

VENEZUELAN DOMESTIC DEBT FUND B.V.
(IN LIQUIDATION)
Curaçao

Financial statements

September 30, 2012

With independent auditor's report thereon

Venezuelan Domestic Debt Fund B.V. (in liquidation)

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The Managing Directors
Venezuelan Domestic Debt Fund Ltd.

Our ref 13/09-069

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of Venezuelan Domestic Debt Fund Ltd. (the "Fund"), which comprise the statement of financial position as at September 30, 2012, the statements of comprehensive income, changes in net assets attributable to holders of redeemable shares and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

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, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 policies 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 audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as at September 30, 2012, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of matter

Without qualifying our opinion, we draw attention to Note 1 of the financial statements “Going concern”. Effective September 21, 2013, the Fund ceased its operations. On August 9, 2013, all outstanding redeemable participating shares were redeemed.

Curaçao,
November 15, 2013

KPMG Accountants B.V.



André Delger RA

Statement of financial position
As at September 30, 2012

	<u>Notes</u>	<u>2012</u>	<u>2011</u>
<i>(in VEF)</i>			
Assets			
Cash and cash equivalents		55,937,013	67,178,001
Prepaid expenses and other receivables		97,490	103,430
Total assets		56,034,503	67,281,431
Equity			
Non redeemable voting non profit sharing share	3	1	1
Liabilities			
Management fees payable	4	14,778	889,155
Directors fees payable		13,845	31,899
Administrative fees payable	5	64,275	62,699
Professional fees payable		111,848	252,588
Other payables and accrued expenses		446,243	413,645
Total liabilities (excluding net assets attributable to holders of redeemable shares)		650,989	1,649,986
Net assets attributable to holders of redeemable shares		55,383,513	65,631,444
Net asset value per redeemable share			
92,534.44 shares outstanding (2011 : 133,910.31)	3	598.52	490.11

Statement of comprehensive income
Year ended September 30, 2012

	Note	2012	2011
<i>(in VEF)</i>			
Net realized loss on investments		-	(2,490,724)
Net realized gain on foreign currency exchange		60,000	30,664
Change in unrealized appreciation on investments		-	359,452
Change in unrealized gain on foreign currency exchange		14,061,109	2,463,060
Interest income		11,610	243,333
Investment income		14,132,719	605,785
Expenses			
Management fee	4	653,073	470,195
Directors fee	4	25,177	41,941
Administration fee	5	426,816	335,526
Audit fee		132,201	121,261
Other expenses		156,384	141,873
Operating expenses		1,393,651	1,110,796
Net investment gain / (loss)		12,739,068	(505,011)
Changes in net assets from operations attributable to holders of redeemable shares		12,739,068	(505,011)

Statement of changes in net assets attributable to holders of redeemable shares
Year ended September 30, 2012

	2012	2011
<i>(in VEF)</i>		
Balance at the beginning of the year	65,631,444	40,208,607
Changes in net assets from operations attributable to holders of redeemable shares	12,739,068	(505,011)
Issue of redeemable shares during the year	528,513,001	388,952,241
Redemption of redeemable shares during the year	(551,500,000)	(363,024,393)
Net assets attributable to holders of redeemable shares at end of year	55,383,513	65,631,444

Statement of cash flows
Year ended September 30, 2012

<i>(in VEF)</i>	2012	2011
Cash flows from operating activities		
Changes in net assets from operations attributable to holders of redeemable shares	12,739,068	(505,011)
Adjustments to reconcile changes in net assets from operations attributable to holders of redeemable shares		
cash provided by (used in) operating activities:		
Purchases of investments	-	(11,298,409)
Proceeds from sale of investments	-	33,780,214
Net realized loss on investments	-	2,490,724
Change in unrealized appreciation on investments	-	(359,452)
Decrease in interest receivable	-	244,572
Decrease (Increase) in prepaid expenses and other receivables	5,940	(80,629)
(Decrease) Increase in professional fee payable	(140,740)	104,949
(Decrease) Increase in directors fee payable	(18,054)	18,054
(Decrease) Increase in management fee payable	(874,377)	470,195
Increase (Decrease) in administration fee payable	1,576	(1,617)
Increase in other payables and accrued expenses	32,598	53,892
Net cash provided by operating activities	11,746,011	24,917,482
Cash flows from financing activities		
Proceeds from issue of redeemable shares	528,513,001	388,952,241
Payments on redemption of redeemable shares	(551,500,000)	(369,416,520)
Net cash (used in) provided by financing activities	(22,986,999)	19,535,721
Net (decrease) increase in cash and cash equivalents	(11,240,988)	44,453,203
Cash and cash equivalents at beginning of the year	67,178,001	22,724,798
Cash and cash equivalents at the end of year	55,937,013	67,178,001
Supplemental cash flows information:		
Interest received	11,610	487,905
Cash and cash equivalent consist of the following:		
Cash at brokers	55,932,299	67,173,256
Cash at bank	4,714	4,745

Notes to the financial statements September 30, 2012

(1) Description of business and summary of significant accounting policies

Venezuelan Domestic Debt Fund B.V. (in liquidation) (the "Fund") is a collective investment company incorporated as a limited liability company under the laws of Curaçao on September 16, 2005. In foreign trade, the Fund may be called "Venezuelan Domestic Debt Fund S.R.L." or "Venezuelan Domestic Debt Fund Ltd." The Fund commenced operations on January 1, 2006.

The registered office of the Fund is located at Pareraweg 45, Willemstad, Curaçao.

The Fund has been formed to provide professional investors with a vehicle that allows direct exposure to debt securities issued by the Bolivarian Republic of Venezuela and/or to purchase public obligations of the U.S. Treasury, thereby allowing investors to obtain market exposure to either of those securities in an easily tradable form as shares listed on an international Stock exchange. The Fund is subjected to laws and regulations of the BMA, Bermuda Monetary Authority.

In order to achieve its investment objective, the Fund will seek to hold portfolio of transferable debt securities issued by the Bolivarian Republic of Venezuela and/or to purchase public obligations of the U.S. Treasury. There are no investments at September 30, 2012 and 2011. All the investments of the Fund were sold by November 30, 2010 as the Investment Manager was in the process to restructure a new investment objective for the Fund. Until such time that the new investment objective was ready, the cash of the Fund was not utilized for any investment purposes. Per May 21, 2012, the Fund has a new investment objective that allows the Fund to expand its investment strategy to include cash investments and highly-liquid, publicly-negotiable securities in any currency.

The Fund's financial statements were authorized for issue by the Managing Directors on November 15, 2013.

Going concern

As of August 9, 2013, all outstanding redeemable participating shares were redeemed. Following this, the Fund has taken advice from the Investment Manager and ceased its operations effective September 21, 2013. The directors have initiated the process of liquidation. The assets in these financial statements have been recorded at their estimated realizable value while the liabilities have been recorded at their extinguishing value.

Statement of compliance

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

Basis of preparation

The functional currency of the Fund is USD and the presentation currency of the financial statements is Venezuelan Bolivar Fuerte ("VEF"), and rounded to the nearest VEF. The financial statements are prepared on a fair value basis for financial assets and financial liabilities at fair value through profit or loss. Other financial assets and financial liabilities are stated at amortized cost or redemption amount ("redeemable shares").

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expense. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if revision affects only that period or future period if the revision affects both current and future period.

The accounting policies have been applied consistently by the Fund and are consistent with those used in the previous year, except that these financial statements are prepared on a liquidation basis.

Segment Reporting

An operating segment is a component of the Fund that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Fund's other components, whose operating results are reviewed regularly by the Managing Directors (being the chief operating decision maker) to make decisions about resources allocated to the segment and assess its performance, and for which discrete financial information is available. Segment results that are reported to the Managing Directors include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly of audit, directors' and other operating expenses.

Foreign currency translation

Transactions in foreign currencies are translated at the foreign currency exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated to VEF at the foreign currency closing exchange rate ruling at the reporting date. Foreign currency exchange differences arising on translation and realized gains and losses on disposals or settlement of monetary assets and liabilities are recognized in the statement of comprehensive income. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to VEF at the foreign currency exchange rate ruling at the dates that the values were determined. Foreign currency exchange differences relating to investments at fair value through profit or loss are included in gain or loss on investment.

At September 30, 2012, the currency exchange rate used in these financial statements is VEF10.50 (2011: VEF8.45) against USD1. The exchange rates fluctuated during the year ranging from VEF8.20 to VEF10.50 (2011: VEF7.50 to VEF8.45). The exchange rate used is the Parallel Rate Exchange for the VEF. Although it is not an official rate of exchange, it constitutes a legal rate of exchange, as it is derived from security transactions which, in management's opinion, are expressly exonerated from Venezuela's Law against Exchange Crimes.

Financial instruments

Classification

Investments are classified at fair value through profit or loss upon initial recognition. These include financial assets that are not held for trading purposes and which may be sold. These are investments in debt instruments.

At September 30, 2012 and 2011, the Fund did not hold any investments.

Financial assets that are classified as receivable include cash and cash equivalents, prepaid expenses and other receivables.

Financial liabilities that are not at fair value through profit or loss include payables for management fees, directors fees, administration fees, professional fees, other payables and accrued expenses and financial liabilities arising on redeemable shares.

Recognition

The Fund recognizes financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument.

A regular way purchase of financial assets is recognized using trade date accounting. From this date any gains and losses arising from changes in fair values of the financial assets or financial liabilities are recorded.

Financial liabilities are not recognized unless one of the parties has performed or the contract is a derivative contract not exempted from the scope of IAS 39.

Measurement

Financial instruments are measured initially at fair value plus, in case of a financial asset or liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately, while on other financial instruments they are amortized.

Subsequent to initial recognition, all instruments classified at fair value through profit or losses are measured at fair value with changes in the fair value recognized in the statement of comprehensive income.

Financial liabilities, other than those at fair value through profit or loss, are measured at amortized cost using the effective interest rate. Financial liabilities arising from the redeemable shares issued by the Fund are carried at the redemption amount representing the investors' right to a residual interest in the Fund's assets.

Fair value measurement principles

Fair values of financial assets and financial liabilities are based on their quoted market prices at the reporting date without any deduction for estimated future selling cost. Financial assets are priced at current bid price, while financial liabilities are priced at current asking prices.

The carrying amount of the Fund's financial assets and financial liabilities at the reporting date approximated their fair values.

Derecognition

The Fund derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expires or it transfers the financial assets and the transfer qualifies for derecognition in accordance with IAS 39.

The Fund uses the first-in first-out method to determine realized gain or losses on derecognition.

A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expired.

Cash and cash equivalents

Cash comprises current deposits with banks and brokers. The Fund's cash represents cash at bank amounting VEF4,714 (2011:VEF4,745) and cash at broker amounting VEF55,932,299 (2011: VEF67,173,256).

Redeemable shares

All redeemable shares issued by the Fund provide the investors with the right to require redemption for cash at the value proportionate to the investors share in the Fund's net assets at the redemption date. In accordance with IAS 32 such instruments give rise to a financial liability for the redemption amount.

Interest income

Interest income and expense are recognized in the statement of comprehensive income as they accrue, using the original effective interest rate of the instrument calculated at the acquisition or origination date.

Interest income includes the amortization of any discount or premium, transaction costs or other differences between the initial carrying amount of an interest-bearing instrument and its amount at maturity calculated on an effective interest rate basis.

Interest income on debt instruments at fair value through profit or loss is accrued using the original effective interest rate and recognized as interest income within the statement of comprehensive income. Interest income is recognized on a net basis, excluding withholding tax, if any.

New standards and interpretations not adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after January 1, 2011, and have not been applied in preparing these financial statements as they will not effect the Fund.

(2) Curaçao profit tax

Under current system of taxation in Curaçao, the Fund is currently exempt from paying taxes on income, profits or capital gains. The Fund has received an undertaking from the Inspector of Taxes of Curaçao to be exempt from paying taxes under certain conditions.

(3) Share capital

The share capital of the Fund is divided into an unlimited number of redeemable Non – Voting, Profit Sharing Shares and one Non – redeemable Voting Non – Profit Sharing Share. At September 30, 2012 and 2011, the Voting Share is issued and held by Sequoian Financial Group Ltd. which is affiliated with the Investment Manager.

The redeemable share capital of the Fund shall at all times equal the Net Asset value. For the period of five years from the date of incorporation, the Managing Directors are empowered to issue shares of VEF1 par value in the Fund. On the expiry of five years the Managing Directors' authority to issue shares may be renewed by the shareholders in general meeting successively for further periods not exceeding five years. There are no rights of pre-emption upon the issue of shares in the Fund. The minimum initial subscription is the equivalent in VEF of USD50,000. The Managing Directors are entitled in their absolute discretion from time to time to accept or reject any applications for shares.

Venezuelan Domestic Debt Fund B.V. (in liquidation)

Share transactions for the years ended September 30, 2012 and 2011 are as follows:

	2012	2011
<i>(Number of shares)</i>		
Shares outstanding at the beginning of the year	133,910.31	82,698.65
Shares subscribed during the year	1,058,840.57	816,050.08
Shares redeemed during the year	(1,100,216.44)	(764,838.42)
Shares outstanding at the ending of year	92,534.44	133,910.31

The Fund does not have any externally imposed capital requirements.

(4) Related party transactions

Investment management agreement

Pursuant to an investment management agreement, dated September 8, 2005, Sequoian Asset Management LLC the "Investment Manager", a Delaware limited liability company, furnishes investment management services to the Fund. For its services the Fund pays the Investment Manager a monthly fee at an annual rate of one percent (1%) per annum, multiplied by the net asset value of the Fund as of the last business day immediately preceding the payment date. For the year ended September 30, 2012, the management fees amounted to VEF653,073 (2011: VEF470,195) of which VEF14,778 (2011: VEF889,155) remained payable.

The Investment Manager of the Fund is also a Managing Director of the Fund.

Entities related to the Investment Manager either directly or indirectly held 63,308.79 shares (68.42%) as of September 30, 2012 (2011: 90,739.09 shares (67.76%)) of the Fund.

Directors

The Managing Directors of the Fund consist of: Mr. Oswaldo J. Lairer and Mr. J.Robert M. Ellis. The remuneration shall not exceed the aggregate amount of USD 10,000 per annum for providing service as director(s) to the Fund. For the year ended September 30, 2012, the director(s) fees amounted to VEF25,177 (2011: VEF41,941) of which VEF13,845 (2011: VEF31,899) remained payable.

(5) Administrative agreement

Effective January 1, 2009, the Fund has appointed, by agreement, Amicorp Fund Services N.V to act as the administrator for the Fund (the "Administrator"). Pursuant to an agreement, the Administrator of the Fund receives an administrative fee based on the net assets. The Administrator is also reimbursed for all out of pocket expenses. For the year ended September 30, 2012, administrative expenses amounted to VEF426,816 (2011: VEF335,526) of which VEF64,275 (2011: VEF62,699) remained payable.

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

At September 30, 2012 and 2011, the Fund has no financial assets and liabilities at fair value through profit and loss.

At September 30, 2012, the Fund has not incurred any profit or loss (2011: net loss of VEF2,131,272) from investments.

(7) Financial instruments and associated risks

The Fund was maintaining positions in a variety of non-derivative financial instruments as dictated by its investment management strategy, mainly consisting of investments in debt up to November 30, 2010. At September 30, 2012 and 2011, the Fund did not hold any security positions.

The Fund's investment activities expose it to various types of risk, both on and off balance sheet, which are associated with the financial instruments and markets in which it invests. These financial instruments expose the Fund, in varying degrees, to elements of market risk and liquidity risk.

Asset allocation is determined by the Investment Manager who manages the distribution of assets to achieve the investment objective. Divergence from target asset allocations and the composition of the portfolio is monitored by the Investment Manager.

Venezuelan Domestic Debt Fund B.V. (in liquidation)

The nature and extent of the risks associated with the financial instruments outstanding at the reporting date are discussed below. The following summary is not intended to be a comprehensive summary of all risks and investors should refer to the offering memorandum for a more detailed discussion of the risks inherent in investing in the Fund.

Market risk

A market risk embodies the potential for both loss and gains and includes currency risk, interest rate risk and price risk.

The Fund's strategy on the management of investment risk is driven by the Fund's investment objective. The Fund's market risk is managed by the Investment Manager in accordance with policies and procedure in place as described in the offering memorandum. The Fund's overall market positions are monitored on an ongoing basis by the Managing Directors.

Currency risk

The Fund enters into transactions denominated in currencies other than its functional currency. Consequently, the Fund is exposed to risks that the exchange rate of its currency relative to other foreign currencies may change in a manner that has an adverse effect on the value of that portion of the Fund's assets or liabilities denominated in currencies other than the USD.

The Fund's total net exposure to fluctuations in foreign currency exchange rates at the reporting date were as follows:

	Monetary assets	Non-monetary assets	Monetary liabilities	Non-monetary liabilities	Net exposure
<i>(in VEF)</i>					
<u>September 30, 2012</u>					
USD	55,932,299	60,204	-	(287,415)	55,705,088
<u>September 30, 2011</u>					
USD	67,173,256	-	-	(547,465)	66,625,791

Sensitivity analysis

At September 30, 2012, had the USD strengthened by 5% in relation to the VEF, with all other variables held constant, net assets attributable to holders of redeemable shares per the statement of comprehensive income would have increased by VEF2,785,254 (2011: VEF3,331,290). In practice, the actual trading results may differ from the sensitivity analysis and the difference could be material.

A 5% weakening of the USD against the VEF would have resulted in an equal but opposite effects on the above financial statements amounts to the amounts shown above, on the basis that all other variables remain constant.

Interest rate risk

The Fund invests in interest bearing instruments. Interest bearing financial assets mature or reprice in the short term, no longer than twelve months. As results, the Fund is subject to limited exposure to fair value interest rate risks due to fluctuations in the prevailing levels of market interest rate.

Sensitivity analysis

The sensitivity analysis below has been determined based on the Fund's exposure to variable interest rate for interest bearing assets and liabilities at the reporting date. At September 30, 2012, the interest bearing assets and liabilities consisted of cash and cash equivalents which amounted to VEF55,937,013 (2011: VEF67,178,001). The analysis assumes that the stipulated change takes place at the beginning of the financial year and is held constant throughout the reporting period in the case of instruments that have a floating rate. A 100 basis point increase or decrease is used when reporting interest rate risk internally and represents management's assessment of the possible change in the interest rates.

For the year ended September 30, 2012, an increase of 100 basis points in annualized effective interest rates, applied to the amounts outstanding at the reporting date would have increased the net assets attributable to the holders of redeemable shares by VEF559,370 or 101 basis points (2011: VEF671,780 or 102 basis points). A decrease of 100 basis points would have had an equal but opposite effect. In practice, the actual trading results may differ from the sensitivity analysis and the difference could be material.

Venezuelan Domestic Debt Fund B.V. (in liquidation)

Price risk

Price risk is the risk that the value of the instrument will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market.

As the majority of the Fund's financial instruments are carried at fair value with fair value changes recognized in the statement of comprehensive income, all changes in market conditions will directly affect net operating results.

Credit risk

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Investment Manager monitors the exposure to credit risk on an ongoing basis.

At September 30, 2012, the following financial assets were exposed to credit risk: cash and cash equivalents and receivables. The carrying amounts of financial assets best represent the maximum credit risk exposure at the reporting date. This relates also to financial assets carried at amortized cost, as they have a short-term to maturity. Total carrying amount of financial assets exposed to credit risk amounted to VEF55.94 million (2011: VEF67.18 million)

Credit risk arising on transactions with brokers relates to transactions awaiting settlement. Risk relating to unsettled transactions is considered minimal due to the short settlement period involved.

Liquidity risk

The Fund's constitution provides for the creation and cancellation of shares on a weekly basis and it is therefore exposed to the liquidity risk of meeting shareholder redemptions at any time.

The Fund's liquidity risk is managed on an ongoing basis by the Investment Manager in accordance with policies and procedures in place. The Fund's overall liquidity risks are monitored on a monthly basis by the Managing Directors.

The contractual maturities of financial liabilities are one year or less.

Valuation of financial instruments

The Fund measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1 - Quoted market price (unadjusted) in an active market for identical instruments.

Level 2 - Valuation techniques based on observable inputs, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using: market prices in active markets for similar instruments, quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from the market data.

Level 3 - Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

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

Fair value is a market-based measure considered from the perspective of a market participant rather than an entity-specific measure. Therefore, even when market assumptions are not readily available, Fund management's own assumptions are set to reflect those that market participants would use in pricing the asset or liability at the measurement date. Fund management uses prices and inputs that are current as of the measurement date, including periods of market dislocation. In periods of market dislocation, the observability of prices and inputs may be reduced for many securities. This condition could cause a security to be reclassified to a lower level within the fair value hierarchy.

Valuation techniques

Investments in securities, which are traded on a recognized exchange, are valued based on quoted market prices. For financial assets, the Fund uses the current bid price as the appropriate quoted market price; whereas current asking price is used as the appropriate quoted market price for financial liabilities. Investments whose values are based on quoted market prices in active markets are therefore categorized in Level 1 of the fair value hierarchy. Fund management does not adjust the quoted price for such instruments, even in situations where the Fund holds a large position and a sale could reasonably impact the quoted price.

Fair value measurements

The Fund's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy in accordance with IFRS 7. See Note 1 for a discussion of the Fund's policies.

Since there are no outstanding security positions at September 30, 2012 and 2011, the fair value measurement principles are not applicable.

(8) Segment information

The Fund is organized into one operating segment which allows direct exposure to debt securities issued by the Bolivarian Republic of Venezuela and/or to purchase public obligations of the U.S. Treasury. The Fund's reporting format is geographical segments based on location of the investments.

The Fund operates in one main geographical area which is United States of America. The information about the Fund's operating segment are as follows:

	2012	2011
<i>(in VEF)</i>		
Investment income		
- USD	14,132,719	605,785

	2012	2011
<i>(in VEF)</i>		
Total investments		
- USD	-	-

To determine the geographical segment for financial instruments the following rules have been applied:

- Listed non – monetary financial instruments (excluding derivatives) place of primary listing;
- Unlisted non - monetary financial instruments (excluding derivatives) place of incorporation of the issuer;
- Derivatives place of registration of the counterparty or if traded on an active market, place of stock exchange; and
- Monetary financial instruments place of incorporation of the debtor.

(9) Personnel

The Fund had no direct employees during the years ended September 30, 2012 and 2011.

(10) Subsequent events

As of August 9, 2013, all outstanding redeemable participating shares were redeemed. Following this, the Fund has taken advice from the Investment Manager and ceased its operations effective September 21, 2013.