



# Beltone MENA Equity Fund

## Fact Sheet for April 2008

### Fund Objective

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

### Markets Commentary

Quarterly earnings released during the month of April brought investors back to the reality of strong fundamentals in the region. The recent panic was reversed where regional markets ended the month on a strong positive note reaching their highest levels in 2008. Driving this momentum was both the US economy releasing data contradicting weak market consensus and strong regional corporate earnings.

Sentiment and consensus in the market reflected expectations of a recession in the US economy which would then trickle down to a global slowdown, yet the US economic data released showed minor growth in its 1Q GDP providing hope to investors of a reversal in this slowdown. US GDP growth for the 1Q 2008 grew 0.6%.

Both emerging and regional markets\* reacted positively to the news. Leading the regional uptrend was the Qatari market achieving a good 18% followed by KSA, Oman, Abu Dhabi, Tunisia, Jordan, Dubai, Egypt and Kuwait recording 12%, 11%, 10%, 9%, 8%, 7%, 3% and 3% respectively. The only anomaly to this month's uptrend was the Moroccan market, recording losses of 2%.

\* Country performances are calculated based on respective country indices

### Fund Overview and Strategy

The MENA fund recorded gains of 10% during the month of April driven by positive returns across all countries with the exception of Kuwait.

Leading the top contributors to the Fund's performance was Egyptian Financial and Industrial Company achieving 34%. Although the company has witnessed an uptrend over the last quarter, it is still trading at relatively cheap multiples. The current regulatory reforms and price hikes in fertilizers remain to be in favor of the company and thus we maintain our positive view.

Following EFIC in terms of positive contribution to the fund was Arabtec. The drive behind its positive performance has been strong expectations of earnings tripling in 1Q 2008. The company actually quadrupled its earnings to AED 256 million beating the consensus estimates by almost one fold. Positive recommendation research published during the month has also been a drive to the stock's strong performance.

### Fund Performance

Returns	Beltone MENA Fund
October	2.5%
November	2.4%
December	9.3%
January	-5.7%
February	6.1%
March	-5.5%
April	10.0%
<b>Since Inception</b>	<b>19.3%</b>

### Fund Information

NAV per Share	11.93
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

### Top 5 Holdings

Company	Country	% Assets*
SABIC	Saudi Arabia	7.4%
EFIC	Egypt	4.8%
Arabtec	UAE	4.5%
Al Dar Properties	UAE	4.0%
Al Rajhi Bank	Saudi Arabia	3.6%
<b>Total</b>		<b>24.3%</b>

\*As of 30<sup>th</sup> April, 2008

### Country Allocation

