

CAM Bastion Dollar Fund Ltd.

Annual Report and Audited Financial Statements

For the year ended 31 December 2012

# **CAM Bastion Dollar Fund Ltd.**

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# **CAM Bastion Dollar Fund Ltd.**

## **Directors and service providers**

<b>Company</b>	<p>CAM Bastion Dollar Fund Ltd “Aurum House“ 35 Richmond Road Hamilton HM08 Bermuda</p> <p>Tel: (1) (441) 292 6952 Fax: (1) (441) 295 4164</p>
<b>Directors</b>	<p>Dudley R Cottingham Tina Gibbons Adam Hopkin Frederick Hendrik Esterhuizen David Mark Frederick David Mohr (Resigned 11 December 2012) Dr. Barend Matheus Grissel (Appointed 11 December 2012) S Arthur Morris Christopher C Morris</p>
<b>Custodian</b>	<p>Northern Trust Fiduciary Services (Ireland) Limited George’s Court 54 - 62 Townsend Street Dublin 2 Ireland</p> <p>Tel: (353) (1) 542 2000 Fax: (353) (1) 542 2920</p>
<b>Promoter and Investment Advisor</b>	<p>CAM Fund Management Limited “Aurum House” 35 Richmond Road Hamilton HM08 Bermuda</p> <p>Tel: (1) (441) 292 6952 Fax: (1) (441) 295 4164</p>
<b>Administrator</b>	<p>Northern Trust International Fund Administration Services (Ireland) Limited George’s Court 54 - 62 Townsend Street Dublin 2 Ireland</p> <p>Tel: (353) (1) 542 2000 Fax: (353) (1) 542 2920</p>

# **CAM Bastion Dollar Fund Ltd.**

## **Directors and service providers (continued)**

**Bermuda  
Administrator,  
Registrar and  
Secretary**

Global Fund Services Ltd.  
“Century House”  
16 Par-la-Ville Road  
Hamilton HM 08  
Bermuda

Tel: (1) (441) 292 7478  
Fax: (1) (441) 295 4164

**Independent  
Auditor**

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

Tel: (353) (1) 410 1000  
Fax: (353) (1) 412 2722

**Sponsoring  
Broker of  
Bermuda Stock  
Exchange**

Continental Sponsors Ltd  
Century House  
16 Par-la-Ville Road  
P.O. Box HM 1806  
Hamilton HM 08  
Bermuda

Tel: (1) (441) 292 7478  
Fax: (1) (441) 295 4164

**Legal  
Advisors in  
Matters of  
Bermuda Law**

Conyers Dill & Pearman Limited  
“Clarendon House”  
2 Church Street  
Hamilton HM 11  
Bermuda

Tel: (1) (441) 295 1422  
Fax: (1) (441) 292 4720

# **CAM Bastion Dollar Fund Ltd.**

## **Directors' Report**

The Directors have the pleasure to present the audited Annual accounts of CAM Bastion 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 Bermuda Stock Exchange listing regulations.

At 31 December 2012, the Net Asset Value per Participating Share was US\$158.07 (2011: US\$151.37).

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).

During the year, the CAM Pinnacle Master Fund Ltd. invested substantially all of its assets into the Company.

The Company is a Feeder Fund which invests solely in the Participating Shares of CAM Bastion 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 CAM Bastion Dollar 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*

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

## CAM Bastion 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
CAM Bastion Fund Ltd.	1,230,990	194,055,025	100.00	1,835,414	277,070,168	99.99
Other Assets		2,773,652	1.43		26,027	0.01
Total Assets		<b>196,828,677</b>	<b>101.43</b>		<b>277,096,195</b>	<b>100.00</b>
Other Liabilities		(2,775,287)	(1.43)		-	-
Net Assets		<b>194,053,390</b>	<b>100.00</b>		<b>277,096,195</b>	<b>100.00</b>

## CAM Bastion Dollar Fund Ltd.

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

<b>2011</b>		<b>Notes</b>	<b>2012</b>
<b>US\$</b>			<b>US\$</b>
	<b>Gains from financial assets at fair value through profit or loss</b>	2	
(2,133,041)	Net unrealised (loss)/gain on investments		7,145,840
711,319	Net realised gain on investments		2,884,504
<b>(1,421,722)</b>	<b>Total (losses)/gains from financial assets at fair value through profit or loss</b>		<b>10,030,344</b>
	<b>Expenses</b>		
27	Net interest expense	2	1,020
<b>27</b>	<b>Operating expenses</b>		<b>1,020</b>
	<b>Change in net assets attributable to holders of Participating</b>		
<b>(1,421,749)</b>	<b>Shares resulting from operations</b>		<b>10,029,324</b>

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



# CAM Bastion 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>		
277,070,168	Investments at fair value	2	194,055,025
	<b>Cash and cash equivalents</b>		
26,027	Cash and cash equivalents	2	2,773,652
<b>277,096,195</b>	<b>Total Assets</b>		<b>196,828,677</b>
	<b>Liabilities</b>		
	<b>Financial liabilities measured at amortised cost</b>		
	- Subscriptions to shares not yet allotted		2,773,652
	- Bank overdraft		1,635
	<b>Total Liabilities (excluding amounts attributable to holders of Participating Shares)</b>		<b>2,775,287</b>
	<b>Net Assets attributable to holders of Participating and Sponsor Shares</b>		
<b>277,096,195</b>		4	<b>194,053,390</b>
<b>277,096,185</b>	<b>Net Assets attributable to holders of Participating Shares</b>	6	<b>194,053,380</b>
<b>10</b>	<b>Net Assets attributable to holders of Sponsor Shares</b>	4	<b>10</b>
<b>1,830,579.77</b>	<b>Participating Shares outstanding (number of shares)</b>	4	<b>1,227,605.77</b>
<b>151.37</b>	<b>Net Asset Value per Participating Share</b>	6	<b>158.07</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.*

## CAM Bastion 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>277,096,185</b>
Change in net assets attributable to holders of participating shares resulting from operations	10,029,324
Subscriptions during the year	5,717,184
Redemptions during the year	(98,789,313)
<b>Balance at 31 December 2012</b>	<b>194,053,380</b>
<b>Balance at 1 January 2011</b>	<b>50,273,893</b>
Change in net assets attributable to holders of participating shares resulting from operations	(1,421,749)
Subscriptions during the year	266,935,984
Redemptions during the year	(38,691,943)
<b>Balance at 31 December 2011</b>	<b>277,096,185</b>

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

## CAM Bastion Dollar Fund Ltd.

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

2011		2012
US\$		US\$
	<b>Cash flows from operating activities</b>	
	Change in net assets attributable to holders of participating	
(1,421,749)	shares resulting from operations	10,029,324
(263,778,045)	Purchase of investments	(3,698,554)
35,560,070	Proceeds from sales of investments	96,744,041
	<b>Adjustment for non cash items</b>	
2,133,041	Net unrealised loss/(gain) on investments	(7,145,840)
(711,319)	Net realised (gain) on investments	(2,884,504)
<b>(227,506,683)</b>	<b>Net cash (outflow)/inflow from operating activities</b>	<b>93,044,467</b>
	<b>Cash flows from financing activities</b>	
240,339,544	Issue of shares	8,490,836
(38,691,943)	Redemption of shares	(98,789,313)
<b>201,647,601</b>	<b>Net cash inflow/(outflow) from financing activities</b>	<b>(90,298,477)</b>
(26,570,401)	Net (decrease)/increase in cash and cash equivalents	2,745,990
<b>26,596,428</b>	<b>Cash and cash equivalents at the beginning of the year</b>	<b>26,027</b>
<b>26,027</b>	<b>Cash and cash equivalents at the end of the year</b>	<b>2,772,017</b>
	<b>Supplementary Information</b>	
(27)	Net interest paid	(1,020)

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

# CAM Bastion Dollar Fund Ltd.

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

### 1 General

CAM Bastion Dollar Fund Ltd. (the “Dollar Fund” or the “Company”) was incorporated in the British Virgin Islands on 9 October 2000 and continued in 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 two Feeder Funds comprising the Dollar Fund and CAM Bastion Rand Fund Ltd. (the “Rand Fund”) that invest in CAM Bastion Fund Ltd. (the “Master Fund”). The other Feeder Fund has South African Rand denominated shares.

The Feeder Funds must solely invest into Participating Shares of the Master Fund, except in the case of the Rand Fund in respect of currency hedging. The Participating Shares of the Master Fund are valued in US dollars. The Rand Fund 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 South African rand terms irrespective of movements in currency values between the US dollar and South African Rand. The Master Fund pays the fees of 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 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 24 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 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 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 and are consistent with those used in the previous year.

#### 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.
- 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.

# CAM Bastion 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 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 periods beginning on or after 1 January 2013. The Investment Entities amendments provide an exemption 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.

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

# **CAM Bastion Dollar Fund Ltd.**

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

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

#### **Investments (continued)**

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. 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.

## CAM Bastion Dollar Fund Ltd.

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

#### 2 Principal Accounting Policies (continued)

##### 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 no 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>	December 2011 US\$
Authorised share capital of US\$0.01 par value per share		
1,000 Sponsor Shares	<b>10</b>	10
4,999,000 Participating Shares	<b>49,990</b>	49,990
	<b>50,000</b>	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 any 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.

	<b>Number of Participating Shares</b>		Number of Participating Shares
Opening at 1 January 2012	<b>1,830,579.77</b>	Opening at 1 January 2011	331,273.69
Issued during the year	<b>37,249.19</b>	Issued during the year	1,752,948.49
Redeemed during the year	<b>(640,223.19)</b>	Redeemed during the year	(253,642.41)
Closing at 31 December 2012	<b>1,227,605.77</b>	Closing at 31 December 2011	1,830,579.77

## CAM Bastion Dollar Fund Ltd.

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

#### 4 Share Capital (continued)

##### 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>	<b>10</b>	<b>18,306</b>	<b>277,077,879</b>	<b>277,096,195</b>
Change in net assets attributable to holders of participating shares			10,029,324	10,029,324
Subscriptions during the year		372	5,716,812	5,717,184
Redemptions during the year		(6,402)	(98,782,911)	(98,789,313)
<b>Balance at 31 December 2012</b>	<b>10</b>	<b>12,276</b>	<b>194,041,104</b>	<b>194,053,390</b>
<b>Balance at 1 January 2011</b>	<b>10</b>	<b>3,313</b>	<b>50,270,580</b>	<b>50,273,903</b>
Change in net assets attributable to holders of participating shares			(1,421,749)	(1,421,749)
Subscriptions during the year		17,529	266,918,455	266,935,984
Redemptions during the year		(2,536)	(38,689,407)	(38,691,943)
<b>Balance at 31 December 2011</b>	<b>10</b>	<b>18,306</b>	<b>277,077,879</b>	<b>277,096,195</b>

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 year end.

	December 2012	December 2011
Total Net Assets (US\$) Less Par Value of Sponsor Shares	<b>194,053,380</b>	277,096,185
Issued Participating Shares	<b>1,227,605.77</b>	1,830,579.77
Net Asset Value per Participating Share (US\$)	<b>158.07</b>	151.37

#### 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 and director of Aurum Fund Management Ltd. 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 the Investment Advisor, Aurum Fund Management Ltd. and Continental Sponsors Ltd, the sponsoring broker on the Bermuda Stock Exchange.



## CAM Bastion Dollar Fund Ltd.

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

#### 7 Related Parties (continued)

Mr F H Esterhuizen and Dr. B M Griesel are directors of the Investment Advisor as was Mr F D Mohr up until his resignation. Mr D Mark is a Vice President of Information with Aurum Fund Management Ltd. Messrs S A Morris, D R Cottingham and D Mark directly and indirectly hold shares in Aurum Fund Management Ltd.

The Directors of the Company, the Master Fund, the Investment Advisor and Aurum Fund Management Ltd. may also act in the capacity of directors for other mutual funds.

CAM Fund Management Limited is Investment Advisor to, and owns all of the Sponsor Shares of the Company, and is owned 50% each by Aurum Fund Management Ltd. and Citadel Solutions Holdings (Pty) Ltd.

During the year, the CAM Pinnacle Fund Ltd., a fund managed by CAM Fund Management Limited, invested substantially all of its assets into the Company. The value of this investment at year end amounted to US\$174,169,047 (2011: US\$245,647,962).

Persons connected to the Directors, as defined under the 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\$
CAM Bastion Fund Ltd.	194,055,025	-	194,055,025	-
Total	194,055,025	-	194,055,025	-

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

##### At 31 December 2011

	Total US\$	Level 1 US\$	Level 2 US\$	Level 3 US\$
CAM Bastion Fund Ltd.	277,070,168	-	277,070,168	-
Total	277,070,168	-	277,070,168	-

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

# **CAM Bastion Dollar Fund Ltd.**

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

### **10 Subsequent Events**

On 20 November 2012, the Directors resolved to amend the Investment Advisory fees of the CAM Bastion Funds from their current rate of 1.75% with a 10% performance fee over a hurdle rate of 3 Month Libor + 3% to 1.25% with a 10% performance fee over a hurdle of the greater of 3 Month Libor or 3%. This change is effective from 1 April 2013.