

Aurum Isis Institutional Dollar Fund Ltd.

Report and Audited Financial Statements

For the year ended 31 December 2012

# **Aurum Isis Institutional Dollar Fund Ltd.**

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# Aurum Isis Institutional Dollar Fund Ltd.

## Directors and service providers

**Company** Aurum Isis Institutional Dollar Fund Ltd.  
“Aurum House“  
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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\*

\*Non-Executive Directors

**Custodian** Northern Trust Fiduciary Services (Ireland) Limited  
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Investment Advisor** Aurum Fund Management Ltd.  
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54 - 62 Townsend Street  
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# Aurum Isis Institutional Dollar Fund Ltd.

## Directors and service providers (continued)

**Bermuda  
Administrator,  
Registrar and  
Secretary**

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“Century House”  
16 Par-la-Ville Road  
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**Independent  
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KPMG  
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# **Aurum Isis Institutional Dollar Fund Ltd.**

## **Directors' Report**

The Directors have the pleasure to present the audited accounts of Aurum Isis Institutional Dollar Fund Ltd. (the "Company") for the year ended 31 December 2012 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 2012, the Net Asset Value per Participating Share was US\$1,025.46 (2011: US\$989.02).

No dividends have been declared in the year ended 31 December 2012 (2011: US\$Nil) and the Directors do not recommend the payment of any dividends for the year ended 31 December 2012 (2011: 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 Participating Shares of the Master Fund.

The annual report and audited financial statements of the Master Fund for the year ended 31 December 2012 are sent to all Shareholders with the accounts of the Company.



**Dudley R Cottingham**  
**Director**

24 April 2013



**KPMG**  
**Chartered Accountants**  
1 Harbourmaster Place  
IFSC  
Dublin 1  
Ireland

### **Independent Auditors' Report to the Shareholders**

We have audited the accompanying financial statements of Aurum Isis Institutional USD Fund Ltd. (the "Company") for the year ended 31 December 2012, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Net Assets Attributable to Holders of Participating Shares, the Statement of Cash Flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

This report is made solely to the shareholders of the Company, as a body, in accordance with the terms of our engagement. Our audit work has been undertaken so that we might state to the shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the shareholders of the Company as a body, for our audit work, for this report, or for the opinions we have formed.

### **Management 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 they determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' 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 Company as at 31 December 2012, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

KPMG  
Chartered Accountants  
24 APRIL 2013  
1 Harbourmaster Place  
International Financial Services Centre  
Dublin 1  
Ireland

# Aurum Isis Institutional Dollar Fund Ltd.

## Portfolio Statement as at 31 December 2012

Fund	2012			2011		
	Nominal Holding	Fair Value US\$	% of NAV	Nominal Holding	Fair Value US\$	% of NAV
Aurum Isis Fund Ltd.	367,625	92,506,030	99.83	203,158	49,755,396	99.83
Other Assets		153,373	0.17		83,111	0.17
Total Assets		<b>92,659,403</b>	<b>100.00</b>		<b>49,838,507</b>	<b>100.00</b>
Other Liabilities		-	-		-	-
Net Assets		<b>92,659,403</b>	<b>100.00</b>		<b>49,838,507</b>	<b>100.00</b>

*The accompanying notes form part of these financial statements.*

# Aurum Isis Institutional Dollar Fund Ltd.

## Statement of Comprehensive Income for the year ended 31 December 2012

27 January 2011 to 31 December 2011 US\$		01 January 2012 to Notes 31 December 2012 US\$
	<b>Gains from financial assets at fair value through profit or loss</b>	2
417,508	Other income	600,516
(971,003)	Net unrealised gain on investments	2,135,702
<b>(553,495)</b>	<b>Total (losses)/gains from financial assets at fair value through profit or loss</b>	<b>2,736,218</b>
	<b>Expenses</b>	2
-	Incentive fee	45,302
-	<b>Operating expenses</b>	<b>45,302</b>
	<b>Change in net assets attributable to holders of Participating</b>	
<b>(553,495)</b>	<b>Shares resulting from operations</b>	<b>2,690,916</b>

*The accompanying notes form part of these financial statements.*



# Aurum Isis Institutional Dollar Fund Ltd.

## Statement of Financial Position as at 31 December 2012

	2011 US\$	Notes	2012 US\$
<b>Assets</b>			
<b>Financial assets at fair value through profit or loss</b>			
49,755,396	Investments at fair value	2	92,506,030
<b>Loans and receivables</b>			
41,504	Other debtors		77,166
<b>Cash and cash equivalents</b>			
41,607	Cash and cash equivalents	2	76,207
<b>49,838,507</b>	<b>Total Assets</b>		<b>92,659,403</b>
<b>Liabilities</b>			
<b>Total Liabilities (excluding amounts attributable to holders of Participating Shares)</b>			
-			-
<b>Net Assets attributable to holders of Participating and Sponsor Shares</b>			
<b>49,838,507</b>		4	<b>92,659,403</b>
<b>49,838,505</b>	<b>Net Assets attributable to holders of Participating Shares</b>	6	<b>92,659,401</b>
<b>2</b>	<b>Net Assets attributable to holders of Sponsor Shares</b>	4	<b>2</b>
<b>50,392.00</b>	<b>Participating Shares outstanding (number of shares)</b>	4	<b>90,358.22</b>
<b>989.02</b>	<b>Net Asset Value per Participating Share</b>	6	<b>1,025.46</b>

These financial statements were approved by the Directors on 24th April 2013 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 Institutional Dollar Fund Ltd.

### Statement of Changes in Net Assets Attributable to Holders of Participating Shares for the year ended 31 December 2012

	Total US\$
<b>Balance at 1 January 2012</b>	<b>49,838,505</b>
Change in net assets attributable to holders of participating shares resulting from operations	2,690,916
Subscriptions during the year	40,129,980
<b>Balance at 31 December 2012</b>	<b>92,659,401</b>
<hr/>	
<b>Balance at 27 January 2011</b>	<b>-</b>
Change in net assets attributable to holders of participating shares resulting from operations	(553,495)
Subscriptions during the period	50,392,000
<b>Balance at 31 December 2011</b>	<b>49,838,505</b>

*The accompanying notes form part of these financial statements.*

# Aurum Isis Institutional Dollar Fund Ltd.

## Statement of Cash Flows for the year ended 31 December 2012

27 January 2011 to 31 December 2011 US\$	01 January 2012 to 31 December 2012 US\$
<b>Cash flows from operating activities</b>	
Change in net assets attributable to holders of participating (553,495) shares resulting from operations	2,690,916
(50,726,397) Purchase of investments	(40,614,932)
<b>Adjustment for non cash items and working capital</b>	
971,003 Net unrealised loss/(gain) on investments	(2,135,702)
<b>Changes in operating assets and liabilities</b>	
(41,504) (Increase) in debtors	(35,662)
<b>(50,350,393) Net cash outflow from operating activities</b>	<b>(40,095,380)</b>
<b>Cash flows from financing activities</b>	
50,392,000 Issue of shares	40,129,980
<b>50,392,000 Net cash inflow from financing activities</b>	<b>40,129,980</b>
41,607 Net increase in cash and cash equivalents	34,600
- Cash and cash equivalents at the beginning of the year	41,607
<b>41,607 Cash and cash equivalents at the end of the year</b>	<b>76,207</b>

*The accompanying notes form part of these financial statements.*

# Aurum Isis Institutional Dollar Fund Ltd.

## Notes to the Financial Statements for the year ended 31 December 2012

### 1 General

Aurum Isis Institutional Dollar Fund Ltd. (the “Institutional Dollar Fund” or the “Company”) was incorporated in Bermuda on 27 January 2011 under the Companies Act 1981 as amended and acts as an investment company. Shares of the Institutional Dollar Fund are denominated in US dollars. The Institutional Dollar Fund is one of eight Feeder Funds comprising the Institutional Dollar Fund, Aurum Isis Institutional Euro Fund Ltd. (the “Institutional Euro Fund”), Aurum Isis Swiss Franc Fund Ltd. (the “Swiss Franc Fund”), Aurum Isis Dollar Fund Ltd. (the “Dollar Fund”), Aurum Isis Sterling Fund Ltd. (the “Sterling Fund”), Aurum Isis Euro Fund Ltd. (the “Euro Fund”), Aurum Isis Australian Dollar Fund Ltd. (the “Australian Dollar Fund”) and 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, US Dollar, Sterling, Euro, Australian Dollar and Japanese Yen denominated shares respectively. Aurum Isis Institutional Dollar Fund Ltd. is listed on the Irish and Bermuda Stock Exchanges.

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 and their respective currencies. 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 but subject to an adjustment as explained in Note 3 below. 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 2012 are attached and should be read in conjunction with these financial statements.

The audited financial statements were approved by the Board of Directors on 24th April 2013.

### 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 (IFRS) and interpretations of IFRS as issued 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 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 net assets attributable to holders of participating shares are stated at the present value of the redemption amount.

The accounting policies have been applied consistently by the Company

#### Changes in accounting policy and disclosures

There are a number of new/revised standards and interpretations not yet adopted in the financial statements of the Company:

- Amendments to IFRS 7 Financial Instruments effective for accounting periods commencing 1 July 2012 or later: The amendments to IFRS 7 introduce new disclosure requirements about transfers of financial assets, including disclosures for financial assets that are not recognised in their entirety.

# Aurum Isis Institutional Dollar Fund Ltd.

## Notes to the Financial Statements for the year ended 31 December 2012 (continued)

### 2 Principal Accounting Policies (continued)

#### Changes in accounting policy and disclosures (continued)

- IFRS 10 Consolidated Financial Statements effective for annual reporting periods beginning on or after 1 January 2013. The standard establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. IFRS 10 replaces the consolidation requirements in SIC-12 Consolidation-Special Purpose Entities and IAS 27 Consolidated and Separate Financial Statements.
- IFRS 12 Disclosure of Interests, effective 1 January 2013: IFRS 12 Disclosure of Interests in Other Entities is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles.
- The Investment Entities amendment to IFRS 10, IFRS 12 and IAS 27, effective for annual reporting period's beginning on or after 1 January 2013. The Investment Entities amendments provide an exception to the consolidation requirements in IFRS 10 and require investment entities to measure particular subsidiaries at fair value through profit or loss, rather than consolidate them. The amendments also set out disclosure requirements for investment entities.
- IFRS 13 Fair value measurement, effective for annual reporting periods beginning on or after 1 January 2013: This standard establishes a single source of guidance for fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (also referred to as "the exit price"). The standard also provides guidance for fair value determination and introduces consistent requirements for disclosure and measurement.
- Amendments to IFRS 7 and IAS 32, effective 1 January 2014: The amendments provide clarification and disclosure requirements in relation to offsetting rights.
- 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 reporting periods beginning on or after 1 January 2015.

The Directors anticipate that the adoption of standards or interpretations currently in issue but not yet effective will have no material impact on the financial statements of the Company in the period of initial application. The Company has not adopted any new standards or interpretations that are not mandatory.

#### Investments

The Company, on initial recognition, designated 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.

The investment in the master fund is recorded at the net asset value per share as reported by the administrator of the master fund.

In the master fund where administrators are unable to provide net asset value per share, the Directors make their own assessment of value based on available information. In determining fair value, the Directors take into consideration where applicable, the impact of suspensions of redemptions, liquidation proceedings, investments in side pockets and any other significant factors.

At the year end, there were no instances wherein the administrator was unable to provide the net asset value per share or that the Directors considered it necessary to make any adjustments to the fair value of the underlying funds.

# **Aurum Isis Institutional Dollar Fund Ltd.**

## **Notes to the Financial Statements for the year ended 31 December 2012 (continued)**

### **2 Principal Accounting Policies (continued)**

Investment transactions are recorded on the trade date at which the Company becomes a party to the specific investment.

Financial assets and financial liabilities are measured initially at fair value, being the transaction price on the trade date. Transaction costs are expensed immediately. After initial measurement, the Company measures financial instruments which are classified at fair value through profit and loss at their fair value. Changes in fair value are recorded within net gain/(loss) on investments.

Purchases and sales of financial assets and financial liabilities are recognised using trade date accounting.

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.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Fund has a legal right to set off the recognised amounts and it intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

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

#### **Translation of Foreign Currencies**

The results and financial position of the entity are expressed in US dollar which is the functional currency of the Company. Transactions in currencies other than US dollar are recorded at the transaction date rate. At each reporting date, monetary items and non-monetary assets and liabilities that are fair valued and are denominated in foreign currencies are retranslated at the rate prevailing on the reporting date. Gains and losses arising on retranslation are included in the net profit or loss for the period where investments are classified at fair value through profit or loss.

#### **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 Bermuda income, profit, capital transfer or capital taxes, should taxes be enacted, until 31 March 2035.

#### **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 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 income and expenses during the year. Actual results could differ from those estimates.

# Aurum Isis Institutional Dollar Fund Ltd.

## Notes to the Financial Statements for the year ended 31 December 2012 (continued)

### 2 Principal Accounting Policies (continued)

#### Use of Estimates (continued)

Revisions to accounting estimates are recognised in the period in which the estimate is revised. The areas of estimates which have the most significant effect on the amounts recognised in the financial statements are disclosed in notes 8 and 9.

#### 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. 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 the Investment Advisor (i) a monthly advisory fee of 0.083333% (equivalent to approximately 1% per annum) of the Net Asset Value of the Participating Shares of the Company as at the relevant month end; and (ii) a monthly incentive fee of 10% of the increase, if any, of the Net Asset Value of the Participating Shares of the Company in issue at the valuation day over their adjusted value at Base Date or if higher the value of such shares upon which an incentive fee was last paid (the higher water mark date in respect of the Company). The adjusted value at Base Date shall mean the Net Asset Value of the Participating Shares of the Company in issue at the valuation day at Base Date increased by a factor of 0.416666% (equivalent to approximately 5% per annum) for each month that has expired since the Base Date. For the purposes of this clause the Base Date is the 31 December immediately prior to the month end except that for the period up to 31 December 2012, the Base Date shall be 1 March 2011 and it shall be assumed that all participating shares in issue at valuation day were in issue at Base Date and/or the higher water mark date as the case may be and had Net Asset Value equal to the Net Asset Value of the Participating Shares of the Company as at Base Date or high water mark as case may be. These fees are calculated before all Investment Advisor, Administrators and Custodian fees, Directors' fees, audit fees, formation and sundry expenses for the month concerned are deducted and are paid monthly in arrears.

The Master Fund will initially pay the advisory fees at the rates set out in the prospectus relating to the Master Fund and the other Isis Feeder Funds but an adjustment will be made to or from the Company by the Investment Advisor to ensure that the effective charges to the Company are as set out above having regard to the terms of investment into the Company. These amounts received are included in Other income in the Statement of Comprehensive Income on page 6.

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

### 4 Share Capital

	<b>December 2012 US\$</b>	<b>December 2011 US\$</b>
Authorised share capital of US\$0.002 par value per share		
1,000 Sponsor Shares	2	2
4,999,000 Participating Shares	9,998	9,998
	<b>10,000</b>	<b>10,000</b>

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 any Participating Shares are in issue.

# Aurum Isis Institutional Dollar Fund Ltd.

## Notes to the Financial Statements for the year ended 31 December 2012 (continued)

### 4 Share Capital (continued)

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 2012	50,392.00	Balance at 27 January 2011	-
Issued during the year	39,966.22	Issued during the period	50,392.00
Closing at 31 December 2012	90,358.22	Closing at 31 December 2011	50,392.00

#### Statement of Changes in Sponsor and Participating Shares

	Sponsor Shares US\$	Participating Shares US\$	Share Premium and Return Allocated to Participating Shareholders US\$	Total US\$
<b>Balance at 1 January 2012</b>	2	101	49,838,404	49,838,507
Change in net assets attributable to holders of participating shares			2,690,916	2,690,916
Subscriptions during the year		80	40,129,900	40,129,980
<b>Balance at 31 December 2012</b>	2	181	92,659,220	92,659,403
<b>Balance at 27 January 2011</b>	-	-	-	-
Change in net assets attributable to holders of participating shares			(553,495)	(553,495)
Subscriptions during the period	2	101	50,391,899	50,392,002
<b>Balance at 31 December 2011</b>	2	101	49,838,404	49,838,507

Participating Shares in the Company may be redeemed at the Net Asset Value per Participating Share on the dealing day immediately following the valuation day, being the last business day of each month, on at least 90 days' notice to the Administrator. The Company endeavours to pay the redemption proceeds within 30 days of the redemption date.

### 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 period end.



# Aurum Isis Institutional Dollar Fund Ltd.

## Notes to the Financial Statements for the year ended 31 December 2012 (continued)

### 6 Net Asset Value per Participating Share (continued)

	December 2012	December 2011
Total Net Assets (US\$) Less Par Value of Sponsor Shares	92,659,401	49,838,505
Issued Participating Shares	90,358.22	50,392.00
Net Asset Value per Participating Share (US\$)	1,025.46	989.02

### 7 Related Parties

The Company's 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 is a director of the Investment Advisor. Mr S A Morris, Mr D R Cottingham and Mr C C Morris are directors of Global Fund Services Ltd, the Bermuda Administrator and along with Mr A Hopkin are directors of both the Investment Advisor and Continental Sponsors Ltd, the sponsoring broker on the Bermuda Stock Exchange. Mr K Gundle is a Vice President of Information 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 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 2012, Directors and Persons so connected did not directly or indirectly hold Participating Shares in the Company (2011: Nil).

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 2012.

#### Financial assets at fair value through profit or loss

At 31 December 2012	Total US\$	Level 1 US\$	Level 2 US\$	Level 3 US\$
Aurum Isis Fund Ltd.	92,506,030	-	92,506,030	-
Total	92,506,030	-	92,506,030	-

## Aurum Isis Institutional Dollar Fund Ltd.

### Notes to the Financial Statements for the year ended 31 December 2012 (continued)

#### 9 Fair Value Measurement (continued)

##### Financial assets at fair value through profit or loss

At 31 December 2011	Total US\$	Level 1 US\$	Level 2 US\$	Level 3 US\$
Aurum Isis Fund Ltd.	49,755,396	-	49,755,396	-
Total	<u>49,755,396</u>	<u>-</u>	<u>49,755,396</u>	<u>-</u>

There have been no transfers during the period between levels 1 and 2 assets held in either year.

#### 10 Subsequent Events

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