

**SICO Money Market Fund**

(A sub fund of SICO Funds Company V B.S.C. (c))

FINANCIAL STATEMENTS

FOR THE PERIOD FROM 6 MAY 2010 TO 31 DECEMBER 2010

**SICO MONEY MARKET FUND**

(A sub fund of SICO Funds Company V B.S.C. (c))

**Information about the Fund**

<b>Directors of the Fund Company</b>	Anthony C. Mallis - Chairman Najla Al Shirawi - Director Shakeel Sarwar Butt - Director Samir Sami - Director (effective 18 October 2009)
<b>Registered office</b>	2 <sup>nd</sup> floor, BMB Centre, PO Box 1331, Diplomatic Area, Kingdom of Bahrain
<b>Bankers</b>	Bank of Bahrain and Kuwait B.S.C. Mashreq Bank PSC National Bank of Kuwait Bank Muscat S.A.O.G Shuaa Capital PSC HSBC Bank Middle East Limited (Bahrain Branch)
<b>Investment managers</b>	Securities & Investment Company B.S.C (c)
<b>Administrators</b>	HSBC Bank Middle East Limited (Bahrain Branch)
<b>Custodians</b>	HSBC Bank Middle East Limited (Bahrain Branch)
<b>Registrar</b>	APEX funds service company
<b>Auditors</b>	PricewaterhouseCoopers 9 <sup>th</sup> Floor, BMB Centre, PO Box 21144, Diplomatic Area, Kingdom of Bahrain

**SICO Money Market Fund**  
(A sub fund of SICO Funds Company V B.S.C. (c))

**Financial statements**  
**For the period from 6 May 2010 to 30 June 2010**

	<b>Pages</b>
Report of the directors	1
Independent auditors' report	2 – 3
Statement of financial position	4
Statement of comprehensive income	5
Statement of changes in net assets attributable to holders of redeemable units	6
Statement of cash flows	7
Notes to the financial statements	8 - 15

**SICO MONEY MARKET FUND**  
(a sub-fund of SICO Funds Company V B.S.C (c))

**Directors' report for the year ended 31 December 2010**

The Directors have the pleasure in submitting their report together with the audited financial statement of SICO Money Market Fund ("the Fund") for the year ended 31 December 2010.

**Financial Position**

The financial position of the Fund as at 31 December 2010 is set out in the accompanying financial statements.

The Fund was launched during the year and while preserving the capital also generated modest returns. The Fund generated a return higher than the rates available on bank deposits.

**Directors**


The following were Directors of SICO Funds Company II B.S.C as at 31 December 2010 and to the date of this report:

Anthony C. Mallis  
Najla Al Shirawi  
Samir Sami  
Shakeel Sarwar

**Auditors**

The auditors, PricewaterhouseCoopers, have expressed their willingness to continue in office.

By order of the Board of Directors



Anthony C. Mallis  
Chairman and Managing Director  
SICO Funds Company V B.S.C (c)



Najla Al Shirawi  
Director  
SICO Funds Company V B.S.C (c)

Independent Auditor's Report to the Unitholders of  
**SICO Money Market Fund**  
(a sub-fund of SICO Funds Company V B.S.C. (c))

### **Report on the financial statements**

We have audited the accompanying financial statements of SICO Money Market Fund (the Fund), a sub-fund of SICO Funds Company V B.S.C. (c) (the Company) which comprise the statement of financial position as at 31 December 2010 and the statements of comprehensive income, changes in net assets attributable to holders of redeemable units and cash flows for the period from 6 May 2010 to 31 December 2010 and a summary of significant accounting policies and other explanatory notes.

### **The Company's Directors' responsibility for the financial statements**

The Company's Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for such internal control as the Directors determine 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 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 the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers 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 accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at 31 December 2010 and its financial performance and its cash flows for the period from 6 May 2010 to 31 December 2010 in accordance with International Financial Reporting Standards.

Independent Auditor's Report to the Unitholders of  
**SICO Money Market Fund**  
(a sub-fund of SICO Funds Company V B.S.C. (c)) (continued)

**Report on regulatory requirements**

Further, as required by the Central Bank of Bahrain Rule Book 6 Collective Investment Undertakings (CIU Module), we report that the financial statements have been properly prepared in accordance with the relevant provisions of the rules in the CIU Module; the Fund has maintained proper books and records and the financial statements are in agreement therewith; and nothing has come to our attention which causes us to believe that the Fund has breached any of the applicable provisions of the CIU Module or the Fund's Private Placement Memorandum which would materially affect its activities or its financial position as at 31 December 2010.

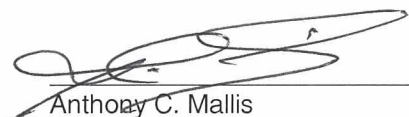
*PriceWaterhouseCoopers*

27 April 2011  
Manama, Kingdom of Bahrain

**SICO MONEY MARKET FUND**  
**Statement of financial position**  
(Expressed in Bahraini Dinars unless otherwise stated)

	Note	31 December 2010
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and bank balances	4	73,162
Placements with banks	4	3,245,558
Prepayments and other receivables		<u>17,968</u>
<b>Total assets</b>		<u><b>3,336,688</b></u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Payables and accrued expenses	5	<u>9,919</u>
<b>Liabilities (excluding net assets attributable to holders of redeemable units)</b>		<u>9,919</u>
<b>Net assets attributable to holders of redeemable units</b>	6	<u><b>3,326,769</b></u>
<b>Total liabilities</b>		<u><b>3,336,688</b></u>

These financial statements have been approved for issue by the Board of Directors of SICO Funds Company V B.S.C. (c) on 24 April 2011 and signed on its behalf by:

  
\_\_\_\_\_  
Anthony C. Mallis  
Chairman and Managing Director  
SICO Funds Company V B.S.C (c)

  
\_\_\_\_\_  
Najla Al Shirawi  
Director  
SICO Funds Company V B.S.C (c)


The notes on pages 8 to 15 are an integral part of these financial statements.

**SICO MONEY MARKET FUND**  
**Statement of comprehensive income**  
(Expressed in Bahraini Dinars unless otherwise stated)

	Note	For the period from 6 May 2010 to 31 December 2010
<b>Income</b>		
Interest income		68,299
Foreign exchange gain		<u>(3,080)</u>
<b>Total income</b>		<u>65,219</u>
<b>Expenses</b>		
Management fee	7	(7,238)
Custodian fee	8	(3,532)
Administration fee	8	(1,516)
Registrar fee		(1,772)
Audit fees		(3,555)
Setup fee		(3,131)
General and administrative expenses		<u>(2,790)</u>
		<u>(23,534)</u>
<b>Increase in net assets attributable to holders of redeemable units from operations</b>		<u>41,685</u>

These financial statements have been approved for issue by the Board of Directors of SICO Funds Company V B.S.C (c) on 24 April 2011 and signed on its behalf by:

  
\_\_\_\_\_  
Anthony C. Mallis  
Chairman and Managing Director  
SICO Funds Company V B.S.C (c)

  
\_\_\_\_\_  
Najla Al Shirawi  
Director  
SICO Funds Company V B.S.C (c)

The notes on pages 8 to 15 are an integral part of these financial statements.

**SICO MONEY MARKET FUND****Statement of changes in net assets attributable to holders of redeemable units**

(Expressed in Bahraini Dinars unless otherwise stated)

	Note	Number of units	Nominal value of units	Increase / (decrease) in net assets attributable to holders of redeemable units	Total net assets attributable to holders of redeemable units
Balance at 6 May 2010		-	-	-	-
Issue of units during the period		1,374,128	5,180,463	3,287	5,183,750
Redemption of units during the period		(499,793)	(1,884,220)	(14,446)	(1,898,666)
Net increase in net assets from unit transactions		874,335	3,296,243	(11,159)	3,285,084
Increase in net assets attributable to holders of redeemable units from operations		-	-	41,685	41,685
At 31 December 2010	6	874,335	3,296,243	30,526	3,326,769

The notes on pages 8 to 15 are an integral part of these financial statements.

**SICO MONEY MARKET FUND****Statement of cash flows**

(Expressed in Bahraini Dinars unless otherwise stated)

	Note	For the period from 6 May 2010 to 31 December 2010
<b>Cash flows from operating activities</b>		
Increase in net assets attributable to holders of redeemable units from operations		41,685
<u>Net changes in:</u>		
Placements with banks		(814,725)
Prepayments and other receivables		(17,968)
Payables and accrued expenses		9,919
Net cash used in operating activities		<u>(781,098)</u>
<b>Cash flows from financing activities</b>		
Subscription of units during the period		5,183,750
Redemption of units during the period		<u>(1,898,666)</u>
<b>Net cash provided by financing activities</b>		<u>3,285,084</u>
Cash and cash equivalents at the end of the period	4	<u>2,503,995</u>

The notes on pages 8 to 15 are an integral part of these financial statements.

## **SICO MONEY MARKET FUND**

### **Notes to the financial statements for the period from 6 May to 31 December 2010**

(Expressed in Bahraini Dinars unless otherwise stated)

#### **1 Incorporation and background information**

In accordance with an instrument dated 6 May 2010, SICO Funds Company V B.S.C. (c) (the Company) created SICO Money Market Fund (SMMF or the Fund), an open-ended fund, which was launched with the principal objective of achieving long-term capital appreciation for holders of units by investing the Fund's assets in money market instruments, fixed deposits and securities issued by governments or quasi government institutions in GCC countries. The Fund has no employees.

#### **2 Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements of the Fund are set out below.

##### **Basis of preparation**

The financial statements of the Fund have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements have been prepared under the historical cost convention.

These financial statements covering the period from 6 May 2010 to 31 December 2010 are the first financial statements of the Fund. Accordingly, there are no comparative amounts. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Fund's accounting policies. There are no areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements.

##### **(a) New and amended standards adopted by the Fund**

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 January 2010:

- IFRS 3 (revised), 'Business combinations' (effective from 1 July 2009); and
- IAS 27 (Revised), 'Consolidated and separate financial statements', (effective from 1 July 2009).

##### **(b) New and amended standards, and interpretations mandatory for the first time for the financial year beginning 1 January 2010 but not currently relevant to the Fund (although they may affect the accounting for future transactions and events)**

The following standards and amendments to existing standards have been published and are mandatory for the Fund's accounting periods beginning on or after 1 January 2010 or later periods, but the Fund has not early adopted them:

- IFRIC 17, 'Distributions of non-cash assets to owners' (effective from 1 July 2009);
- IFRIC 18, 'Transfers of assets from customers' (effective from 1 July 2009);
- IFRIC 9, 'Reassessment of embedded derivatives and IAS 39, Financial instruments: Recognition and measurement' (effective 1 July 2009);
- IFRIC 16, 'Hedges of a net investment in a foreign operation' (effective 1 July 2009);
- IAS 1 (amendment), 'Presentation of financial statements';
- IAS 36 (amendment), 'Impairment of assets', (effective 1 January 2010);
- IFRS 2 (amendment), 'Share-based payment'; and
- IFRS 5 (amendment), 'Non-current assets held for sale and discontinued operations'.

## **SICO MONEY MARKET FUND**

### **Notes to the financial statements for the period from 6 May to 31 December 2010**

(Expressed in Bahraini Dinars unless otherwise stated)

## **2 Summary of significant accounting policies (continued)**

### **Basis of preparation (continued)**

#### **(c) New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2010 and not early adopted**

The Fund's assessment of the impact of these new standards and interpretations is set out below:

- IFRS 9, 'Financial instruments', issued in November 2009. This standard is the first step in the process to replace IAS 39, 'Financial instruments: recognition and measurement'. IFRS 9 introduces new requirements for classifying and measuring financial assets and is likely to affect the Fund's accounting for its financial assets. The standard is not applicable until 1 January 2013 but is available for early adoption.
- IAS 24 (revised), 'Related party disclosures', issued in November 2009. It supersedes IAS 24, 'Related party disclosures', issued in 2003. IAS 24 (revised) is mandatory for periods beginning on or after 1 January 2011. Earlier application, in whole or in part, is permitted.
- 'Classification of rights issues' (amendment to IAS 32), issued in October 2009. The amendment applies to annual periods beginning on or after 1 February 2010. Earlier application is permitted. The amendment addresses the accounting for rights issues that are denominated in a currency other than the functional currency of the issuer. Provided certain conditions are met, such rights issues are now classified as equity regardless of the currency in which the exercise price is denominated. Previously, these issues had to be accounted for as derivative liabilities. The amendment applies retrospectively in accordance with IAS 8 'Accounting policies, changes in accounting estimates and errors'. The Fund will apply the amended standard from 1 January 2011.
- IFRIC 19, 'Extinguishing financial liabilities with equity instruments', effective 1 July 2010. The interpretation clarifies the accounting by an entity when the terms of a financial liability are renegotiated and result in the entity issuing equity instruments to a creditor of the entity to extinguish all or part of the financial liability (debt for equity swap). It requires a gain or loss to be recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued. If the fair value of the equity instruments issued cannot be reliably measured, the equity instruments should be measured to reflect the fair value of the financial liability extinguished. The Fund will apply the interpretation from 1 January 2011.
- 'Prepayments of a minimum funding requirement' (amendments to IFRIC 14). The amendments correct an unintended consequence of IFRIC 14, 'IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction'. Without the amendments, entities are not permitted to recognise as an asset some voluntary prepayments for minimum funding contributions. This was not intended when IFRIC 14 was issued, and the amendments correct this. The amendments are effective for annual periods beginning 1 January 2011. Earlier application is permitted. The amendments should be applied retrospectively to the earliest comparative period presented. The Fund will apply these amendments for the financial reporting period commencing on 1 January 2011.

## **SICO MONEY MARKET FUND**

### **Notes to the financial statements for the period from 6 May to 31 December 2010**

(Expressed in Bahraini Dinars unless otherwise stated)

## **2 Summary of significant accounting policies (continued)**

### **Foreign currency translation**

#### *(a) Functional and presentation currency*

The financial statements are prepared in Bahrain Dinars (BHD), which is the functional and presentation currency of the Fund.

#### *(b) Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at the statement of financial position date.

Foreign exchange gains and losses arising from translation are included in the statement of comprehensive income.

### **Financial assets**

The Fund's financial assets consist of loans and receivables. Management determines the classification of its financial assets at initial recognition. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the date of the statement of financial position. These are classified as non-current assets. The Company's loans and receivables comprise cash and cash equivalents and placements with banks in the statement of financial position.

### **Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term investments in an active market with original maturities of three months or less and bank overdrafts.

### **Accruals and payables**

Accruals and payables are recognised when the Fund has a present legal or constructive obligation as a result of past events; it is more likely that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Accruals and payables are recognised initially at fair value and subsequently stated at amortised cost using the effective interest method.

### **Interest income**

Interest income is recognised on a time-proportion basis using the effective interest method and comprises of interest income from cash and cash equivalents.

## **SICO MONEY MARKET FUND**

**Notes to the financial statements for the period from 6 May to 31 December 2010**

(Expressed in Bahraini Dinars unless otherwise stated)

### **2 Summary of significant accounting policies (continued)**

#### **Redeemable units**

Units are redeemable at the unit holders' option and are classified as financial liabilities.

The units can be put back to the Fund at any time for cash equal to a proportionate unit of the Fund's net asset value. The units are carried at the redemption amount that is payable at the statement of financial position date if the unit holder exercises the right to put the unit back to the Fund.

The units are issued and redeemed at the unit holders' option at the prices based on the Fund's net asset value per unit at the time of issue or redemption. The Fund's net asset value per unit is calculated by dividing the net assets attributable to the holder of redeemable units with the total number of outstanding redeemable units.

#### **Distributions payable to holders of redeemable units**

Proposed distributions to holders of redeemable units are recognised in the statement of comprehensive income when they are appropriately authorised and no longer at the discretion of the Fund. The distribution on the redeemable units is recognised as a finance cost in the statement of comprehensive income.

#### **Increase/(decrease) in net assets attributable to holders of redeemable units from operations**

Income not distributed is included in net assets attributable to holders of redeemable units.

### **3 Financial risk management**

SICO Money Market Fund is a sub fund of SICO Funds Company V B.S.C. (c) (the Company). Accordingly, the risk management policies of the Fund are governed by the Company .

The Fund's activities expose it to a variety of financial risks: credit risk, market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), and liquidity risk. The Fund's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Fund's financial performance. The Fund's aim is, therefore, to achieve an appropriate balance between risk and return and minimize potential adverse effects on its financial performance.

Risk management activities are carried out by the senior management under policies that are approved by the Company's Board of Directors.

The Fund's risk management policies are based on a simplified framework with non-complex transactions to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of realisable and up-to-date information systems.

#### **3.1 Market risk**

The Fund is exposed to market risk, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rates, credit spreads, foreign exchange rates and equity prices.

## **SICO MONEY MARKET FUND**

### **Notes to the financial statements for the period from 6 May to 31 December 2010**

(Expressed in Bahraini Dinars unless otherwise stated)

## **3 Financial risk management (continued)**

### **3.1 Market risk (continued)**

#### *3.1.1 Foreign exchange risk*

Foreign exchange risk, as defined in IFRS 7, arises as the value of future transactions, recognised monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates. IFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of the market price risk and not foreign currency risk.

The Fund is exposed to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows.

The Fund's placements with banks are predominantly denominated in Bahraini Dinar, Qatari Riyal and UAE Dirhams. As such, the foreign exchange risk involved is not material within the overall context of these financial statements as all these currencies are linked to the US Dollar.

#### *3.1.3 Interest rate risk*

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of financial assets and liabilities and future cash flow.

Fund is exposed to interest rate risk on its bank placements with a maturity of more than 3 months amounting to BHD 814,725. At 31 December 2010, if the interest rate on these placements had been 1% point higher/lower with all other variables constant, the result for the period would have been lower/higher by BHD 8,147.

### **3.2 Credit risk**

The Fund is exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The main concentration to which the Fund is exposed arises from cash and cash equivalents and placements with banks. For both cash and bank balances and bank placements, only independently rated parties with a minimum rating of 'A' are accepted. Additionally, reputed entities are appointed as the custodian of the Fund.

The maximum exposure to credit risk before any credit enhancements at 31 December 2010 is the carrying amount of cash and bank balances and bank placements of BHD 3,318,720. None of these assets is impaired nor past due but not impaired.

### **3.3 Liquidity risk**

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Fund is exposed to the weekly cash redemptions of redeemable units. Its policy is therefore to invest its assets in short term placements with banks. The Fund's placements are considered readily realisable as they are primarily short term in nature.

The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

## SICO MONEY MARKET FUND

Notes to the financial statements for the period from 6 May to 31 December 2010

(Expressed in Bahraini Dinars unless otherwise stated)

### 3 Financial risk management (continued)

#### 3.3 Liquidity risk (continued)

2010	Less than 1 month	1-12 months	Total
<b>Liabilities</b>			
<b>Current liabilities</b>			
Payables and accrued expenses		9,919	9,919
<b>Liabilities (excluding net assets attributable to holders of redeemable units)</b>	-	9,919	9,919
Net assets attributable to holders of redeemable units	3,326,769	-	3,326,769
	<b>3,326,769</b>	<b>9,919</b>	<b>3,336,688</b>

Redeemable units are redeemed on demand at the holders' option. However, the Company's Board of Directors does not envisage that the contractual maturity disclosed in the table above will be representative of actual cash outflows, as the holders of these instruments typically retain them for the medium to long term.

The Fund manages its liquidity risk by placing funds with reputable banks for short-term. Accordingly, all the Fund's financial assets are realizable within a maximum period of one month.

#### 3.4 Capital risk management

The capital of the Fund is represented by the net assets attributable to holders of redeemable units. The amount of net assets attributable to holders of redeemable units can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of unitholders. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for unitholders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund.

#### 3.5 Fair value estimation

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable, willing parties in an arm's length transaction. In the view of the Company's Directors the fair values of financial assets and financial liabilities are not materially different from their carrying amounts.

#### 3.6 Financial instruments by category

As at 31 December 2010, the Company's financial assets and financial liabilities were loans and receivables and financial liabilities at amortised cost, respectively

**SICO MONEY MARKET FUND**

Notes to the financial statements for the period from 6 May to 31 December 2010

(Expressed in Bahraini Dinars unless otherwise stated)

**4 Cash and bank balances**

	External credit rating	31 December 2010
Current account with bank	AA	73,162
Time deposits with banks		
With a maturity of:		
- over three months but less than 1 year		814,725
- three months or less		2,430,833
		<u>3,245,558</u>
		<u>3,318,720</u>

Cash and cash equivalents for the purpose of cash flow statements include the following:

Current account with bank	73,162
Time deposits with less than 3 months maturity	2,430,833
	<u>2,503,995</u>

**5 Payables and accrued expenses**

	31 December 2010
Management fee payable	7,238
Audit fee payable	800
Registrar fee payable	672
Custodian and administrator fee payable	471
Other expenses payable	738
	<u>9,919</u>

**6 Fund units and unit value**Nominal value

The initial offer price of the Fund unit was USD 10 each. The subscription price following the initial offer and the redemption price is the price at which the units are offered to subscribers which is based upon the net asset value (NAV) per unit of the Fund at close of business on the relevant valuation day.

The net asset value per unit of the Fund is calculated as follows:

	31 December 2010
Net asset value attributable to holders of redeemable units	<u>3,326,769</u>
Number of units	<u>874,335</u>
Net asset value per unit	<u>3.80</u>
Net asset value per unit (US Dollar)	<u>10.09</u>

\* Net asset value is determined based upon the accounting policies contained in these financial statements

## SICO MONEY MARKET FUND

### Notes to the financial statements for the period from 6 May to 31 December 2010

(Expressed in Bahraini Dinars unless otherwise stated)

#### 7 Related parties

Parties are considered related if one party has the ability to control the other party or exercises significant influence over the other party in making financial or operational decisions. The Fund is a sub-fund of SICO Funds Company V B.S.C. (c), which is a wholly owned subsidiary of Securities & Investment Company B.S.C. (c) (SICO), which provides fund management services to the Fund. Related parties comprise SICO and its shareholders, unit holders of the Fund and the shareholders of SICO Funds Company B.S.C. (c).

- (a) Unitholders of the Fund include SICO and other funds managed by SICO who have subscribed as follows to the units of the Fund at the nominal value of USD 10 per unit:

	31 December 2010		BD
	Units		
	Number	%	
SICO	874,335	100	3,326,769

- (b) Management fees, calculated at 0.25% per annum of the weekly net asset value of the Fund, are payable to SICO. The management fees for the period ended 31 December 2010 amounted to BHD 7,238.

At 31 December 2010 the amount of management fees payable to SICO was BHD 7,238.

#### 8 Administration and custodian fees

- (a) A flat custodian fee of BD 1,885 is paid to HSBC Bank Middle East Limited (Bahrain Branch), the custodian and administrator of the fund.
- (b) An administration fee is paid to HSBC Bank Middle East Limited (Bahrain Branch), the custodian and administrator of the fund. This fee is payable at a higher of a minimum monthly fee of BD 377 (annual minimum fee of BD 4,524) and a percentage of yearly net asset value of the Fund. The percentages applied are as follows:

Yearly NAV range	Annual administration fee percentage
\$0-20 million	8bps
\$20-50 million	7bps
\$50-100 million	6bps
Greater than \$100	5bps