



MONACO COURT TERME USD

FUND UNDER MONACO LAW

Adjustment of the complete prospectus in accordance with the regulations of the Loi 1.339 as of September 7th, 2007 and of the Ordonnance Souveraine 1.285 of September 10th, 2007, approved as of September 28th, 2009 by the Commission de Contrôle des Activités Financières

The complete prospectus is available to clients at any CMB branch

Type of fund:
money market fund

Reference currency:
US Dollar

Recommended investment horizon:
minimum 1 month

Allotment of results: capitalized

Frequency of net asset value calculation:
daily

Pricing method:
closing prices

Conditions of subscription-redemption:
with CMB, valued at previous day's close for orders placed until 11.00 am

Inception date:
April 14th, 2006

Fund manager:
C^{ie} Monégasque de Gestion SAM
13 bd Princesse Charlotte
Principality of Monaco

Depository bank:
C^{ie} Monégasque de Banque SAM
23 avenue de la Costa
Principality of Monaco

Publication of Net Asset Value:
in the "Journal Officiel de Monaco" and posted in the head office of CMB and its branches.
The Net Asset Value of our funds is published and updated on a regular basis on our web page www.cmb.mc

Description

Money market fund designed for short-term investments in US Dollars.

Investment objective

Monaco Court Terme USD is suited to clients looking for a short-term investment. The objective is to generate capital gains over the short term. The fund is a financial instrument in which the client can invest a portion of his asset base, with a recommended minimum investment horizon of one month. It looks for performance and consistency in its investments, taking the best possible advantage of trends in the various instruments to reduce the risks specific to a given market or industry.

Management style

The Mutual Fund Manager may invest mainly in negotiable debt securities and other short- and medium-term instruments, derivatives, and fixed- or variable-rate bonds, other mutual funds, and cash products, and invest up to 1.5% in funds of hedge funds. As a result of the fund's orientations, it may be exposed to several risk factors that can affect its short-term performance:

- interest-rate risk: this is the risk of the portfolio's value, tied to any rate increases
- credit risk: this is the risk of the portfolio's value, tied to any variation in the credit quality of the issuers
- liquidity risk: this is the risk of the portfolio's value, tied to any shortage of buyers for the securities, resulting in a discount on those securities

Some investments may be affected by other risks, which should be evaluated specifically. The Manager pursues the objective of maintaining a low risk relative to changes in the financial markets, thereby ensuring a regular return on the funds, in line with short-term yields. He must comply with the following rules to limit credit and liquidity risks:

- investments in a single issuer cannot represent more than 5% of the portfolio's value
- the rating agencies' minimum rating of the bonds purchased for the fund is BBB (Standard & Poor's) or equivalent at the time of purchase
- the rating agencies' minimum short term rating of the issuers of commercial papers and certificates of deposit purchased for the fund is A1 (Standard & Poor's) or equivalent at the time of purchase

Investment universe

The Mutual Fund Manager may invest mainly in money market instruments: commercial papers and certificates of deposit and variable-rate bonds, which have very low exposure to interest-rate risk. He may also make use of other financial instruments, specifically fixed-rate bonds. Trading on the futures markets and using derivatives (interest rate swaps, CDSs, etc.) will be authorized for hedging purposes - in other words, to improve the security of investments, or for management reasons, to gain from the different market contexts. Lastly, the Manager may invest in other money market mutual funds and, up to 1.5% of the fund's net assets, in funds of hedge-funds.





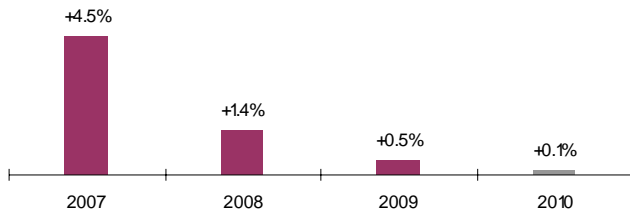
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Monthly report

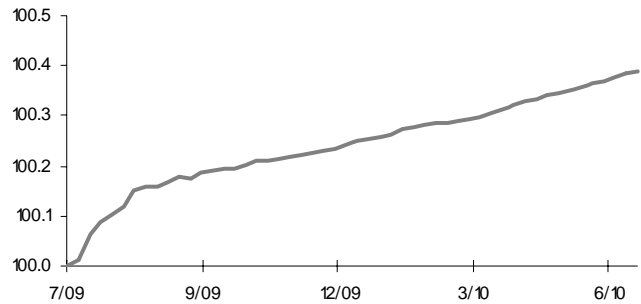
Net Asset Value as of June 30th, 2010: \$5,517.37
 Monthly Performance: +0.0 %

Performance

Historic performance



Trailing 12 months performance (basis 100)



Past performance does not guarantee future performance. 2010 performance data is not audited.

Market strategy

June was marked by disappointing US employment figures, together with investors' fears regarding economic growth and company profits, as well as austerity measures announced by governments throughout the world. A number of economists, including the Nobel prize winner for economics Paul Krugman, argue that a reversal of policies in place since 2008 to relaunch the economy and counter the economic crisis, would be hasty and could stifle a still fragile recovery.

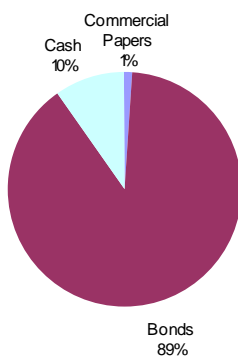
At its meeting on 23 June, the Fed left its target rate unchanged at between 0% to 0.25%. A series of disappointing macroeconomic data (unemployment, consumer confidence, new homes starts) supported expectations that the target rate would remain low for months to come, the US Central Bank not wishing to stifle a still fragile recovery through premature tightening of its monetary policy.

Interbank rates were little changed in June, following the return of a risk premium on short-term debt securities in May. The Libor 1-month rate fluctuated between 0.34% and 0.35%.

Main positions

France 2012	2.8%	Dexia 2013	2.4%
Mediobanca 2012	2.7%	United States 2012	2.2%
Germany 2012	2.6%	St Gobain 2011	2.1%

Asset allocation



Sector distribution (Bonds and CP)

