



Beltone MENA Equity Fund

Fact Sheet for March 2008

Fund Objective

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

Markets Commentary

Signs of a worsening credit crisis and increasing inflation continue to hit the US market for the month of March. Bear Stearns the 5th largest investment bank in the US, announced it was bankrupt following rumors in the market that the company was facing liquidity issues. Shortly thereafter, on March 18th, the FOMC decided to reduce the FED rate by an additional 75 bps, bringing it to 2.25% and the discount rate to 2.50%. The region, known for its short-lived correlation to US markets, followed suit with foreign liquidity in the GCC markets at lower than average trading levels.

The KSA market led the downturn dropping 11.4% due to the heavy denomination in individual investors leading to market volatility. In addition, the market witnessed downward selling pressures arising from reducing positions once an IPO subscription opens, such as March's colossal IPO of Zain KSA. The remaining decliners for the month were Dubai, Qatar, Abu Dhabi, and Oman declining 10.2%, 8.8%, 5.4%, and 2.5%, respectively. On the other end of the spectrum, Kuwait landed in the green rising by 1.9%. Lastly, the Egyptian market recorded a flat performance with a mere rise of 0.2%.

We remain positive on the economic background of the MENA region with recent estimated figures of the region's oil wealth soaring to USD 30 trillion. It is also estimated that infrastructure spending throughout the region has increased to USD 1.5 trillion, trickling down to other sectors diversifying the regions' economies to more than just oil. In addition, first quarter earnings releases are expected to report healthy gains. Therefore, we believe that the regional markets will witness a rise in the medium term.

Fund Overview and Strategy

The MENA fund recorded a loss of 5.5% led by the Saudi market. On the other end of the spectrum, Egypt contributed positively to the Fund's performance.

The Fund's positive contributors were Saudi Arabian Fertilizers Company (SAFCO), Galfar Engineering, Orascom Construction Industries, Egyptian Financial and Industrial Company (EFIC), and Nasr City Housing rising by 12.3%, 12.5%, 12.5%, 4.9% and 6.8%, respectively.

Galfar Engineering's project pipeline during the month of February witnessed an augmentation with the company being awarded a contract to build Bank Muscat's head office coupled by a contract from Oman Wastewater Services. Galfar Engineering's rally was triggered by the above mentioned news and highly favorable research coverage on the stock.

On another note, SAFCO announced a new facility in Jubail, Safco V, which will produce 1.2 million tons per year of ammonia and 1.5 million tons per year of urea. Furthermore, Nasr City was finally granted approval, by the Civil Aviation Authority, to construct buildings with a maximum height of 18 meters on its Al Nasr Gardens land, a plot which

represents 38% of the company's land bank. This approval implies that the company is currently trading at a 16% discount to our Net Asset Valuation.

The region remains to be attractive yet our strategy going forward entails more focus on bottom up analysis to ensure creation of value and maximization of returns for the investors.

Fund Performance

Returns	Beltone MENA Fund
October	2.5%
November	2.4%
December	9.3%
January	-5.7%
February	6.1%
March	-5.5%
Since Inception	8.5%

Fund Information

NAV per Share	10.85
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	7.6%
SAFCO	Saudi Arabia	4.7%
Al Dar Properties	UAE	3.9%
Samba Financial	Saudi Arabia	3.8%
EFIC	Egypt	3.8%
Total		23.8%

*As of 31st March, 2008

Country Allocation

