

Fund Objective

The Fund seeks long-term capital appreciation through investing in listed Middle East and North African equity markets.

Markets Commentary and Investment Outlook

April was a good month for your Fund, as it outperformed both S&P Pan Arab and MSCI Arabia indices, ending the month up 2.4%. Fears surrounding the worst volcano eruption in modern history, which clouded skies and paralyzed air traffic, proved later to be manageable as airline companies recovered their losses shortly after skies cleared. On the global front, April was a disappointing month as the Greek debt contagion from international markets and the Civil fraud case against Goldman Sachs took their toll on global equity markets and oil prices.

The North African region landed in the green. Egypt was the winning stallion recording gains of 9.5% followed by Morocco up 7.0%, both markets outperforming the S&P Pan Arab index which ended the month up 2.0%. Tunisia, Bahrain, Jordan, Oman, Qatar and KSA also ended in positive territory rising 3.2%, 2.9%, 2.3%, 2.0%, 1.1%, and 1.0% respectively. Dubai, Abu Dhabi, Kuwait, Lebanon, and Palestine ended in negative territory falling 5.6%, 4.5%, 3.1%, 2.9%, and 0.3% respectively.

Drilling down to specifics, UAE was again a victim of rumors! Rumors of a 1% interest rate on Dubai World debt sent UAE markets plummeting and later picked up on talks of a 2% interest rate. However, lack of further details on the government support wouldn't set the market at ease! 1st Quarter results were coming out throughout the month meeting or beating expectations yet failed to trigger a buying spree as volumes continued to shrink with the lack of government transparency. Since the beginning of the year, the investment manager reduced exposure to UAE to a neutral weighting, which turned out to be a sound investment decision. Meanwhile, as valuations become increasingly compelling, exposure will be raised to a slight overweight in cheap and strong conviction stories.

The potential sale of Orascom Telecom or some of its subsidiaries to MTN Group in addition to the France Telecom/OT dispute were the newswatch for the month. The ownership dispute over Mobinil shares was settled as both parties agreed on mutually acceptable terms, pending the approval of the Egyptian Regulator. News releases revealed serious talks between OT and MTN group over a possible acquisition/sale of some of OT's assets to MTN, which set OT on fire. The results of the deal details are yet to be announced and it seems the Algerian government is already setting obstacles to the sale of OT's Algerian subsidiary Djezzy. OT was the largest contributor to the Fund's performance this month.

Last month, the two largest listed Moroccan companies, SNI and ONA, announced a plan to delist from the market and merge into one entity, whereby the large shareholders of both entities offered to buy-back all remaining shares. Mid April, the regulator approved the share buy-back, which set the market in an upward trend as a likely catalyst to spur more buying into other names with the cash raised from the SNI/ONA shares buy-back. The Fund is currently not invested in the Moroccan market owing to expensive valuations, currently standing at a market P/E 2010e of 14.0x.

Throughout the first week of April, the investment manager raised overall equity exposure, mainly in KSA, Egypt and Oman while consolidating into strong convictions, thus managing to reduce the number of fund holdings from 35 last month to 26 currently.

Fund Performance

Period	Beltone MENA	S&P Pan Arab	MSCI Arabia
April	2.4%	2.0%	1.3%
YTD	13.5%	12.6%	13.0%
2009	9.7%	18.2%	17.3%
SI	-26.2%	-22.4%	-31.9%

Fund Information

NAV per Share	7.56
Launch Date	October, 2007
Listing	ISE
Structure	Open ended
Subscription / Redemption	Monthly
Minimum Subscription	USD 10,000 with no further min. on subscriptions thereafter
Management Fees	1.75% of NAV accrued daily and paid monthly
Performance Fees	15% above a hurdle rate of 10% subject to a high watermark in the relevant performance period accrued monthly and paid yearly

Fund Characteristics

No. of Holdings	26
PE 10e*	11.8x
Earnings Growth 10e (%)*	76.0%
Dividend Yield 10e (%)*	5.3%
MCAP (USD bn)*	15.8

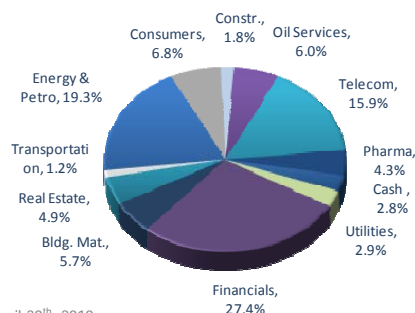
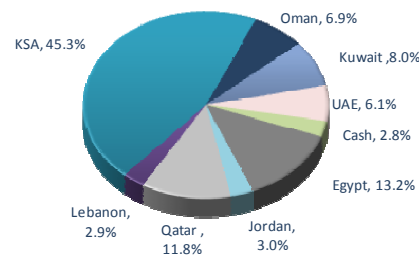
* Weighted average calculation excludes cash position

Top 5 Holdings

Company	Country	% Assets
Sabir	KSA	11.1%
Sipchem	KSA	6.2%
Al Rajhi Bank	KSA	6.0%
Etihad Etisalat Co	KSA	5.3%
Orascom Telecom	Egypt	4.6%
Total		33.2%

Note: As of April 30th, 2010

Country & Sector Allocation



Note: As of April 30th, 2010

