loss
GBP	513,706	USD	800,000	510,961	04/01/2011	2,745
GBP	515,275	USD	800,000	510,961	02/02/2011	4,196
						6,941

- The Counterparty for the above Forward Contracts is CACEIS Bank Luxembourg

MATRIX UTOPIA CLOSED END
SCHEDULE OF INVESTMENTS AS AT 31 DECEMBER 2009 (RESTATED)

Holding	Financial Assets	Fair Value £	% of Net Asset Value
	Matrix Utopia Fund		
837	Matrix Asset Based 2 Fund - Institutional Sterling Shares	502	0.01
103	Matrix Asset Based 2 Fund - Sidepocket Sterling Shares	19	0.00
1,080,186	Matrix Event Driven Fund - Sterling Retail Shares A	1,191,661	12.58
90,645	Matrix Event Driven Fund - Sterling Retail Shares B	90,881	0.96
157,160	Matrix Event Driven Fund - Sterling Sidepocket Shares	140,297	1.48
359,464	Matrix Credit Opportunities Fund - Institutional Sterling Shares	383,332	4.05
1,907,267	Matrix New Horizon Fund - Retail Sterling Shares	1,976,119	20.86
49,693	Matrix Structured Product Limited - Ascension Closed End	487,137	5.14
199,503	Matrix Structured Product Limited - Asset Based II Closed End	833,357	8.80
406,817	Matrix Structured Product Limited - Event Driven Closed End	3,398,586	35.86
122,912	Matrix Structured Product Limited - Horizon Closed End	1,159,015	12.23
	Total Financial Assets at Fair Value Through Profit or Loss	**9,660,906**	**101.97**
	Other Net Assets	(186,375)	(1.97)
	Total Net Assets	**9,474,531**	**100.00**

MATRIX STRUCTURED PRODUCTS LIMITED

MATRIX ASCENSION PLAN
SCHEDULE OF PORTFOLIO CHANGES
FOR THE PERIOD ENDED 31 DECEMBER 2010
(UNAUDITED)

Financial Assets	No of Shares Purchased	No of Shares Sold
BNP Paribas OP440PN Option 30/06/2011	-	-

MATRIX ASCENSION PLAN 2
SCHEDULE OF PORTFOLIO CHANGES
FOR THE PERIOD ENDED 31 DECEMBER 2010
(UNAUDITED)

Financial Assets	No of Shares Purchased	No of Shares Sold
BNP Paribas OP480PN Option 08/11/2011	-	-

MATRIX ASCENSION PLAN 3
SCHEDULE OF PORTFOLIO CHANGES
FOR THE PERIOD ENDED 31 DECEMBER 2010
(UNAUDITED)

Financial Assets	No of Shares Purchased	No of Shares Sold
BNP Paribas SI590 Option 30/09/2011	-	-

MATRIX NEW HORIZON CLOSED END
SCHEDULE OF PORTFOLIO CHANGES
FOR THE PERIOD ENDED 31 DECEMBER 2010
(UNAUDITED)

Financial Assets	No of Shares Purchased	No of Shares Sold
Matrix Horizon Fund – Retail Sterling Shares	298,835	5,269,777
Matrix New Horizon Fund – Retail Sterling Shares	2,614,784	3,738,619

MATRIX EVENT DRIVEN CLOSED END
SCHEDULE OF PORTFOLIO CHANGES
FOR THE PERIOD ENDED 31 DECEMBER 2010
(UNAUDITED)

Financial Assets	No of Shares Purchased	No of Shares Sold
Matrix Event Driven Fund – Sterling Retail Shares A	311,214	1,379,779
Matrix Event Driven Fund – Sterling Retail Shares B	2	402,302
Matrix Event Driven Fund – Sterling Sidepocket Shares	-	192,584

MATRIX ASSET BASED 2 CLOSED ENDED
SCHEDULE OF PORTFOLIO CHANGES
FOR THE PERIOD ENDED 31 DECEMBER 2010
(UNAUDITED)

Financial Assets	No of Shares Purchased	No of Shares Sold
Matrix Asset Based 2 Fund - Institutional Sterling Shares	-	-
Matrix Asset Based 2 Fund - Sidepocket Sterling Shares	-	-

ASCENSION CLOSED END
SCHEDULE OF PORTFOLIO CHANGES
FOR THE PERIOD ENDED 31 DECEMBER 2010
(UNAUDITED)

Financial Assets	**No of Shares Purchased**	**No of Shares Sold**
Ascension Closed Fund – Winton Futures Fund – Class D	54,179	2,044
Ascension Closed Fund – Winton Futures Fund – Class D	-	103,000
Ascension Closed Fund – Winton Futures Fund – Class D	-	10,000
Ascension Closed Fund – Winton Futures Fund – Class D	-	5,000
Ascension Closed Fund – Winton Futures Fund – Class D	-	3,000

MATRIX CREDIT OPPORTUNITIES CLOSED END
SCHEDULE OF PORTFOLIO CHANGES
FOR THE PERIOD ENDED 31 DECEMBER 2010
(UNAUDITED)

Financial Assets	**No of Shares Purchased**	**No of Shares Sold**
Matrix Credit Opportunities Fund – Institutional Sterling Shares	371,815	-

MATRIX UTOPIA CLOSED END
SCHEDULE OF PORTFOLIO CHANGES
FOR THE PERIOD ENDED 31 DECEMBER 2010
(UNAUDITED)

Financial Assets	**No of Shares Purchased**	**No of Shares Sold**
Finisterre Sovereign Dedt Fund -D1-	5,000	-
Matrix Asset Based 2 Fund - Institutional Sterling Shares	3,094	-
Matrix Asset Based 2 Fund - Sidepocket Sterling Shares	-	-
Matrix Credit Opportunities Fund - Institutional Sterling Shares	5,971,528	-
Matrix Event Driven Fund - Sterling Institutional Shares B	90,342	52,210
Matrix Event Driven Fund - Sterling Retail Shares A	-	1,080,186
Matrix Event Driven Fund - Sterling Retail Shares B	-	90,645
Matrix Event Driven Fund - Sterling Sidepocket Shares	748	-
Matrix New Horizon Fund – Retail Sterling Shares	-	1,907,267
Matrix Structured Product Limited - Ascension Closed End	4,421	-
Matrix Structured Product Limited - Asset Based II Closed End	43,806	-
Matrix Structured Product Limited - Event Driven Closed End	51,151	-
Matrix Structured Product Limited - Horizon Closed Ended Continuing	28,051	-
Matrix Structured Product Limited - Horizon Closed Ended Redeeming	-	90,808
Matrix UCITS Funds Plc - Lazard Opportunities Institutional Shares	400,000	-

MATRIX STRUCTURED PRODUCTS LIMITED

STATEMENT OF NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING ORDINARY SHAREHOLDERS AS AT 31 DECEMBER 2010

	Note	Matrix Ascension Plan 31 December 2010 £	Matrix Ascension Plan 31 December 2009 £	Matrix Ascension Plan 2 31 December 2010 £	Matrix Ascension Plan 2 31 December 2009 £	Matrix Ascension Plan 3 31 December 2010 £	Matrix Ascension Plan 3 31 December 2009 £	Matrix New Horizon Closed End 31 December 2010 £	Matrix New Horizon Closed End 31 December 2009 £
Assets									
Bank balance		-	-	-	-	-	-	102,221	1,129,486
Financial assets at fair value through profit or loss		20,634,468	18,657,273	13,348,505	12,055,349	4,482,167	4,102,944	7,074,873	14,295,315
Receivable for securities sold		-	-	-	-	-	-	59,269	1,804,244
Other assets		-	-	-	-	-	-	4,516	9,316
Total Assets		20,634,468	18,657,273	13,348,505	12,055,349	4,482,167	4,102,944	7,240,879	17,238,361
Liabilities									
Redemptions payable		-	-	-	-	-	-	16,793	2,542,764
Accrued expenses		-	-	-	-	-	-	26,586	20,597
Other payables		-	-	-	-	-	-	3,392	-
Liabilities (Excluding Net Assets Attributable to Holders of Redeemable Participating Ordinary Shares)		-	-	-	-	-	-	46,771	2,563,361
Net Assets Attributable to Holders of Redeemable Participating Ordinary Shares		20,634,468	18,657,273	13,348,505	12,055,349	4,482,167	4,102,944	7,194,108	14,675,000
Ordinary Shares in issue (Retail Class)		12,907,543	12,907,543	9,217,977	9,217,977	3,601,140	3,601,140	596,843	1,058,382
Net asset value per share (Retail Class)		1.60	1.45	1.45	1.31	1.24	1.14	9.77	9.54
Ordinary Shares in issue (Redeeming Retail Class)								164,396	485,312
Net asset value per share (Redeeming Retail Class)								8.28	9.43

Signed on behalf of Board of Directors

Jennifer Parker

Director
27 July 2011

Director
Date: 27 July 2011

The notes on pages 62 to 86 form part of these Financial Statements.

MATRIX STRUCTURED PRODUCTS LIMITED

STATEMENT OF NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING ORDINARY SHAREHOLDERS AS AT 31 DECEMBER 2010

	Note	Matrix Event Driven Closed End 31 December 2010 £	Matrix Event Driven Closed End 31 December 2009 £	Matrix Asset Based 2 Closed End 31 December 2010 £	Matrix Asset Based 2 Closed End (Restated) 31 December 2009 £	Matrix Ascension Closed End 31 December 2010 £	Matrix Ascension Closed End 31 December 2009 £	Matrix Conservative Approach Strategy Closed End 31 December 2009* £
Assets								
Bank balance		294,462	659,589	29,314	79,706	164,082	846,242	11,921
Financial assets at fair value through profit or loss		8,187,320	9,670,966	13,608,671	21,044,442	42,387,089	37,455,362	-
Other assets		773	2,714	3,604	5,047	4,234	7,208	-
Total Assets		8,482,555	10,333,269	13,641,589	21,129,195	42,555,405	38,308,812	11,921
Liabilities								
Financial liabilities at fair value through profit or loss		-	23,906	-	-	-	-	-
Subscriptions received in advance		-	-	-	-	104,810	-	-
Redemptions payable		-	309,846	-	-	-	739,886	-
Accrued expenses		15,387	10,955	79,391	37,597	29,140	33,385	11,921
Other payable		2,119	-	-	-	-	-	-
Liabilities (Excluding Net Assets Attributable to Holders of Redeemable Participating Ordinary Shares)		17,506	344,707	79,391	37,597	133,950	773,271	11,921
Net Assets Attributable to Holders of Redeemable Participating Ordinary Shares		8,465,049	9,988,562	13,562,198	21,091,598	42,421,455	37,535,541	-
Ordinary Shares in issue (Retail Class)		979,719	1,195,654	2,501,240	2,530,512	540,319	559,549	-
Net asset value per share (Retail Class)		8.64	8.35	2.84	4.43	11.43	10.10	-
Ordinary Shares in issue (Institutional Class)				2,397,814	2,366,832	3,234,693	3,252,372	-
Net asset value per share (Institutional Class)				2.69	4.18	11.21	9.80	-

* The Fund ceased operations on 30 April 2009.

The notes on pages 62 to 86 form part of these Financial Statements

MATRIX STRUCTURED PRODUCTS LIMITED

STATEMENT OF NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING ORDINARY SHAREHOLDERS
AS AT 31 DECEMBER 2010

	Matrix Credit Opportunities Closed End 31 December 2010 £	Matrix Credit Opportunities Closed End 31 December 2009* £	Matrix Utopia Closed End 31 December 2010 £	Matrix Utopia Closed End (Restated) 31 December 2009** £	Matrix Structured Products Limited 31 December 2010 £	Matrix Structured Products Limited 31 December 2009 £
Assets						
Bank balance	54,229	56,590	531,464	227,721	1,175,772	3,011,255
Financial assets at fair value through profit or loss	4,771,466	4,133,267	13,557,762	9,660,906	122,302,187	125,197,729
Receivable for securities sold	-	-	-	85,261	59,269	1,889,505
Other assets	2,013	1,679	4,158	4,248	19,298	30,212
Total Assets	4,827,708	4,191,536	14,093,384	9,978,136	123,556,526	130,128,701
Liabilities						
Financial liabilities at fair value through profit or loss	-	-	-	-	-	23,906
Subscriptions received in advance	-	-	67,712	499,443	172,522	499,443
Redemptions payable	-	-	275,205	-	291,998	3,592,496
Accrued expenses	14,922	7,679	11,569	4,162	176,995	126,296
Other payables	-	-	4,237	-	9,748	-
Liabilities (Excluding Net Assets Attributable to Holders of Redeemable Participating Ordinary Shares)	14,922	7,679	358,723	503,605	651,263	4,242,141
Net Assets Attributable to Holders of Redeemable Participating Ordinary Shares	4,812,786	4,183,857	13,734,661	9,474,531	122,905,263	125,886,560
Ordinary Shares in issue (Retail Class)	-	-	1,405,074	977,117		
Net asset value per share (Retail Class)	-	-	9.78	9.70		
Ordinary Shares in issue (Institutional Class)	431,423	393,239	-	-		
Net asset value per share (Institutional Class)	11.16	10.64	-	-		

* The Fund commenced operations on 1 May 2009.
** The Fund commenced operations on 1 October 2009.

The notes on pages 62 to 86 form part of these Financial Statements

MATRIX STRUCTURED PRODUCTS LIMITED

STATEMENT OF OPERATIONS
FOR THE YEAR ENDED 31 DECEMBER 2010

	Matrix Ascension Plan 31 December 2010 £	Matrix Ascension Plan 31 December 2009 £	Matrix Ascension Plan 2 31 December 2010 £	Matrix Ascension Plan 2 31 December 2009 £	Matrix Ascension Plan 3 31 December 2010 £	Matrix Ascension Plan 3 31 December 2009 £	Matrix New Horizon Closed End 31 December 2010 £	Matrix New Horizon Closed End 31 December 2009 £
Income								
Interest Income	-	-	-	-	-	-	7	31,488
Expenses								
Listing	-	-	-	-	-	-	(511)	(1,687)
Bank charges	-	-	-	-	-	-	-	(688)
Organisational costs	-	-	-	-	-	-	(3,388)	(4,235)
Custody fees	-	-	-	-	-	-	(4,024)	(5,477)
Directors fees	-	-	-	-	-	-	(2,996)	(681)
Audit fees	-	-	-	-	-	-	(11,555)	(4,425)
Management fees	-	-	-	-	-	-	-	-
Administration fees	-	-	-	-	-	-	(7,008)	(35,826)
Other fees	-	-	-	-	-	-	(14,059)	(8,669)
Total expenses	-	-	-	-	-	-	(43,541)	(61,688)
Net gain/(loss) on financial assets at fair value through profit and loss	1,977,195	1,106,319	1,293,156	687,593	379,223	202,189	92,754	(2,136,067)
Increase/(decrease) in Net Assets from Operations Attributable to Holders of Redeemable Participating Ordinary Shares	1,977,195	1,106,319	1,293,156	687,593	379,223	202,189	49,220	(2,166,267)

Signed on behalf of Board of Directors

Jennifer Parker

Director
27 July 2011

Director
Date: 27 July 2011

The notes on pages 62 to 86 form part of these Financial Statements

MATRIX STRUCTURED PRODUCTS LIMITED

STATEMENT OF OPERATIONS
FOR THE YEAR ENDED 31 DECEMBER 2010

	Matrix Event Driven Closed Fund 31 December 2010 £	Matrix Event Driven Closed Fund 31 December 2009 £	Matrix Asset Based 2 Closed Fund 31 December 2010 £	Matrix Asset Based 2 Closed Fund (Restated) 31 December 2009 £	Matrix Ascension Closed End 31 December 2010 £	Matrix Ascension Closed End 31 December 2009 £	Matrix Conservative Approach Strategy Closed End 31 December 2009* £
Income							
Interest Income	171	18,692	-	31,040	1,174	1,916	228
Expenses							
Listing	(100)	(1,525)	(883)	(1,275)	(1,100)	(1,400)	(976)
Bank charges	-	(105)	-	(1,566)	(4)	(290)	-
Organisational costs	(1,293)	(1,617)	(1,016)	(1,738)	(2,100)	(2,625)	(1,881)
Custody fees	(2,213)	(2,077)	(2,287)	(4,164)	(7,372)	(6,489)	(478)
Directors fees	(1,968)	(2,279)	(2,894)	(4,060)	(7,391)	(3,771)	-
Audit fees	(5,778)	(4,205)	(5,778)	(5,510)	(5,778)	(10,401)	(7,340)
Management fees	-	-	(46,150)	(104,619)	(57,227)	(56,068)	-
Administration fees	(10,150)	(16,180)	(25,381)	(60,485)	(44,569)	(52,939)	(1,961)
Other fees	(7,742)	(8,844)	(9,038)	(13,244)	(12,377)	(13,590)	(9,429)
Total expenses	(29,244)	(36,832)	(93,427)	(196,661)	(137,918)	(147,573)	(22,065)
Net gain/(loss) on financial assets at fair value through profit and loss	322,533	(1,354,092)	(7,435,973)	(29,296,045)	5,440,390	(251,220)	(260,303)
Increase/(decrease) in Net Assets from Operations Attributable to Holders of Redeemable Participating Ordinary Shares	293,460	(1,372,232)	(7,529,400)	(29,461,666)	5,303,646	(396,877)	(282,140)

* The Fund ceased operations on 30 April 2009.

The notes on pages 62 to 86 form part of these Financial Statements

MATRIX STRUCTURED PRODUCTS LIMITED

STATEMENT OF OPERATIONS
FOR THE YEAR ENDED 31 DECEMBER 2010

	Matrix Credit Opportunities Closed Fund	Matrix Credit Opportunities Closed Fund	Matrix Utopia Closed End Fund	Matrix Utopia Closed End Fund (Restated)	Matrix Structured Products Limited	Matrix Structured Products Limited
	31 December 2010	31 December 2009*	31 December 2010	31 December 2009**	31 December 2010	31 December 2009
	£	£	£	£	£	£
Income						
Interest Income	-	1,413	-	-	1,352	84,777
Expenses						
Listing	(330)	(589)	-	(81)	(2,924)	(7,533)
Bank charges	-	-	-	(5)	(4)	(2,654)
Organisational costs	-	(2,000)	(636)	(750)	(8,433)	(14,846)
Custody fees	(584)	(533)	(4,661)	(230)	(21,141)	(19,448)
Directors fees	(960)	(301)	(2,033)	(137)	(18,242)	(11,229)
Audit fees	(5,789)	(5,972)	(5,779)	(1,574)	(40,457)	(39,427)
Management fees	-	-	-	-	(103,377)	(160,687)
Administration fees	(4,715)	(2,753)	(12,864)	(2,346)	(104,687)	(172,490)
Other fees	(6,356)	(9,211)	(8,236)	(101)	(57,808)	(63,088)
Total expenses	(18,734)	(21,359)	(34,209)	(5,224)	(357,073)	(491,402)
Net gain/(loss) on financial assets at fair value through profit and loss	228,405	271,045	57,383	(280,102)	2,574,351	(31,091,727)
Increase/(decrease) in Net Assets from Operations Attributable to Holders of Redeemable Participating Ordinary Shares	209,671	251,099	23,174	(285,326)	2,218,630	(31,498,352)

* For the period 1 May 2009 (Date of Commencement of Operations) to 31 December 2009.
** For the period 1 October 2009 (Date of Commencement of Operations) to 31 December 2009.

The notes on pages 62 to 86 form part of these Financial Statements

MATRIX STRUCTURED PRODUCTS LIMITED

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING ORDINARY SHAREHOLDERS FOR THE YEAR ENDED 31 DECEMBER 2010

	Matrix Ascension Plan	Matrix Ascension Plan	Matrix Ascension Plan 2	Matrix Ascension Plan 2	Matrix Ascension Plan 3	Matrix Ascension Plan 3	Matrix New Horizon Closed End	Matrix New Horizon Closed End
	31 December 2010 £	31 December 2009 £	31 December 2010 £	31 December 2009 £	31 December 2010 £	31 December 2009 £	31 December 2010 £	31 December 2009 £
Net assets at start of period	18,657,273	17,550,954	12,055,349	11,367,756	4,102,944	3,900,755	14,675,000	27,607,656
Increase / (decrease) in net assets as a result of operations	1,977,195	1,106,319	1,293,156	687,593	379,223	202,189	49,220	(2,166,267)
Proceeds on the Issue of Shares	-	-	-	-	-	-	3,608,019	15,385,860
Payments on the Redemption of Shares	-	-	-	-	-	-	(11,138,131)	(26,152,249)
Net Assets Attributable to Holders of Redeemable Participating Ordinary Shares	20,634,468	18,657,273	13,348,505	12,055,349	4,482,167	4,102,944	7,194,108	14,675,000

The notes on pages 62 to 86 form part of these Financial Statements

MATRIX STRUCTURED PRODUCTS LIMITED

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING ORDINARY SHAREHOLDERS FOR THE YEAR ENDED 31 DECEMBER 2010

	Matrix Event Driven Closed Fund	Matrix Event Driven Closed Fund	Matrix Asset Based 2 Closed Fund	Matrix Asset Based 2 Closed Fund (Restated)	Matrix Ascension Closed End	Matrix Ascension Closed End	Matrix Conservative Approach Strategy Closed End
	31 December 2010 £	31 December 2009 £	31 December 2010 £	31 December 2009 £	31 December 2010 £	31 December 2009 £	31 December 2009* £
Net assets at start of period	9,988,562	13,083,910	21,091,598	41,156,620	37,535,541	9,999,699	3,437,291
Increase / (decrease) in net assets as a result of operations	293,460	(1,372,232)	(7,529,400)	(29,461,666)	5,303,646	(396,877)	(282,140)
Proceeds on the Issue of Shares	-	1,052,870	152,009	13,947,847	5,075,949	37,168,771	-
Payments on the Redemption of Shares	(1,816,973)	(2,775,986)	(152,009)	(4,551,203)	(5,493,681)	(9,236,052)	(3,155,151)
Net Assets Attributable to Holders of Redeemable Participating Ordinary Shares	8,465,049	9,988,562	13,562,198	21,091,598	42,421,455	37,535,541	-

* The Fund ceased operations on 30 April 2009.

The notes on pages 62 to 86 form part of these Financial Statements

MATRIX STRUCTURED PRODUCTS LIMITED

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO REDEEMABLE PARTICIPATING ORDINARY SHAREHOLDERS FOR THE YEAR ENDED 31 DECEMBER 2010

	Matrix Credit Opportunities Closed Fund	Matrix Credit Opportunities Closed Fund	Matrix Utopia Closed End Fund	Matrix Utopia Closed End Fund (Restated)	Matrix Structured Products Limited	Matrix Structured Products Limited
	31 December 2010 £	31 December 2009* £	31 December 2010 £	31 December 2009** £	31 December 2010 £	31 December 2009 £
Net assets at start of period	4,183,857	-	9,474,531	-	125,886,560	128,104,641
Increase / (decrease) in net assets as a result of operations	209,671	251,099	23,174	(285,326)	2,218,630	(31,498,352)
Proceeds on the Issue of Shares	451,750	3,932,758	4,236,956	10,557,384	12,570,128	69,283,348
Payments on the Redemption of Shares	(32,492)	-	-	(797,527)	(17,770,055)	(40,003,077)
Net Assets Attributable to Holders of Redeemable Participating Ordinary Shares	4,812,786	4,183,857	13,734,661	9,474,531	122,905,263	125,886,560

* For the period 1 May 2009 (Date of Commencement of Operations) to 31 December 2009.
** For the period 1 October 2009 (Date of Commencement of Operations) to 31 December 2009.

The notes on pages 62 to 86 form part of these Financial Statements

MATRIX STRUCTURED PRODUCTS LIMITED

STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 DECEMBER 2010

	Matrix Ascension Plan 31 December 2010 £	Matrix Ascension Plan 31 December 2009 £	Matrix Ascension Plan 2 31 December 2010 £	Matrix Ascension Plan 2 31 December 2009 £	Matrix Ascension Plan 3 31 December 2010 £	Matrix Ascension Plan 3 31 December 2009 £	Matrix New Horizon Closed End 31 December 2010 £	Matrix New Horizon Closed End 31 December 2009 £
Cash Flows From Operating Activities								
Net Sale/(Purchases) of financial assets	-	-	-	-	-	-	9,058,171	9,282,709
Net payment to expenses	-	-	-	-	-	-	(32,753)	(57,657)
Net Increase in other payables/receivables	-	-	-	-	-	-	3,392	-
Bank interest received	-	-	-	-	-	-	7	31,488
Net Cash Outflows From Operating Activities	-	-	-	-	-	-	9,028,817	9,256,540
Cash Flows From Financing Activities								
Proceeds received from redeemable participating ordinary shares Issued	-	-	-	-	-	-	3,687,950	14,633,082
Payments made from redeemable participating ordinary shares Redeemed	-	-	-	-	-	-	(13,744,032)	(23,529,556)
Net Cash Inflows From Financing Activities	-	-	-	-	-	-	(10,056,082)	(8,896,474)
Net Increase/(Decrease) In Cash And Cash Equivalents	-	-	-	-	-	-	(1,027,265)	360,066
Cash and cash equivalents at the beginning of the year	-	-	-	-	-	-	1,129,486	769,420
Cash and cash equivalents at the end of the year	-	-	-	-	-	-	102,221	1,129,486

The notes on pages 62 to 86 form part of these Financial Statements

MATRIX STRUCTURED PRODUCTS LIMITED

STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 DECEMBER 2010

	Matrix Event Driven Closed Fund	Matrix Event Driven Closed Fund	Matrix Asset Based 2 Closed Fund	Matrix Asset Based 2 Closed Fund (Restated)	Matrix Ascension Closed End	Matrix Ascension Closed End	Matrix Conservative Approach Strategy Closed End
	31 December 2010	31 December 2009	31 December 2010	31 December 2009	31 December 2010	31 December 2009	31 December 2009*
	£	£	£	£	£	£	£
Cash Flows From Operating Activities							
Net Sale/(Purchases) of financial assets	1,782,273	2,069,829	(202)	(9,169,139)	508,663	(26,449,070)	3,149,996
Net payment to expenses	(22,871)	(39,844)	(50,190)	(205,774)	(139,188)	(115,297)	(9,362)
Net Increase in other payables/receivables	2,119	-	-	-	-	-	-
Bank interest received	170	18,692	-	31,040	1,174	1,916	228
Net Cash Outflows From Operating Activities	1,761,691	2,048,677	(50,392)	(9,343,873)	370,649	(26,562,451)	3,140,862
Cash Flows From Financing Activities							
Proceeds received from redeemable participating ordinary shares Issued	-	686,279	152,009	13,854,847	5,180,759	35,873,507	-
Payments made from redeemable participating ordinary shares Redeemed	(2,126,818)	(2,466,140)	(152,009)	(4,551,203)	(6,233,568)	(8,496,166)	(3,155,151)
Net Cash Inflows From Financing Activities	(2,126,818)	(1,779,861)	-	9,303,644	(1,052,809)	27,377,341	(3,155,151)
Net Increase/(Decrease) In Cash And Cash Equivalents	(365,127)	268,816	(50,392)	(40,229)	(682,160)	814,890	(14,289)
Cash and cash equivalents at the beginning of the year	659,589	390,773	79,706	119,935	846,242	31,352	26,210
Cash and cash equivalents at the end of the year	294,462	659,589	29,314	79,706	164,082	846,242	11,921

* The Fund ceased operations on 30 April 2009.

The notes on pages 62 to 86 form part of these Financial Statements

MATRIX STRUCTURED PRODUCTS LIMITED

STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 DECEMBER 2010

	Matrix Credit Opportunities Closed Fund 31 December 2010 £	Matrix Credit Opportunities Closed Fund 31 December 2009* £	Matrix Utopia Closed End Fund 31 December 2010 £	Matrix Utopia Closed End Fund (Restated) 31 December 2009** £	Matrix Structured Products Limited 31 December 2010 £	Matrix Structured Products Limited 31 December 2009 £
Cash Flows From Operating Activities						
Net Sale/(Purchases) of financial assets	(409,794)	(3,862,222)	(3,839,473)	(10,026,269)	7,099,638	(35,004,168)
Net payment to expenses	(11,825)	(15,360)	(26,713)	(5,310)	(283,540)	(448,604)
Net Increase in other payables/receivables	-	-	89,498	-	83,088	-
Bank interest received	-	1,413	-	-	1,351	84,777
Net Cash Outflows From Operating Activities	(421,619)	(3,876,169)	(3,776,688)	(10,031,579)	6,900,537	(35,367,995)
Cash Flows From Financing Activities						
Proceeds received from redeemable participating ordinary shares Issued	451,750	3,932,759	3,805,226	11,056,827	13,277,694	80,777,189
Payments made from redeemable participating ordinary shares Redeemed	(32,492)	-	275,205	(797,527)	(22,013,714)	(43,735,629)
Net Cash Inflows From Financing Activities	419,258	3,932,759	4,080,431	10,259,300	(8,736,020)	37,041,560
Net Increase/(Decrease) In Cash And Cash Equivalents	(2,361)	56,590	303,743	227,721	(1,835,483)	1,673,565
Cash and cash equivalents at the beginning of the year	56,590	-	227,721	-	3,011,255	1,337,690
Cash and cash equivalents at the end of the year	54,229	56,590	531,464	227,721	1,175,772	3,011,255

* For the period 1 May 2009 (Date of Commencement of Operations) to 31 December 2009.
** For the period 1 October 2009 (Date of Commencement of Operations) to 31 December 2009.

The notes on pages 62 to 86 form part of these Financial Statements

1. General

The Company was incorporated with limited liability in Bermuda on 20 April 2004 as a closed-ended investment company under The Companies Act 1981 and is registered as a segregated accounts company under The Segregated Accounts Companies Act 2000 ("SAC Act"), with registered number EC#35209.

The provisions of the SAC Act allow the Company to create one or more Funds for the purpose of segregating and protecting the assets within those Funds so that liabilities of the Company attributable to one Fund can only be satisfied out of the assets of that Fund, and holders of shares issued by a particular Fund have no right to the assets of any other Fund.

At the year end the Company had nine Funds in operation (individually referred to as a "Fund", collectively as "Funds"), Matrix Ascension Plan, Matrix Ascension Plan 2, Matrix Ascension Plan 3, Matrix New Horizon Closed End, Matrix Event Driven Closed End, Matrix Asset Based 2 Closed End, Matrix Ascension Closed End, Matrix Credit Opportunities Closed End and Matrix Utopia Closed End.

The objective of the Matrix Ascension Plan and Matrix Ascension Plan 2 is to provide Shareholders with the Investment Return, being an amount not less than 96p per Share (the "Protected Amount"), plus capital growth linked to the performance of the Winton Trading Strategies Fund, (the "Winton Return Amount"). The shares are intended to be held by the shareholders for 7 years and will be redeemed by the Company on the maturity date. The maturity date for Matrix Ascension Plan is 30 June 2011 and Matrix Ascension Plan 2 is 8 November 2011.

The objective of the Matrix Ascension Plan 3 is to provide Shareholders with the Investment Return, being an amount not less than 90p per Share (the "Protected Amount"), plus capital growth linked to the performance of the Winton Trading Strategies Fund, (the "Winton Return Amount"). The Shares are intended to be held by the Shareholders for 5 years and will be redeemed by the Company on the maturity date. The maturity date for Matrix Ascension Plan 3 is 30 September 2011.

At the request of a number of shareholders Matrix New Horizon Closed End launched a redeeming share class on 1 August 2009. From this date there are two share classes; the continuation share class and the redemption share class. Proceeds from the Matrix Horizon Fund will be handled differently for each share class. The continuation share class intends to reinvest such proceeds in the Matrix New Horizon Fund, whilst the redeeming share class will return them to shareholders.

The Matrix New Horizon Fund is managed by Matrix Money Management Limited ("MMM") and invests in a carefully selected portfolio of at least 15 Underlying Funds diversified across different investment styles and strategies, and managed by what the MMM regards as high quality Underlying Fund Managers.

Matrix Event Driven Closed End invests all of its assets (to the extent not retained in cash) in the Retail Sterling Shares and the Sidepocket Sterling Shares of the Matrix Event Driven Fund. The Matrix Event Driven Fund is a Sub Fund of Matrix Alternative Investment Strategies Fund Limited, a mutual fund company incorporated in Bermuda with limited liability under registration number EC#29535.

1. General (continued)

Matrix Event Driven Closed End's investment objective is to provide consistently high returns over a market cycle by investing in a range of absolute return funds that seek to capitalise on the opportunities presented by the global economic environment, the dislocations in the financial markets and specific corporate events. The Investment Manager will seek to identify opportunities in a broad strategy known as "Event Driven". This strategy includes Underlying Managers which are able to capitalise on events which create investment opportunities. The Investment Manager will invest in a focused manner in Underlying Funds which offer a rare and exceptional risk/reward potential and will seek to identify best of breed managers, which meet stringent risk and liquidity tests.

Matrix Asset Based 2 Closed End invests all of its assets (to the extent not retained in cash) in the Institutional Sterling Shares of the Matrix Asset Based 2 Fund. The Matrix Asset Based 2 Fund is a Fund of Matrix Alternative Investment Strategies Fund, a mutual fund company incorporated in Bermuda with limited liability under registration number EC#29535. The investment objective of the Matrix Asset Based 2 Fund is to achieve capital appreciation and consistent returns over the medium term with low correlation to major stock and fixed income market indices by investing in a portfolio of Underlying Funds that employ Asset Backed Investment Strategies. The Matrix Asset Based 2 Fund invests in the Stillwater Matrix Fund. The primary focus of the Stillwater Matrix Fund is to invest the majority of the assets with a number of hedge fund managers that are focused on Asset Backed Investment Strategies. Many of these Underlying Funds will be in the Asset-Based Lending business, originating their own asset backed loans. Some of these Underlying Funds may be in the Asset Based Securities business.

Matrix Ascension Closed End invests all of its assets (to the extent not retained in cash) in the Class D Shares of the Winton Futures Fund. The investment objective of the Winton Futures Fund is to achieve long term capital appreciation through compound growth. This is achieved by pursuing a diversified trading scheme without reliance on favourable conditions in any particular markets, nor does it depend on general appreciation of asset values. The Winton Futures Fund trades a portfolio of more than 100 international futures, options, and forwards markets and certain OTCs, such as swaps, employing a computer based trading system. This system tracks the daily price movements from these markets around the world, and carries out certain computations to determine each day, how long or short the portfolio should be in each.

Matrix Credit Opportunities Closed End invests all of its assets (to the extent not retained in cash) in the Institutional Class Sterling Shares of the Matrix Credit Opportunities Fund. The investment objective of the Matrix Credit Opportunities Fund is to achieve high returns with moderate volatility, small draw downs and to exhibit low correlation to the broader markets.

Matrix Utopia Closed End aims to provide positive returns over a market cycle by investing in a portfolio of Funds of Hedge Funds and Single Manager Funds. Matrix Utopia Closed End invests its assets into a combination of Funds of Hedge Funds which form part of the Fund ranges managed by Matrix (Bermuda) Limited and Matrix Money Management Limited and may additionally invest into a selection of Single Manager Funds chosen by Matrix Money Management Limited to enhance the risk return profile.

2. Principal Accounting Policies

The significant accounting policies adopted by the Company are as follows:

Basis of Preparation

The accompanying Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The Financial Statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss. The option held by the Matrix Ascension Plan, the Matrix Ascension Plan 2 and the Matrix Ascension Plan 3 are due to mature during 2011. The Matrix Credit Opportunities Fund was wound down on 30 April 2011. Accordingly the financial statements for these 4 sub-funds have been prepared on a termination basis of accounting. The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

All references to net assets throughout this document refer to net assets attributable to holders of redeemable participating shares unless otherwise stated.

The Statement of Net Assets Attributable to Redeemable Participating Shareholders presents assets and liabilities in decreasing order of liquidity and does not distinguish between current and non-current items.

The accounting policies adopted are consistent with those of the previous financial period. There were no changes in the accounting policies of the Company during the year.

Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Company:

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been adopted early by the Company.

(i) IAS 27 Consolidated and Separate Financial Statements (Revised 2008) (effective from 1 July 2009)

The revised standard introduces changes to the accounting requirements for the loss of control of a subsidiary and for changes in the Company's interest in subsidiaries. These changes will be applied prospectively in accordance with the transitional provisions and so do not have an immediate effect on the Company's financial statements.

2. Principal Accounting Policies (continued)

Basis of Preparation (continued)

(ii) IFRS 9 Financial Instruments (effective from 1 January 2013)
The IASB aims to replace IAS 39 Financial Instruments: Recognition and Measurement in its entirety by the end of 2010, with the replacement standard to be effective for annual periods beginning 1 January 2013. IFRS 9 is the first part of Phase 1 of this project. The main phases are: Phase 1: Classification and Measurement Phase 2: Impairment methodology Phase 3: Hedge accounting. In addition, a separate project is dealing with derecognition.

The Directors have yet to assess the impact that this amendment is likely to have on the consolidated financial statements of the Company. However, they do not expect to implement the amendments until all chapters of the IAS 39 replacement have been published and they can comprehensively assess the impact of all changes.

The Directors anticipate that all of the applicable pronouncements will be adopted in the Company accounting policies for the first period beginning after the effective date of the pronouncement. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Company's financial statements.

(iii) IAS 24 Related Party Disclosures (Amendment)
The revised standard clarifies the definition of a related party to simplify the identification of such relationships and to eliminate inconsistencies in its application. It also introduced a partial exemption of disclosure requirements for government-related entities. The amendment to IAS 24 is effective for annual periods beginning 1 January 2011 with earlier application permitted. The revised standard has not been early adopted. The Directors are currently reviewing the impact of this standard on the financial statements of the Company.

Annual improvements 2010

The IASB issued Improvements to IFRS in May 2010 and contain numerous changes to IFRS. The amendments have not been adopted as they become effective for annual periods on or after either 1 July 2010 or 1 January 2011. The Directors are currently reviewing the impact of this standard on the financial statements of the Company.

Foreign Currency Translation

(a) Functional and presentation currency
Items included in the Company’s financial statements are measured using the currency of the primary economic environment in which it operates. This is Sterling (“GBP”) for the Matrix Ascension Plan, Matrix Ascension Plan 2, Matrix Ascension Plan 3, Matrix New Horizon Closed End, Matrix Event Driven Closed End, Matrix Asset Based 2 Closed End, Matrix Ascension Closed End, Matrix Credit Opportunitities Closed End and Matrix Utopia Closed End. The Company has adopted GBP as its presentation currency.

2. Principal Accounting Policies (continued)

Foreign Currency Translation (continued)

(b) Transactions and Balances

Transactions in foreign currencies are translated into GBP at the exchange rate ruling at the date of the transaction. Foreign currency assets and liabilities are translated into GBP at the exchange rate ruling at the date of the Statement of Net Assets Attributable to Redeemable Participating Ordinary Shareholders. Gains or losses on foreign exchange transactions are recognised in the Statement of Operations in determining the results for the period.

Cash and Cash Equivalents

Cash and cash equivalents, include cash in hand, deposits held with banks and bank overdrafts. Cash and cash equivalents are valued at their face value with interest accrued, where applicable.

Financial Assets and Liabilities at Fair Value through Profit and Loss

The Company has designated its investments as financial assets and liabilities at fair value through profit or loss category and consequently they are measured at fair value with all changes recognised in the Statement of Operations.

Purchases and sales of investments are recognised on trade date – the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value and are derecognised when the rights to receive cash flows from the investments have expired or the Company has transferred substantially all risks and rewards of ownership.

Realised gains and losses are calculated on an average cost basis.

Realised and unrealised gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the Statement of Operations in the period in which they arise.

Valuation of Investments

The value of options held by the Funds and traded over the counter are fair valued by reference to the valuations provided by the counterparty or in such other manner as may be determined by the Directors of the Company to reflect the true value thereof.

Investments in open-ended underlying funds are valued at fair value using the latest available unaudited net asset value on the relevant valuation day as reported or provided by or on behalf of such underlying funds.

Redeemable Participating Ordinary Shares

Redeemable Participating Ordinary Shares are redeemable at the Shareholders option and are classified as financial liabilities. The Participating Ordinary Shares are held at the redemption amount that is payable as at the Statement of Net Assets Attributable to Redeemable Participating Ordinary Shareholders date.

2. Principal Accounting Policies (continued)

Forward foreign exchange contracts

Certain Sub-Funds may enter into forward foreign exchange contracts to protect the exposure of Sterling class shareholders to the investments of the Sub-Fund which are denominated in US Dollars. Note that these forward foreign exchange contracts are solely for the benefit of the Sterling class shareholders. While the Sub-Funds will attempt to hedge against currency exposure, there can be no guarantee that the value of the Sterling class shareholders will not be affected by the value of Sterling relative to the US Dollar. Open forward Foreign Exchange Contracts as at 31 December 2010 and 31 December 2009 are listed on the Schedule of Investments.

All forward foreign exchange contracts are fair valued using forward exchange rates prevailing at the relevant valuation date for the remaining period to maturity and any resulting unrealised gains are recorded as assets and unrealised losses as liabilities in the Statement of Net Assets Attributable to Redeemable Participating Shares. Realised gains and losses are recorded in the Statement of Operations at the time the forward foreign exchange contracts settle. In relation to class specific forward foreign exchange contracts the realised and unrealised gains and losses and transaction costs are allocated solely to those share classes.

Organisational Costs

The costs and expenses of establishing the Matrix New Horizon Closed End were £17,413 and are being amortised, for the purposes of calculating its net asset value per share, over the five years which commenced on 20 April 2006. The total amount unamortised at period end is £4,516 (31 December 2009: £9,316). The costs and expenses of establishing the Matrix Event Driven Closed End were £6,283 and are being amortised, for the purposes of calculating its net asset value per share over the five years which commenced on 1 October 2006. The total amount unamortised at period end is £773 (31 December 2009: £2,713). The costs and expenses of establishing the Matrix Asset Based 2 Closed End were £7,925 and are being amortised, for the purposes of calculating its net asset value per share over the five years which commenced on 1 November 2007. The total amount unamortised at period end is £3,604 (31 December 2009: £5,047). The costs and expenses of establishing the Ascension Closed End were £9,484 and are being amortised, for the purpose of calculating its net asset value per share over five years which commenced on 1 July 2008. The total amount unamortised at period end is £4,234 (31 December 2009: £7,209). The costs and expenses of establishing the Matrix Credit Opportunities Closed End were £3,679 and are being amortised, for the purpose of calculating its net asset value per share over five years which commenced on 1 May 2009. The total amount unamortised at period end is £2,013 (31 December 2009: £1,679). The costs and expenses of establishing the Matrix Utopia Closed End were £4,998 and are being amortised, for the purpose of calculating its net asset value per share over five years which commenced on 1 October 2009. The total amount unamortised at period end is £4,158 (31 December 2009: £4,248). The accounting policy adopted for organisational costs is not in accordance with IFRS, however the impact on the financial statements is not significant.

3. Bank Balance

A bank balance of £102,221 (31 December 2009: £1,129,486) for Matrix New Horizon Closed End, £294,462 (31 December 2009: £659,589) for Matrix Event Driven Closed End, £29,314 (31 December 2009: £79,706) for Matrix Asset Based 2 Closed End, £164,082 (31 December 2009: £846,242) for Matrix Ascension Closed End, £54,229 (31 December 2009: £56,590) for Matrix Credit Opportunities Closed End and £531,464 (31 December 2009: £227,721) for Matrix Utopia Closed End is held with the Custodian.

4. Fees and Expenses

All fees and expenses in relation to the Matrix Ascension Plan, Matrix Ascension Plan 2 and Matrix Ascension Plan 3 are paid by Matrix (Bermuda) Limited (the "Manager"). Matrix New Horizon Closed End, Matrix Event Driven Closed End, Matrix Asset Based 2 Closed End, Matrix Ascension Closed End, Matrix Conservative Approach Closed End, Matrix Credit Opportunities Closed End and Matrix Utopia Closed End pay for their own fees and expenses from their bank account held with CACEIS Bank Luxembourg – Dublin Branch (the "Custodian").

Administration Fees

CACEIS Fastnet Ireland Limited (the "Administrator") will charge an annual fee of 10.5 basis points on the first US$500 million of the collective assets held by the combined assets of Matrix Alternative Investment Strategies Fund Ltd, Matrix Alternative Investment Strategies Fund II Ltd and Matrix Structured Products Ltd (not including the Matrix Ascension Plans 1, 2, & 3), 8 basis points on assets of between US$500 million and US$750 million and 6 basis points on assets of US$750 million and above. The above fees include one share class per Sub Fund. Any additional share classes will be charged at the rate of US$5,850 per share class per annum. These fees will be pro rated across the Sub Funds according to the size of each Sub Fund at each Valuation Day and subject to a minimum fee of US$25,230 per Sub Fund in Matrix Alternative Investment Strategies Fund Ltd, Matrix Alternative Investment Strategies Fund II Ltd and Matrix Structured Products Ltd (not including the Matrix Ascension Plans 1, 2, & 3) per annum. The Administrator will charge an annual fee of 5 basis points on the first $100 million of the collective assets held by the combined assets of the Matrix Ascension Plans, 3.5 basis points on assets of between US$100 million and US$250 million and 2 basis points on assets of US$250 million and above.

Out-of-pocket expenses incurred on behalf of the Matrix Ascension Plan, Matrix Ascension Plan 2 and the Matrix Ascension Plan 3 including the cost of communication, postage, printing, publication of prices and expenses and correspondent bank charges are payable by the Manager. Out-of-pocket expenses incurred on behalf of Matrix New Horizon Closed End, Matrix Event Driven Closed End, Matrix Asset Based 2 Closed End, Matrix Ascension Closed End, Matrix Credit Opportunities Closed End and Matrix Utopia Closed End are payable by the relevant Funds.

Custody Fees

CACEIS Bank Luxembourg – Dublin Branch, the "Custodian", charges Matrix New Horizon Closed End, Matrix Event Driven Closed End Fund, Matrix Asset Based 2 Closed End, Ascension Closed End, Matrix Credit Opportunities Closed End and Matrix Utopia Closed End an annual custodian charge of 0.01% of the Net Asset Value. Additionally, they are charged a $67 per investment transaction fee and $27 per cash transaction fee.

Management & Incentive Fees

Fees of the Winton Trading Strategies Fund

The Winton Return Amount is calculated by BNP Paribas (the Product Provider) after taking into account all fees, expenses and costs incurred by the Winton Trading Strategies Fund and which include a management charge of 2% per annum and a performance fee of 20% per annum payable quarterly of the increase, if any, in the Net Asset Value per Share above the previously highest Net Asset Value per Share on any previous quarter end, in all cases before deductions or any accruals for performance fees.

4. Fees and Expenses (continued)

Fees of the Matrix Horizon Fund Retail Sterling Share Class

The J Class Shares of the Collingham Investment Fund in which the Matrix Horizon Fund invests, attract a management fee of 1/12 of 1% of the aggregate Net Asset Value of the J Class Shares at the relevant month end plus an incentive fee equal to 10% of the increase in the Net Asset Value from the previous monthly reference date subject to a "high water mark". In addition an annual management charge of 0.9% per annum is charged at the level of the Matrix Horizon Fund on the Retail Shares.

Fees of the Matrix New Horizon Fund Retail Sterling Share Class

The Matrix New Horizon Fund Retail Sterling Share Class (into which the Matrix Horizon Closed End invests), attracts a management fee of 1/12 of 1.9% of the aggregate Net Asset Value of the Share class at the relevant month end plus an incentive fee equal to 10% of the increase in the Net Asset Value from the previous monthly reference date subject to a "high water mark".

Fees of the Matrix Event Driven Fund Retail Sterling Share Class

The Matrix Event Driven Fund Retail Share Classes attract a management fee of 1/12 of 1.75% of the aggregate Net Asset Value of the Class Shares at the relevant month end plus an incentive fee equal to 5% of the increase in the Net Asset Value from the previous monthly reference date subject to a "high water mark". No performance fees were charged during the period.

The Matrix Event Driven Fund Sidepocket Sterling Shares will not be charged a management or incentive fee.

Fees of the Matrix Asset Based 2 Fund Institutional Share Class

The Matrix Asset Based 2 Closed End invests in the Institutional Sterling Class Shares of the Matrix Asset Based 2 Fund. The shares of the Stillwater Matrix Fund into which the Matrix Asset Based 2 Fund invests attract a management fee equal to 0.125% per month (approximately 1.5% annually of the Stillwater Matrix Fund Net Asset Value, which is inclusive of leverage (prior to the calculation of the incentive fee)) attributable to the outstanding shares or such series and class of the Stillwater Matrix Fund at the beginning of each month. An additional management fee of 0.4% will be charged to the Retail Class Ordinary Shares Matrix Asset Based 2 Closed End Fund. In addition the Stillwater Matrix Fund will be charged a performance fee, equal to 10% of any new net appreciation during each quarterly period ending on the valuation day as at 31 March, 30 June, 30 September, and 30 December. The performance fee is subject to a "high water mark". No performance fees were charged during the year (31 December 2009: £Nil).

The Matrix Asset Based 2 Fund Sidepocket Shares are not charged a management or incentive fee.

Fees of the Ascension Closed End Winton Futures Fund–Class D

The Winton Futures Fund Sterling Class (into which the Ascension Closed End Fund invests) attracts a monthly management fee equal to 0.0833% per month (approximately 1% annually of the Master Fund Net Asset Value, (prior to the calculation of the performance fee) attributable to the outstanding shares or such series and class of the Winton Futures Fund Sterling Class at the beginning of each month. An additional management fee of 1.0% per annum will be charged to the Retail Class Ordinary Shares of the Ascension Closed End Fund. The Winton Futures Fund is also subject to a performance fee of 20% of new net trading profits, payable out of the assets of the Winton Futures Fund at the end of each calendar quarter.

4. Fees and Expenses (continued)

Fees of Matrix Credit Opportunities Closed End

The Matrix Credit Opportunities Fund (into which the Matrix Credit Opportunities Closed End Fund invests) attracts an annual management fee of 1.50% which is payable monthly in arrears, and calculated and accrued monthly as at each Valuation Day based on the net asset value of shares. An additional annual management fee of 0.4% per annum will be charged to the Retail Class Shares of the Matrix Credit Opportunities Closed Fund.

In addition the Matrix Credit Opportunities Fund will be charged a quarterly incentive fee of 10% of the increase in the Net Asset Value from the previous monthly reference date subject to a “high water mark.”

Fees of Matrix Utopia Closed End

The annual management fee and performance fee expense is payable at the underlying fund level. No additional management fee and performance fee is payable at the level of Matrix Utopia Closed End.

Directors’ Fees

The Directors are entitled to a fee and remuneration in consideration for the performance of their duties as Directors.

Mike Kirby and James Keyes will each receive $10,000 (31 December 2009: $10,000) per annum. Bridget Guerin and Chris Merry had waived their entitlement to remuneration. Jennifer Parker has waived her entitlement to remuneration.

Sponsoring Broker

The Sponsoring Broker charges the Company an annual fee of £2,000.

Listing Fees

The annual listing fee of the Channel Islands Stock Exchange for the Matrix Ascension Plan is £1,800. The Channel Islands Stock Exchange annual listing fee for Matrix Ascension Plan 2 and the Matrix Ascension Plan 3 are £300 per Fund. The Channel Islands Stock Exchange annual listing fee for Matrix New Horizon Closed End, Matrix Event Driven Closed End, Matrix Asset Based 2 Closed End, Ascension Closed End, Matrix Conservative Approach Strategy Closed End, Matrix Credit Opportunities Closed End and Matrix Utopia Closed End is £800 per Fund.

5. Taxation

At the present time no income, profit or capital gains taxes are levied in Bermuda and, accordingly, no provision for such taxes has been recorded by the Company. The Company has received from the Minister of Finance of Bermuda under the provisions of the Exempted Undertaking Tax Provision Act 1966, as amended, an undertaking that, in the event of there being enacted in Bermuda, any legislation imposing tax computed on profits or income, or computed on any capital assets, gains or appreciation or any tax in the nature of estate duty or inheritance tax, such tax shall not until 28 March 2016 be applicable to the Company or to any of its operations or to the Shares, debentures or other obligations of the Company except insofar as such tax applies to persons ordinarily resident in Bermuda and holding such Shares, debentures or other obligations of the Company or to land in Bermuda leased to the Company.

6. Distributions

The Company in general meeting may declare a dividend but no dividend shall exceed the amount recommended by the Directors. The Directors do not recommend a dividend at this point.

7. Share Capital

The Authorised Share Capital of the Company of £600,000 is comprised of 593,200,000 Ordinary Shares of par value £0.001 each and 6,800 Management Shares of par value £1.00 each.

Management Shares
The Management Shares were subscribed by Matrix Group Limited. These Shares do not form part of the Net Asset Value of the Company and are thus not disclosed in the financial statements except by way of this note. Every holder of Management Shares (being an individual) present in person or by proxy or (being a corporation) present by a duly authorised representative at a general meeting has, on a show of hands, one vote and, on a poll, one vote for every share held by him that is fully paid.

Redeemable Participating Ordinary Shares
The issued Redeemable Participating Ordinary Share Capital is at all times equal to the Net Asset Value of the Company. Redeemable Participating Ordinary Shares are redeemable at the Shareholders' option and are classified as financial liabilities.

The movement in the number of Redeemable Participating Ordinary Shares during the period is as follows:

	Matrix Ascension Plan 31 December 2010	Matrix Ascension Plan 31 December 2009	Matrix Ascension Plan 2 31 December 2010	Matrix Ascension Plan 2 31 December 2009	Matrix Ascension Plan 3 31 December 2010	Matrix Ascension Plan 3 31 December 2009
Shares at beginning of period	12,907,543	12,907,543	9,217,977	9,217,977	3,601,140	3,601,140
Shares subscribed	-	-	-	-	-	-
Shares redeemed	-	-	-	-	-	-
Shares at end of period	12,907,543	12,907,543	9,217,977	9,217,977	3,601,140	3,601,140

	Matrix New Horizon Closed End 31 December 2010 Continuing Share Class	Matrix New Horizon Closed End 31 December 2009 Continuing Share Class	Matrix New Horizon Closed End 31 December 2010 Redeeming Share Class	Matrix New Horizon Closed End 31 December 2009 Redeeming Share Class
Shares at beginning of period	1,058,382	2,663,590	485,312	-
Shares subscribed	18,479	207,923	395,675	1,332,566
Shares redeemed	(480,018)	(1,813,131)	(716,591)	(847,254)
Shares at end of period	596,843	1,058,382	164,396	485,312

7. Share Capital (continued)

	Matrix Event Driven Closed End 31 December 2010	Matrix Event Driven Closed End 31 December 2009	Matrix Asset Based 2 Closed End Retail Share Class 31 December 2010	Matrix Asset Based 2 Closed End Retail Share Class 31 December 2009	Matrix Asset Based 2 Closed End Institutional Share Class 31 December 2010	Matrix Asset Based 2 Closed End Institutional Share Class 31 December 2009
Shares at beginning of period	1,195,654	1,404,232	2,530,512	2,570,260	2,366,832	1,379,400
Shares subscribed	-	123,426	-	363,208	30,982	1,121,905
Shares redeemed	(215,935)	(332,004)	(29,272)	(402,956)	-	(134,473)
Shares at end of period	979,719	1,195,654	2,501,240	2,530,512	2,397,814	2,366,832

	Ascension Closed End 31 December 2010 Retail Share Class	Ascension Closed End 31 December 2009 Retail Share Class	Ascension Closed End 31 December 2010 Institutional Share Class	Ascension Closed End 31 December 2009 Institutional Share Class
Shares at beginning of period	559,549	108,450	3,252,372	966,602
Shares subscribed	28,479	493,527	470,399	3,185,377
Shares redeemed	(47,709)	(42,428)	(488,078)	(899,607)
Shares at end of period	540,319	559,549	3,234,693	3,252,372

	Matrix Conservative Approach Strategy Closed End 31 December 2009	Matrix Credit Opportunities Closed End 31 December 2010	Matrix Credit Opportunities Closed End 31 December 2009	Matrix Utopia Closed End 31 December 2010	Matrix Utopia Closed End 31 December 2009
Shares at beginning of period	373,886	393,239	-	977,117	-
Shares subscribed	-	41,146	393,239	427,956	1,057,009
Shares redeemed	(373,886)	(2,962)	-	-	(79,892)
Shares at end of period	-	431,423	393,239	1,405,073	977,117

8. Derivatives and Other Financial Instruments

Financial assets & liabilities
The majority of the Company's assets are investments in other collective funds, (see Schedules of Investments on pages 42 to 47). The Company has no material financial liabilities at 31 December 2010 or 31 December 2009.

Fair value
All the financial assets and liabilities of the Company are held at fair value at 31 December 2010 and 31 December 2009. Gains and losses on financial assets and financial liabilities held at fair value through profit or loss are included in the Statement of Operations on pages 53 to 55.

In accordance with IFRS 7, this note details the way in which each of the Funds of the Company manage risks associated with their investments. The Prospectus for each Fund sets out a comprehensive disclosure of the risks that the Company and each specific Fund faces and readers of these financial statements should therefore refer to the Prospectus to ensure they have a full understanding of the risks. Purely for the purposes of these financial statements and to facilitate compliance with accounting standards, the main risks as defined by the IFRS 7 standard are as follows:

Market Risk

This risk is comprised of three types of risk; Price Risk, Currency Risk and Interest Rate Risk.

Price Risk

Market price risk arises mainly from uncertainty about future prices of investments held, which are classified as financial assets at fair value through profit or loss. It represents the potential loss each Fund might suffer, through its holding, directly or indirectly, in the relevant underlying fund of hedge funds in the face of price movements. Each Fund invests directly in funds or funds of funds which are subject to valuation risk due to the manner in which the Underlying Fund's target investments are themselves valued.

Each of the Funds (as detailed in the table below) bears the risk of the prices of their holdings in hedge funds or funds of hedge funds moving on a monthly basis.

Fund	**Nature of Underlying Investment(s)**
Matrix Ascension Plan	Winton Trading Strategies Fund
Matrix Ascension Plan 2	Winton Trading Strategies Fund
Matrix Ascension Plan 3	Winton Trading Strategies Fund
Matrix New Horizon Closed End	Matrix Horizon Fund & Matrix New Horizon Fund
Matrix Event Driven Closed End	Matrix Event Driven Fund
Matrix Asset Based 2 Closed End	Matrix Asset Based 2 Fund
Ascension Closed End	Winton Futures Fund
Matrix Credit Opportunities Closed End	Matrix Credit Opportunities Fund
Matrix Utopia Closed End	Finisterre Sovereign Debt Fund, Matrix Event Driven Fund, Matrix Asset Based 2 Fund, Matrix Credit Opportunities Fund, Ascension Closed End, Matrix Asset Based 2 Closed End & Matrix Event Driven Closed End, Matrix New Horizon Closed End & Matrix UCITS Fund plc – Lazard Opportunities Fund.

8. Derivatives and Other Financial Instruments (continued)

Price Risk (continued)

The Matrix Ascension Plan and Matrix Ascension Plan 2 guarantees an investment return of 96p per share (the Protected Amount), plus capital growth linked to the performance of the Winton Trading Strategies Fund provided the Plans are held to maturity. The Matrix Ascension Plan 3 guarantees an investment return of 90p per share (the Protected Amount), plus capital growth linked to the performance of the Winton Trading Strategies Fund provided the Plan is held until maturity.

The Matrix New Horizon Closed End is invested indirectly via the Matrix New Horizon Fund and Matrix Horizon Fund and is managed by Matrix and invests in a carefully selected portfolio of at least 15 Underlying Funds diversified across different investment styles and strategies, and managed by what the Investment Manager regards as high quality Underlying Fund Managers. The investment objective of the Fund is to achieve consistently high annual returns in Sterling terms with low volatility.

Matrix Event Driven Closed End is invested indirectly via Matrix Event Driven Fund, a Fund that aims to provide consistently high returns over a market cycle by investing in a range of absolute return funds that seek to capitalise on the opportunities presented by the global economic environment, the dislocations in the financial markets and specific corporate events.

Matrix Asset Based 2 Closed End is invested indirectly via the Matrix Asset Based 2 Fund in underlying funds in the asset based lending or asset based investing space where the large majority of positions cannot be priced using market data since the transactions are private loans to entities, collateralised by soft or hard assets or the actual purchase of the underlying asset. In these cases, the underlying fund would typically follow an accrual methodology to mark-to-market its positions, unless there is transaction impairment, in which case a reserve would be taken against the transaction.

Ascension Closed End invests all of its assets (to the extent not retained in cash) in the Class D Shares of Winton Futures Fund. The investment objective of the Winton Futures Fund is to achieve long term capital appreciation through compound growth. This is achieved by pursuing a diversified trading scheme without reliance on favourable conditions in any particular markets, nor does it depend on general appreciation of asset values. The investment technique consists of trading a portfolio of more than 100 international futures, options, and forwards markets and certain OTCs, such as swaps, employing a computer based trading system.

Matrix Credit Opportunities Closed End invests in in the Sterling Institutional Class Shares of Matrix Credit Opportunities Fund. The investment objective of Matrix Credit Opportunities Fund is to achieve high returns with moderate volatility, small draw downs and to exhibit low correlation to the broader markets.

Matrix Utopia Closed End aims to provide positive returns over a market cycle by investing in a portfolio of Funds of Hedge Funds and Single Manager Funds. Such returns are expected to be associated with a moderate degree of risk, and have a low correlation to broader equity indices.

The Schedule of investments included on pages 42 to 47 sets out the details, values and holdings of each Fund, which therefore represents the maximum market risk. The Statement of Operations on pages 53 to 55 shows the net gains/(losses) on financial assets and liabilities for each Fund for both this and comparative accounting periods. The investment managers of each of the underlying funds in which the Funds invest, review the positions and gains and losses on a monthly basis to monitor the underlying risks.

8. Derivatives and Other Financial Instruments (continued)

Market Price Risk Sensitivity Analysis

All of the Funds invest with the objective of achieving absolute returns. None of the portfolios are invested in line with or in consideration of the constituents of any index. As a result the Directors believe that it is potentially meaningless to compare the return achieved in any of the portfolios against an index. However, for the purposes of complying with IFRS 7 the following analysis has been prepared.

The following table lists reasonably possible movements of the underlying funds or index, and their impact to the respective Matrix Structured Product Fund.

Fund	Underlying Fund	Reasonable % movement in underlying Fund	Impact on Matrix Fund December 2010	Impact on Matrix Fund December 2009 (Based on 20% Movement)
Matrix New Horizon Closed End	Matrix Horizon Fund Matrix New Horizon Fund	20%	20%	20%
Matrix Event Driven Closed End	Matrix Event Driven Fund	40%	40%	20%
Matrix Asset Based 2 Closed End	Matrix Asset Based 2 Fund	20%	20%	20%
Ascension Closed End	Winton Futures Fund	20%	20%	20%
Matrix Credit Opportunities Closed End	Matrix Credit Opportunities Fund	20%	20%	20%

Matrix Utopia Closed End had an average beta during the year of 0.50 to the HFR FoF Conservative Index therefore a 10% increase or decrease in the index might be expected to increase or reduce the net assets of the fund by 5.0%.

Matrix Ascension Plan, Matrix Ascension Plan 2 and Matrix Ascension Plan 3 have been designed to be held until maturity. The maturity values are based on formulae contained in the relevant Prospectus and the relevant annual deduction factor. Therefore although the performance of the Ascension Plans are linked to the performance of the Winton Trading Strategies Fund, it is not linked in a linear basis throughout the lives of each Plan. In general if the price of the Winton Trading Strategies Fund rises, the value of the relevant Product Agreement should rise but by a lesser amount. In general, if the price of the Winton Trading Strategies Fund falls, the value of the relevant Product Agreement should fall but by a smaller amount.

Limitations of sensitivity analysis

The above analysis is included for the purposes of IFRS 7 only and is not used by management in managing risk. The analysis is based on historical data and cannot take account of the fact that future market price movements, correlations between markets and levels of market liquidity in conditions of market stress may bear no relation to historical patterns. The market price risk information is a relative estimate of risk rather than a precise and accurate number. The market price information represents a hypothetical outcome and is not intended to be predictive. Future market conditions could vary significantly from those experienced in the past.

8. Derivatives and Other Financial Instruments (continued)

Currency Risk

Currency Risk is defined as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises on financial instruments that are denominated in a currency other than the functional currency in which they are measured. The Net Asset Values per share of the Funds of the Company are computed in Sterling. The Funds of the Company do not invest directly in investments denominated in currencies other than Sterling, however the underlying funds that the Funds invest in may have exposure to currency risk which is managed at the level of the underlying fund via the use of hedging techniques.

Interest Rate Risk

Interest rate risk is defined as the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The value of investments in interest rate bearing securities may be subject to price volatility due to changes in interest rates. Holding all other variables constant, an increase in interest rates will generally reduce the value of fixed rate debt securities that are issued and outstanding, while a decline in interest rates will generally increase the value of such debt securities.

The Funds of the Company do not invest directly in interest bearing instruments other than cash balances, which bear interest at a floating rate. However the underlying funds within the fund or funds of hedge funds that the Funds invest in may have exposure to interest rate risks which are managed at the level of the underlying fund.

This risk is not considered significant to the Funds.

Credit Risk

The Sub-Funds of the Company will be exposed to credit risk on parties with whom they trade and will also bear the risk of settlement defaults. Through their investment in an option contract, the Matrix Ascension Plan, Matrix Ascension Plan 2, and the Matrix Ascension Plan 3 all have a counterparty risk with BNP Paribas which is currently rated Aa2 by Moody (2009: Aa2), AA by S&P (2009: AA), AA- by Fitch (AA: 2009). Credit risk arises from the possibility that a loss may occur due to the failure of a counterparty to perform according to the terms of its contract. The Investment Manager attempts to minimise credit risk by monitoring the creditworthiness of its counterparties. The Sub-Funds of the Company maximum exposure to credit risk (not taking into account the value of any collateral or other security held) in the event that counterparties fail to perform their obligations in relation to each class of recognised financial assets, other than derivative financial instruments, is the carrying amount of those assets as indicated in the Statement of Net Assets Attributable to Redeemable Participating Ordinary Shareholders. On the date that the options were issued BNP Paribas was rated Aa2 by Moody, AA by S&P, AA by Fitch.

8. Derivatives and Other Financial Instruments (continued)

Credit Risk (continued)

All other financial assets and liabilities of the Sub-Funds of the Company are held with the Custodian. Bankruptcy or insolvency by the Custodian may cause the Company's rights with respect to securities and other positions held by the Custodian to be delayed or limited. The Investment Managers and Board of Directors monitor the credit quality of the Custodian on a regular basis in order to mitigate this risk. The Custodian is currently rated A+ by S&P (2009: AA-).

Liquidity Risk

The Company is a Closed End company and as such, shareholders who wish to sell their shares are only able to do so through one of the following routes; through a stockbroker, through the Manager's matched bargain service or through a share buy back (which is at the Directors' absolute discretion). Shareholders should be aware that there is a risk that there may not be sufficient liquidity to meet their share sale request.

The ability of the Directors to buy back shares is dependent on the liquidity of the Underlying Fund in which each Fund is invested. The table below shows the gates that five of the Underlying Funds apply at their level.

Fund	Gate	Monthly	Quarterly
Matrix Horizon Fund	N/A	In wind up	
Matrix New Horizon Fund	5% per share class	Yes	
Matrix Event Driven Continuation Shares	5% per share class		Yes
Matrix Event Driven Redeeming Shares	N/A	Returning funds	
Matrix Event Driven Side Pocket Shares	N/A	Redemptions not permitted due to illiquid nature of assets held in side pocket portfolio	
Matrix Asset Based 2 Fund*	20% per share class		Yes (Currently Suspended)
Matrix Asset Based 2 Side Pocket Shares	N/A	Redemptions not permitted due to illiquid nature of assets held in side pocket portfolio	
Winton Futures Fund	None	Yes	
Matrix Credit Opportunities Fund	10% per share class	Yes	

* Currently redemptions from the Matrix Asset Based 2 Fund are suspended as the Stillwater Matrix Segregated Portfolio Fund into which it invests is not in a position to meet redemption requests given the current illiquid nature of the Fund's underlying Managers and the need to repay the leverage facility prior to fulfilling any redemption requests by investors.

To counter these risks to the Funds' liquidity, the Manager maintains sufficient cash within Matrix New Horizon Closed End, Matrix Event Closed End, Matrix Asset Based 2 Closed End, Ascension Closed End, Matrix Credit Opportunities Closed End and Matrix Utopia Closed End to meet the running costs and other commitments.

All financial liabilities of the Funds are payable within 3 months. Each Fund has the ability to incur borrowings to meet redemptions requests.

8. Derivatives and Other Financial Instruments (continued)

Fair Value Measurement

The Company has adopted the amendments to IFRS 7. This requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The inputs have been categorised into a three-level hierarchy which gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to significant unobservable inputs (Level 3). If the inputs used to value an investment fall within different levels of the hierarchy, the categorisation is based on the lowest level input that is significant to the fair value measurement of the investment.

The inputs are classified in the three-level hierarchy as follows:

Level 1 Quoted prices in active markets that are accessible at the measurement date for identical, unrestricted investments
Level 2 Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc)
Level 3 Significant unobservable inputs (assets or liabilities that are not based on observable market data)

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. Some of the Company's Fund of Funds are held at Level 2 of the hierarchy. The value of these Level 2 investments are determined by the underlying fund administrator. Some of the Company's Fund of Funds are valued at Level 3 and are valued using estimates and prices that may not by readily available and may not reflect amounts that could be realised upon immediate sale. Some are in the processing of liquidating, in lock up periods or have been subject to side pockets.

The classification of investments is included in the tables below. There were no transfers between levels during the period for any Fund.

Matrix Ascension Plan

	31 December 2010		**31 December 2009**	
Assets	**Other Derivatives GBP**	**Total GBP**	**Other Derivatives GBP**	**Total GBP**
Level				
Level 2	20,634,468	20,634,468	18,657,273	18,657,273
Total	**20,634,468**	**20,634,468**	**18,657,273**	**18,657,273**

Matrix Ascension Plan 2

	31 December 2010		**31 December 2009**	
Assets	**Other Derivatives GBP**	**Total GBP**	**Other Derivatives GBP**	**Total GBP**
Level				
Level 2	13,348,505	13,348,505	12,055,349	12,055,349
Total	**13,348,505**	**13,348,505**	**12,055,349**	**12,055,349**

8. Derivatives and Other Financial Instruments (continued)

Fair Value Measurement (continued)

Matrix Ascension Plan 3

	31 December 2010		31 December 2009	
Assets	**Other Derivatives GBP**	**Total GBP**	**Other Derivatives GBP**	**Total GBP**
Level				
Level 2	4,482,167	4,482,167	4,102,944	4,102,944
Total	**4,482,167**	**4,482,167**	**4,102,944**	**4,102,944**

Matrix New Horizon Closed End

	31 December 2010		31 December 2009	
Assets	**Investments in Fund of Funds GBP**	**Total GBP**	**Investments in Fund of Funds GBP**	**Total GBP**
Level				
Level 1	-	-	-	-
Level 2	5,348,142	5,348,142	14,295,315	14,295,315
Level 3	1,726,731	1,726,731	-	-
Total	**7,074,873**	**7,074,873**	**14,295,315**	**14,295,315**

Matrix Event Driven Closed End

31 December 2010 Assets	**Investments in Fund of Funds GBP**	**Other Derivatives GBP**	**Total GBP**
Level			
Level 2	7,380,652	3,471	7,384,123
Level 3	803,197	-	803,197
Total	**8,183,849**	**3,471**	**8,187,320**

31 December 2009 Assets	**Investments in Fund of Funds GBP**	**Other Derivatives GBP**	**Total GBP**
Level			
Level 2	8,701,706	17,385	8,719,091
Level 3	951,876	-	951,876
Total	**9,653,582**	**17,385**	**9,670,967**

Liabilities	**Other Derivatives GBP**	**Total GBP**
Level		
Level 2	(23,906)	(23,906)
Total	**(23,906)**	**(23,906)**

8. Derivatives and Other Financial Instruments (continued)

Fair Value Measurement (continued)

Matrix Asset Based 2 Closed End

	31 December 2010		31 December 2009*	
Assets	Investments in Fund of Funds GBP	Total GBP	Investments in Fund of Funds GBP	Total GBP
Level				
Level 2	-	-	-	-
Level 3	13,608,671	13,608,671	21,044,442	21,044,442
Total	**13,608,671**	**13,608,671**	**21,044,442**	**21,044,442**

* 2009 disclosures for Matrix Asset Based 2 Closed End are restated amounts

Matrix Ascension Closed End

	31 December 2010		31 December 2009	
Assets	Investments in Fund of Funds GBP	Total GBP	Investments in Fund of Funds GBP	Total GBP
Level				
Level 2	42,387,089	42,387,089	37,455,362	37,455,362
Total	**42,387,089**	**42,387,089**	**37,455,362**	**37,455,362**

Matrix Credit Opportunities Closed End

	31 December 2010		31 December 2009	
Assets	Investments in Fund of Funds GBP	Total GBP	Investments in Fund of Funds GBP	Total GBP
Level				
Level 2	4,771,466	4,771,466	4,133,267	4,133,267
Total	**4,771,466**	**4,771,466**	**4,133,267**	**4,133,267**

Matrix Utopia Closed End

31 December 2010 Assets	Investments in Fund of Funds GBP	Other Derivatives GBP	Total GBP
Level			
Level 2	12,749,038	6,941	12,755,979
Level 3	801,783	-	801,783
Total	**13,550,821**	**6,941**	**13,557,762**

31 December 2009* Assets	Investments in Fund of Funds GBP	Other Derivatives GBP	Total GBP
Level			
Level 2	8,687,233	-	8,687,233
Level 3	973,673	-	973,673
Total	**9,660,906**	**-**	**9,660,906**

* 2009 disclosures for Matrix Utopia Closed End are restated amounts

8. Derivatives and Other Financial Instruments (continued)

Fair Value Measurement (continued)

Matrix New Horizon Closed End Assets Level 3	31 December 2010 Investments in Fund of Funds GBP	31 December 2009 Investments in Fund of Funds GBP
Beginning balance as at 1 January 2010	-	-
Net realised gain / (loss)	-	-
Net change in unrealised gain / (loss)	-	-
Net purchases / (sales)	-	-
Net transfers in and /or out of Level 3	1,726,731	-
Ending balance	**1,726,731**	**-**

The unrealised loss on securities classified within Level 3 at 31 December 2010 is GBP (377,220).

Transfer into Level 3 represents the investment in Matrix Horizon Fund as this underlying fund is in liquidation.

Matrix Event Driven Closed End Assets Level 3	31 December 2010 Investments in Fund of Funds GBP	31 December 2009 Investments in Fund of Funds GBP
Beginning balance as at 1 January 2010	951,876	-
Net realised gain / (loss)	(96,522)	-
Net change in unrealised gain / (loss)	117,968	(524,581)
Net purchases / (sales)	(170,125)	1,476,457
Net transfers in and /or out of Level 3	-	-
Ending balance	**803,197**	**951,876**

The unrealised loss on securities classified within Level 3 at 31 December 2010 is GBP (406,612) (2009: GBP (524,580)).

Matrix Asset Based 2 Closed End Assets Level 3	31 December 2010 Investments in Fund of Funds GBP	31 December 2009* Investments in Fund of Funds GBP
Beginning balance as at 1 January 2010	21,044,442	-
Net realised gain / (loss)	-	-
Net change in unrealised gain / (loss)	(7,435,771)	(7,872,568)
Net purchases / (sales)	-	4,528,848
Net transfers in and /or out of Level 3	-	24,388,162
Ending balance	**13,608,671**	**21,044,442**

* 2009 disclosures for Matrix Asset Based 2 Closed End are restated

The unrealised loss on securities classified within Level 3 at 31 December 2010 is GBP (36,903,949) (2009: GBP (29,468,178)).

8. Derivatives and Other Financial Instruments (continued)

Fair Value Measurement (continued)

Matrix Utopia Closed End Assets	**31 December 2010 Investments in Fund of Funds**	**31 December 2009* Investments in Fund of Funds**
Level 3	**GBP**	**GBP**
Beginning balance as at 1 January 2010	973,673	-
Net realised gain / (loss)	-	(65,535)
Net change in unrealised gain / (loss)	(387,141)	(303,566)
Net purchases / (sales)	214,749	1,342,774
Net transfers in and /or out of Level 3	502	-
Ending balance	**801,783**	**973,673**

* 2009 disclosures for Matrix Utopia Closed End are restated

The unrealised gain/(loss) on securities classified within Level 3 at 31 December 2010 is GBP(690,807), (2009: GBP (303,566)).

The transfer into level 3 relates to an underlying investment with suspended redemptions.

9. Related Parties

In accordance with IAS 24 “Related Party Disclosures”, parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operating decisions. In the opinion of the Directors, Matrix Money Management Limited (the “Distributor”) and Matrix (Bermuda) Limited (the “Manager”) are related parties to the Company. Up until 31 March 2011, Bridget Guerin was a director of the Company and also a director of the Distributor and of the Manager. On 31 March 2011, Chris Merry was appointed as a director of the Company and also is a director of the Distributor and of the Manager. Chris Merry resigned on 17 June 2011 and Jennifer Parker was appointed on 23 June 2011. Jennifer Parker is also a director of the Distributor and of the Manager. Fees paid to these related parties during the period have been disclosed in Note 4 and in the Statement of Operations. The Management Shares were subscribed by Matrix Group Limited.

Matrix Money Management Limited, as distributor held as at 31 December 2010 12,392,469 (31 December 2009: 12,423,385) shares in the Matrix Ascension Plan, 8,519,665 (31 December 2009: 8,522,546) shares in the Matrix Ascension Plan 2 and 3,576,092 (31 December 2009: 3,601,140) shares in the Matrix Ascension Plan 3.

10. Accounting Period

The accounting period for the comparative financial statements is for the fifteen month period from 1 October 2008 to 31 December 2009. Comparative figures of Matrix Asset Based 2 Closed End and Matrix Utopia Closed End have been restated as detailed in Note 12.

11. Cross Investments

As at 31 December 2010 Matrix Utopia Closed End held investments in other sub-funds within the Company with a fair value of GBP£5,750,133 (2009: GBP£5,878,095). Details of these investments are set out in the schedule of investments on pages 46 and 47. Issues and redemptions of shares and the realised gains and losses during the year attributable to these holdings are as follows:

	31-Dec-10 GBP	31-Dec-09 GBP
Cost at beginning of year	6,108,806	-
Fair value at beginning of year	5,878,095	-
Issue of shares	954,556	12,762,142
Redemption of shares	(863,232)	(6,665,091)
Net realised gain/loss on financial assets and liabilities through the Income Statement	6,364	11,755
Cost at year end	6,206,494	6,108,806
Fair value at year end	5,750,133	5,878,095
Net change in unrealised gain/ (loss) on financial assets through profit and loss	(225,649)	(230,711)

The prior year primary statements have been updated to ensure consistency with the current year accounting treatment for cross investments, when arriving at the Company ‘Total’ numbers. This update has no impact on the prior year Net Asset Value of the Sub-Funds.

12. Net Asset Comparison and Restatement of Prior Year Financial Statements

Matrix Asset Based 2 Closed End Fund

As at 31 December 2010 and at the 31 December 2009 the Matrix Asset Based 2 Closed End Fund invested solely in the Matrix Asset Based 2 Fund (a sub-fund of Matrix Alternative Investment Strategies Fund Limited) which in turn invested solely in the Stillwater Matrix Segregated Portfolio Fund (the “Underlying Fund”).

The Net Asset Value of the underlying fund as at 31 December 2009 was restated in the 31 December 2010 audited financial statements, to correct the fair value of underlying investment funds which had not been adjusted for originally in the 31 December 2009 Financial Statements. As a consequence of this, the 31 December 2009 Net Asset Value of Matrix Asset Based 2 Fund, into which the Matrix Asset Based 2 Closed End Fund invests, has also been restated. The resulting impact of this on the 31 December 2009 NAV of the Matrix Asset Based 2 Closed End Fund is (GBP 3,395,296) and accordingly the 2009 financial statements of the Matrix Asset Based 2 Closed End have been restated in these financial statements.

12. Net Asset Comparison and Restatement of Prior Year Financial Statements (continued)

The following financial statement line items for the year ended 31 December 31 2009 were affected:

Statement of Net Assets Attributable to Redeemable Participating Ordinary Shareholders

	Originally reported GBP	Adjustment GBP	Restated GBP
Financial Assets at Fair Value through profit and loss	24,439,738	(3,395,296)	21,044,442

Income Statement

	Originally reported GBP	Adjustment GBP	Restated GBP
Net gain/loss on financial assets at fair value through profit and loss	(25,900,749)	(3,395,296)	(29,296,045)

Statement of Change in Net Assets Attributable to Redeemable Participating Ordinary Shareholders

	Originally reported GBP	Adjustment GBP	Restated GBP
Increase/(decrease) in net assets as a result of operations	(26,066,370)	(3,395,296)	(29,461,666)

Fair Values have also been restated in the Schedule of Investments and in note 8 – fair value measurement.

The Net Asset Value of the Stillwater Matrix Segregated Portfolio Fund (the "underlying fund") as per its 31 December 2010 audited financial statements and as per the 31 December 2009 audited financial statements was materially different to the Net Asset Value as officially calculated by the administrator of the underlying fund for 31 December 2010.

An adjustment has been made to the financial statements of the Matrix Asset Based 2 Fund to reflect the NAV per share of underlying fund as stated in its 31 December 2010 and the 31 December 2009 audited financial statements. The financial statements of Matrix Asset Based 2 Closed End have also been updated to incorporate the revised Net Asset Value of the Matrix Asset Based 2 Fund.

The following table reconciles the year end dealing NAV of the Matrix Asset Based 2 Closed End Fund to the NAV as included in these financial statements:

	31 December 2010 GBP	31 December 2009 (Restated) GBP
Dealing Net Asset Value	17,036,165	25,674,388
Restatement of 2009 Net Asset Value	-	(3,395,296)
Adjustment to reflect the fair value of the holding in the underlying fund using the NAV per share as per the audited financial statements.	(3,473,967)	(1,187,494)
Financial Statements Net Asset Value	13,562,198	21,091,598

12. Net Asset Comparison and Restatement of Prior Year Financial Statements (continued)

Matrix Utopia Closed End

As at 31 December 2010 and 31 December 2009 the Matrix Utopia Closed End Fund held an investment in the institutional share class of the Matrix Asset Based 2 Closed End. The 31 December 2009 Net Asset Value of Matrix Utopia Closed End Fund has been restated in these financial statements due to the restatement of the Matrix Asset Based 2 Closed End (described above). The adjustment impacted the 31 December 2009 Net Asset Value by an amount of (GBP 181,257) and accordingly the 2009 financial statements of Matrix Utopia Closed End have been restated in these financial statements.

The following financial statement line items for the year ended 31 December 31 2009 were affected:

Statement of Net Assets Attributable to Redeemable Participating Ordinary Shareholders

	Originally reported GBP	Adjustment GBP	Restated GBP
Financial Assets at Fair Value through profit and loss	9,842,163	(181,257)	9,660,906

Income Statement

	Originally reported GBP	Adjustment GBP	Restated GBP
Net gain/loss on financial assets at fair value through profit and loss	(98,845)	(181,257)	(280,102)

Statement of Change in Net Assets Attributable to Redeemable Participating Ordinary Shareholders

	Originally reported GBP	Adjustment GBP	Restated GBP
Increase/(decrease) in net assets as a result of operations	(104,069)	(181,257)	(285,326)

Fair Values have also been restated in the Schedule of Investments, Note 8 – fair value measurement and Note 11 Cross Investments.

As detailed above an adjustment was made to the 31 December 2010 NAV of the Matrix Asset Based 2 Closed End and this adjustment impacted the 31 December 2010 NAV of the Matrix Utopia Closed End by (GBP218,943). The financial statements of the Matrix Utopia Closed End have also adjusted to reflect the revised NAV per share of the institutional share class of the Matrix Asset Based 2 Closed End.

The following table reconciles the year end dealing NAV of the Matrix Utopia Closed End Fund to the NAV as included in these financial statements.

	31 December 2010 GBP	31 December 2009 (Restated) GBP
Dealing Net Asset Value	13,953,604	9,655,788
Restatement of 2009 Financial Statements	-	(181,257)
Adjustment to reflect the fair value of the holding in the underlying fund using the NAV per share as per the audited financial statements.	(218,943)	-
Financial Statements Net Asset Value	13,734,661	9,474,531

13. Exchange Rates

The following exchange rates were used

	31 December 2010	31 December 2009
EURO/GBP	0.85685	0.88845
USD/GBP	0.63870	0.61924

14. Significant Events

On 1 January 2010, the Matrix Horizon Closed End changed name to the Matrix New Horizon Closed End.

15. Post Balance Sheet Events

The Board approved a plan to close Matrix Credit Opportunities Closed End with effect from 30 April 2011. All monies were returned to shareholders in June 2011.

On 31 March 2011, Bridget Guerin resigned as a Director of the Company. Chris Merry was appointed as a Director of the Company on 31 March 2011 and resigned on 17 June 2011. Jennifer Parker was appointed as a Director on 23 June 2011.

16. Directors' interests

31 December 2010		
Matrix Asset Based 2 Closed End		
Bridget Guerin	24,767.43	Institutional GBP Class
31 December 2009		
Matrix Asset Based 2 Closed End		
Bridget Guerin	24,767.43	Institutional GBP Class

17. Approval of the Financial Statements

The Financial Statements were approved by the Board of Directors on 27 July 2011.