

Beltone MENA Equity Fund

Fact Sheet for June 2008

Fund Objective

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

Market Commentary

Global stock markets slowdown, early start of the lull summer season and political unrest in the region have triggered profit taking in the regional stock markets with Egypt leading the trend losing 10%, followed by Dubai, Oman, KSA, Abu Dhabi, Morocco and Qatar losing 4.1%, 2.0%, 1.8%, 1.7%, 1.0% and 0.2%. Markets landing in the green were Jordan, Tunisia and Kuwait gaining 10.0%, 3.6% and 2.9%.

Egypt continued its downtrend performance. Following last month's news pertaining to subsidy and tax reforms, June witnessed yet another series of negative news flow with the government's cancellation of the Banque Du Caire privatization deal and Moody's downgrade of Egypt government's bond outlook from stable to negative reducing investor confidence in the Egyptian market outlook.

The Omani market went down 2.0% led by Bank Muscat declining 13% following news regarding Societe Generale selling its 7.8% stake in the Bank to the Royal Court Affairs of Oman at a lower than expected valuation.

The Jordanian market has been recovering from a period of profit taking and is currently witnessing strong buying in anticipation of positive earning releases, led by blue chips such as Arab Bank and Arab Potash going up by 10% and 9%.

Note: Country performances are calculated based on respective country indices

Fund Overview and Strategy

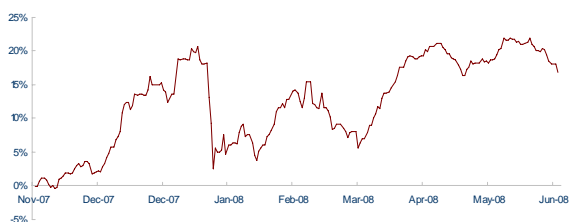
The MENA Fund ended the month recording minor loss of -1.0% bringing the YTD performance to 1.7%.

Although markets declined during the month of June, the portfolio manager's stock selection managed to outperform the relative market indices. Qatar Navigation, the top contributor to the Fund's performance this month, is a company with diversified business segments including shipping agencies, cargo handling operations, marine transport, navigation freight services, ship repair and steel fabrications, coupled by independent offshore services; all of which exposes the company to the Qatari economy's robust growth.

In anticipation of a slow down in the regional stock markets, the portfolio manager reduced portfolio exposure to 78% at the beginning of June and increased exposure during the month to 81% searching for opportunities and buying stocks on dips. Strategy, going forward, favors attractive valuations and increasing exposure gradually during the summer period.

The fundamentals of the region are still positive with the oil price reaching all time highs of USD 144 per barrel; an average of USD 111 per barrel; and continuous government spending, with inflation being the only threat.

Performance Chart



Fund Performance

Returns	Beltone MENA Fund
MTD	-1.0%
YTD	1.7%
Since Inception	16.8%

Fund Information

NAV per Share	11.68
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	41
PE 08	11.5
Earnings Growth 08 (%)	42.6
Standard Deviation (%)	6.2
Sharpe Ratio	2.4

Top 5 Holdings

Company	Country	% Assets*
OCI	Egypt	5.0%
Arabtec	UAE	4.9%
SAFCO	KSA	4.1%
Emirates NBD	UAE	3.9%
Ghabbour	Egypt	3.6%
Total		21.5%

Note: As of 30th June 2008

Country & Sector Allocation

