

Aurum Isis Dollar Fund Ltd.

Annual Report and Audited Financial Statements

For the year ended 31 December 2010

Aurum Isis Dollar Fund Ltd.

Annual Report and Audited Financial Statements Contents

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Aurum Isis Dollar Fund Ltd.

Directors and service providers

Company	Aurum Isis Dollar Fund Ltd. Aurum House 35 Richmond Road P.O. Box HM 1806 Hamilton HM 08 Bermuda Tel: (1) (441) 292 6952 Fax: (1) (441) 295 4164
Directors	Dudley R Cottingham W Roger Davidson* Tina Gibbons Kevin Gundle Adam Hopkin Anabel Mackie Christopher C Morris S Arthur Morris Meliosa O’Caoimh*
Custodian	Northern Trust Fiduciary Services (Ireland) Limited George’s Court 54 - 62 Townsend Street Dublin 2 Ireland Tel: (353) (1) 542 2000 Fax: (353) (1) 542 2920
Promoter and Investment Advisor	Aurum Fund Management Ltd. Aurum House 35 Richmond Road P.O. Box HM 1806 Hamilton HM 08 Bermuda Tel: (1) (441) 292 6952 Fax: (1) (441) 295 4164
Administrator	Northern Trust International Fund Administration Services (Ireland) Limited George’s Court 54 - 62 Townsend Street Dublin 2 Ireland Tel: (353) (1) 542 2000 Fax: (353) (1) 542 2920

*Non-Executive Directors

Aurum Isis Dollar Fund Ltd.

Directors and service providers (continued)

**Bermuda
Administrator,
Registrar and
Secretary**

Global Fund Services Ltd.
Century House
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Tel: (1) (441) 292 7478
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**Independent
Auditor**

KPMG
Chartered Accountants
1 Harbourmaster Place
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**Sponsoring
Broker for
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Aurum Isis Dollar Fund Ltd.

Directors' Report

The Directors have the pleasure to present the audited annual accounts of Aurum Isis Dollar Fund Ltd. (the "Company") for the year ended 31 December 2010 and report as set out herein in respect of matters required by the Irish Stock Exchange and Bermuda Stock Exchange listing regulations.

At 31 December 2010, the Net Asset Value per Participating Share was US\$247.72 (2009: US\$244.21).

No dividends have been declared in the year ended 31 December 2010 (2009: US\$Nil) and the Directors do not recommend the payment of any dividends for the year ended 31 December 2010 (2009: US\$Nil).

The Company is a Feeder Fund which invests solely in the Participating Shares of Aurum Isis Fund Ltd. (the "Master Fund"). The Company's investment objective is to achieve long term capital growth by investing its assets in Shares of the Master Fund.

The annual report and audited financial statements of the Master Fund for the year ended 31 December 2010 are sent to all Shareholders with the accounts of the Company.



Dudley R Cottingham
Director

3 May 2011

Aurum Isis Dollar Fund Ltd.

Independent Auditor's Report to the Members of Aurum Isis Dollar Fund Ltd.

We have audited the accompanying financial statements of Aurum Isis Dollar Fund Ltd. (the "Company"), which comprise the Statement of Financial Position and Portfolio Statement as at 31 December 2010 and the Statement of Comprehensive Income, Statement of Changes in Net Assets Attributable to Holders of Participating Shares and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

This report is made solely to the shareholders of the Company, as a body, in accordance with the terms of our engagement. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the shareholders, as a body, for the audit work, for the report or for the opinion we have formed.

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 misstatements, 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 our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2010 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.



KPMG
Chartered Accountants

1 Harbourmaster Place
International Financial Services Centre
Dublin 1
Ireland
3 May 2011

Aurum Isis Dollar Fund Ltd.

**Statement of Comprehensive Income for the year ended
31 December 2010**

2009 US\$		Notes	2010 US\$
	Income from financial assets at fair value through profit or loss	2	
3,377	Net interest income		12
4,698,188	Net unrealised capital gain on investments		1,385,758
8,045,439	Net realised capital gain on investments		1,851,011
12,747,004	Total income from financial assets at fair value through profit or loss		3,236,781
	Expenses	2	
0	Net interest expense		1,746
0	Operating expenses		1,746
	Change in net assets attributable to holders of Participating		
12,747,004	Shares resulting from operations		3,235,035

The accompanying notes form part of these financial statements.

Aurum Isis Dollar Fund Ltd.

Statement of Financial Position as at 31 December 2010

2009		Notes	2010
US\$			US\$
	Assets		
	Financial assets at fair value through profit or loss		
197,874,520	Investments at fair value	2	238,130,349
	Loans and receivables		
2,472,549	Cash and cash equivalents	2	4,981,259
200,347,069	Total Assets		243,111,608
	Liabilities		
	Financial liabilities measured at amortised cost		
2,474,556	Subscriptions to shares not yet allotted		4,986,390
2,474,556	Total Liabilities (excluding amounts attributable to holders of Participating Shares)		4,986,390
	Net Assets attributable to holders of Participating and Sponsor Shares		
197,872,513		4	238,125,218
197,872,503	Net Assets attributable to holders of Participating Shares	6	238,125,208
10	Net Assets attributable to holders of Sponsor Shares	4	10
810,244.26	Participating Shares outstanding (number of shares)	4	961,286.74
244.21	Net Asset Value per Participating Share	6	247.72

These financial statements were approved by the Directors on 3 May 2011 and signed on their behalf by:



D.R. Cottingham

Director



C.C. Morris

Director

The accompanying notes form part of these financial statements.

Aurum Isis Dollar Fund Ltd.

Statement of Changes in Net Assets Attributable to Holders of Participating Shares for the year ended 31 December 2010

	Total US\$
Balance at 1 January 2010	197,872,503
Change in net assets attributable to holders of participating shares resulting from operations	3,235,035
Subscriptions during the year	95,949,119
Redemptions during the year	(58,931,449)
Balance at 31 December 2010	238,125,208
Balance at 1 January 2009	270,707,186
Change in net assets attributable to holders of participating shares resulting from operations	12,747,004
Subscriptions during the year	79,406,418
Redemptions during the year	(164,988,105)
Balance at 31 December 2009	197,872,503

The accompanying notes form part of these financial statements.

Aurum Isis Dollar Fund Ltd.

Statement of Cash Flows for the year ended 31 December 2010

2009		2010
US\$		US\$
	Cash flows from operating activities	
12,747,004	Change in net assets attributable to holders of participating shares resulting from operations	3,235,035
	Adjustment for non cash items	
(12,743,627)	Net gain on investments	(3,236,769)
	Changes in operating assets and liabilities	
17	Decrease in debtors	0
3,394	Net cash (used in)/received from operating activities	(1,734)
	Cash flows from investing activities	
(99,078,760)	Purchase of investments	(61,209,698)
151,243,068	Proceeds from sales of investments and currencies	24,190,638
52,164,308	Net cash (outflow)/inflow from investing activities	(37,019,060)
	Cash flows from financing activities	
81,880,974	Issue of shares	98,460,953
(164,988,105)	Redemption of shares	(58,931,449)
(83,107,131)	Net cash inflow/(outflow) from financing activities	39,529,504
(30,939,429)	Net decrease in cash and cash equivalents	2,508,710
33,411,978	Cash and cash equivalents at the beginning of the year	2,472,549
2,472,549	Cash and cash equivalents at the end of the year	4,981,259
	Supplementary Information	
3,394	Net interest (paid)/received	(1,734)

The accompanying notes form part of these financial statements.

Aurum Isis Dollar Fund Ltd.

Notes to the Financial Statements for the year ended 31 December 2010

1 General

Aurum Isis Dollar Fund Ltd. (the “Dollar Fund” or the “Company”) was incorporated in the British Virgin Islands on 16 October 1997 and redomiciled to Bermuda on 1 December 2003 under the Companies Act 1981 as amended and acts as an investment company. Shares of the Dollar Fund are denominated in US dollars. The Dollar Fund is one of seven Feeder Funds comprising the Dollar Fund, Aurum Isis Swiss Franc Fund Ltd. (the “Swiss Franc Fund”), Aurum Isis Sterling Fund Ltd. (the “Sterling Fund”), Aurum Isis Euro Fund Ltd. (the “Euro Fund”), Aurum Isis Institutional Euro Fund Ltd. (the “Institutional Euro Fund”), Aurum Isis Australian Dollar Fund Ltd. (the “Australian Dollar Fund”) and the Aurum Isis Japanese Yen Fund Ltd. (the “Japanese Yen Fund”) that invest in Aurum Isis Fund Ltd. (the “Master Fund”). The other Feeder Funds have Swiss Franc, Sterling, Euro, Australian Dollar and Japanese Yen denominated shares respectively.

The Feeder Funds must solely invest into Participating Shares of the Master Fund, except in the case of the Swiss Franc, Sterling, Euro, Institutional Euro, Australian Dollar and Japanese Yen Funds in respect of currency hedging. The Participating Shares of the Master Fund are valued in US dollars. The Swiss Franc, Sterling, Euro, Institutional Euro, Australian Dollar and Japanese Yen Funds whilst investing into US dollar denominated Participating Shares of the Master Fund will, by appropriate currency hedging, seek to protect the value of their shares in swiss franc, sterling, euro, Australian dollar and Japanese yen terms respectively irrespective of movements in currency values between the US dollar, swiss franc, sterling, euro, Australian dollar and Japanese yen. The Master Fund pays the fees of the Administrators, Custodian, the Investment Advisor, audit, formation and minor out of pocket expenses and Directors’ fees of all funds. Each Fund will otherwise bear its own costs and liabilities.

The Company’s investment objective is to achieve long term capital growth by investing in the Participating Shares of the Master Fund. The annual report and audited financial statements of the Master Fund for the year ended 31 December 2010 are attached and should be read in conjunction with these financial statements.

The audited financial statements were approved by the Board of Directors on 3 May 2011.

2 Principal Accounting Policies

The principal accounting policies which have been applied are set out below.

Statement of Compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and interpretations adopted by the International Accounting Standards Board (IASB).

Basis of Preparation

The financial statements are presented in the currency of the primary economic environment in which the Company operates, which is the US dollar, reflecting the fact that the redeemable Participating Shares are issued in US dollars and the Company’s operations are primarily conducted in US dollars. They are prepared on a fair value basis for financial assets and financial liabilities at fair value through profit or loss. All other assets and liabilities are stated at amortised cost.

The accounting policies have been applied consistently by the Company and are consistent with those used in the previous year.

Changes in accounting policy and disclosures

During the year, the IASB approved amendments to a number of existing standards as a result of the improvements project and issued several new standards. The objectives of the improvements project were to reduce or eliminate alternatives, redundancies and conflicts within the standards, to deal with some convergence issues and to make other improvements.

The Directors are of the belief that there has been no material impact of these and other revised standards on the current year’s financial statements.

Aurum Isis Dollar Fund Ltd.

Notes to the Financial Statements for the year ended 31 December 2010 (continued)

2 Principal Accounting Policies (continued)

Changes in accounting policy and disclosures (continued)

There are a number of other IFRS and interpretations which were in issue but have not been applied in the financial statements as they are not yet effective. The Directors anticipate that the adoption of these standards will have no material impact on the financial statements of the Fund.

However, IFRS 9 (Financial Instruments) issued in November 2009 (IFRS 9 (2009)) will change the classification of financial assets and liabilities. The standard is not expected to have an impact on the measurement basis and classification of the financial assets since the majority of the Company's financial assets are measured at fair value through profit or loss.

The standard is effective for annual periods beginning on or after 1 January 2013 subject to EU endorsement. Earlier application is permitted. The Company does not plan to adopt this standard early.

Investments

The Company, on initial recognition, designates all investments as at fair value through profit or loss as, in doing so, it results in more relevant information because the investments and related liabilities are managed as a group of financial assets and liabilities and performance is evaluated on a fair value basis and reported to key management personnel on that basis.

Investments in collective investment schemes are recorded at the net asset value per share as reported by the administrators of such funds. Investment transactions are recorded on a settlement date basis which is the date of cash subscription of the investment or the date cash is received from redemption of an investment. Realised capital gains and losses on investment transactions are determined on the weighted average cost basis and are included in the Statement of Comprehensive Income. Unrealised capital gains and losses from a change in the fair value of investments are recognised in the Statement of Comprehensive Income.

Where administrators are unable to provide net asset value per share, the Directors make their own assessment of value based on available information.

Under IFRS, Participating Shares are treated as a financial liability and the format of the Statement of Financial Position reflects this position.

Translation of Foreign Currencies

Monetary assets and liabilities denominated in foreign currencies are translated into US dollars at exchange rates in effect at the date of the financial statements. Transactions in foreign currencies are translated into US dollars based on exchange rates on the date of the transaction.

Interest Income

Interest income is recognised in the Statement of Comprehensive Income for all interest bearing instruments on an effective interest basis.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances held at banks together with bank overdrafts. The bank overdrafts are repayable on demand and form an integral part of the Company's cash management system.

Taxation

The Company has received an undertaking from the Ministry of Finance of Bermuda, under the Exempted Undertakings Tax Protection Act, 1966 exempting the Company from income, profit, capital transfer or capital taxes, should taxes be enacted, until 28 March 2016.

Aurum Isis Dollar Fund Ltd.

Notes to the Financial Statements for the year ended 31 December 2010 (continued)

2 Principal Accounting Policies (continued)

Expenses

All expenses are recognised in the Statement of Comprehensive Income on an accruals basis.

Use of Estimates

The preparation of financial statements in accordance with IFRSs 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 income and expenses during the year. Actual results could differ from those estimates.

Derecognition of Financial Assets and Liabilities

A financial asset is derecognised when the Company loses control over the contractual rights that comprise that asset. This occurs when the rights are realised, expired or are surrendered. Assets that are sold are derecognised and the corresponding receivables from the buyer for the payment are recognised as at the settlement date. The Company uses the weighted average cost basis to determine the realised gain or loss on derecognition. A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

3 Fees

The Company pays no direct fees. Please refer to the accompanying Master Fund financial statements for notes regarding fees paid by the Master Fund.

4 Share Capital

	December 2010 US\$	December 2009 US\$
Authorised share capital of US\$0.01 par value per share		
1,000 Sponsor Shares	10	10
4,999,000 Participating Shares	49,990	49,990
	50,000	50,000

All of the Sponsor Shares have been issued to and are beneficially owned by the Investment Advisor. The Sponsor Shares do not carry the right to participate in the assets of the Company in a winding up, except to the extent of repayment of par value paid in cash, nor in any dividends or other distribution of the Company so long as Participating Shares are in issue.

The Participating Shares are entitled to receive, to the exclusion of the Sponsor Shares, any dividends which may be declared by the Board of the Company and, upon the winding up of the Company, their par value and any surplus remaining after paying to the holders of the Sponsor Shares the par value of the Sponsor Shares (to the extent actually paid up in cash). The Sponsor Shares have the general voting powers of the Company and the holders of Participating Shares are entitled to receive notice of and attend all general meetings of the members.

	Number of Participating Shares		Number of Participating Shares
Opening at 1 January 2010	810,244.26	Opening at 1 January 2009	1,191,155.81
Issued during the year	390,430.91	Issued during the year	332,313.74
Redeemed during the year	(239,388.43)	Redeemed during the year	(713,225.29)
Closing at 31 December 2010	961,286.74	Closing at 31 December 2009	810,244.26

Aurum Isis Dollar Fund Ltd.

Notes to the Financial Statements for the year ended 31 December 2010 (continued)

4 Share Capital (continued)

Statement of Changes in Sponsor and Participating Shares

	Sponsor Shares US\$	Participating Shares US\$	Share Premium US\$	Return allocated to Participating Shareholders US\$	Total US\$
Balance at 1 January 2010	10	8,103	142,277,642	55,586,758	197,872,513
Change in net assets attributable to holders of participating shares				3,235,035	3,235,035
Subscriptions during the year		3,904	95,945,215		95,949,119
Redemptions during the year		(2,394)	(58,929,055)		(58,931,449)
Balance at 31 December 2010	10	9,613	179,293,802	58,821,793	238,125,218
Balance at 1 January 2009	10	11,912	227,855,520	42,839,754	270,707,196
Change in net assets attributable to holders of participating shares				12,747,004	12,747,004
Subscriptions during the year		3,323	79,403,095		79,406,418
Redemptions during the year		(7,132)	(164,980,973)		(164,988,105)
Balance at 31 December 2009	10	8,103	142,277,642	55,586,758	197,872,513

5 Bank overdraft

The Company has a facility with Northern Trust (Guernsey) Limited and any outstanding bank overdraft is secured over the portfolio of the Company.

6 Net Asset Value per Participating Share

The Net Asset Value per Participating Share is calculated by dividing the net assets less the par value of the Sponsor Shares included in the Statement of Financial Position by the number of Participating Shares in issue at the year end.

	December 2010	December 2009
Total Net Assets (US\$) Less Par Value of Sponsor Shares	238,125,208	197,872,503
Issued Participating Shares	961,286.74	810,244.26
Net Asset Value per Participating Share (US\$)	247.72	244.21

7 Related Parties

The Company, Administrators, Investment Advisor, Custodian and Directors are related parties by virtue of the material contracts in existence that are outlined in notes 3 to 5 of the financial statements of the Master Fund.

Mrs T Gibbons and Mr A Hopkin are directors of the Investment Advisor. Mr S A Morris, Mr D R Cottingham and Mr C C Morris are directors of the Investment Advisor, are directors of Continental Sponsors Ltd, the sponsoring broker on the Bermuda Stock Exchange, and are also directors of Global Fund Services Ltd, the Bermuda Administrator. Mr K Gundle is a Vice President of Research with the Investment Advisor. Messrs S A Morris, D R Cottingham and K Gundle directly and indirectly hold shares in the Investment Advisor.

Ms M O'Caomh is an employee of the Irish Administrator.

Aurum Isis Dollar Fund Ltd.

Notes to the Financial Statements for the year ended 31 December 2010 (continued)

7 Related Parties (continued)

Aurum Fund Management Ltd. is also the sponsor and advisor to a number of other investment companies and the directors of the Company, the Master Fund and Aurum Fund Management Ltd. may serve as directors of such companies.

Persons connected to the Directors, as defined under the Irish Stock Exchange listing requirements, directly and indirectly own all the Sponsor Shares of the Company. At 31 December 2010, Directors and Persons so connected held the following Participating Shares in the Company.

	Number of shares	
	2010	2009
Connected Persons of Directors	4,120.65	0.00
	4,120.65	0.00

All dealings between all parties were at arm's length prices.

8 Financial Instruments and Risk Exposure

The Company invests all of its assets into the Master Fund, which is exposed to market risk, currency risk, credit risk and liquidity risk arising from the financial instruments it holds. These risks are explained in the financial statements of the Master Fund which are attached.

9 Fair Value Measurement

The International Accounting Standards Board published *Improving Disclosures about Financial Instruments (Amendments to IFRS 7)* that are explained in Note 11 of the Master Fund financial statements.

The following table presents the financial instruments carried on the Statement of Financial Position by level within the valuation hierarchy as at 31 December 2010.

Financial assets at fair value through profit or loss				
At 31 December 2010	Total	Level 1	Level 2	Level 3
	US\$	US\$	US\$	US\$
Aurum Isis Fund Ltd.	238,130,349	-	238,130,349	-
Total	238,130,349	-	238,130,349	-
Financial assets at fair value through profit or loss				
At 31 December 2009	Total	Level 1	Level 2	Level 3
	US\$	US\$	US\$	US\$
Aurum Isis Fund Ltd.	197,874,520	-	197,874,520	-
Total	197,874,520	-	197,874,520	-

10 Subsequent Events

No events have occurred in respect of the Company subsequent to the year end that may be deemed relevant to the accuracy of these financial statements.