



Beltone MENA Equity Fund

Fact Sheet for May 2008

Fund Objective

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

Market Commentary

Markets during the month of May were slow in terms of growth. Jordan, Qatar, Oman, Kuwait, Abu Dhabi and Morocco ended the month on a positive note gaining 6.8%, 5.3%, 3.1%, 2.2%, 1.0% and 0.7%. On the other end of the spectrum, Egypt, Saudi Arabia, Dubai and Tunisia lost 6.7%, 5.3%, 1.0% and 0.8%.

Egypt leading the news this month lost 6.7% after a series of announcements pertaining to subsidy and tax reforms. The government announced increases in natural gas prices for onshore industries, increases in fuel prices at the pump, and the elimination of tax-free status for energy-intensive firms operating in Egyptian free zones. The market witnessed huge sell off following the announcement, led mainly by foreign institutional investors, pushing the market to lose more than 16% in the first two weeks. Retail investors followed the trend and were spurred further by rumors that the government would introduce a capital gains tax on equities. The market witnessed partial recovery of 9% when market valuations became attractive following the drop.

* Country performances are calculated based on respective country indices

Fund Overview and Strategy

The MENA Fund ended the month recording minor loss of -1.1% bringing the YTD performance to 2.8%

Qatari banks were the top contributors to the Fund's performance following the positive news flow and research issued on the sector indicating better than expected earnings outlook. Arabtec Holding, the largest position in the MENA Fund, continued its rally witnessed in April, driven by the momentum of the company's ability to generate new contracts both locally and internationally, over and above its impressive Q1 results of 285%.

Egypt was considered to be trading at a premium to emerging markets prior to the decline witnessed in May, where valuations became more attractive. Therefore, the Fund Manager increased exposure to Egypt. On the other hand, Kuwait is trading at a premium to emerging markets and is witnessing political unrest; therefore the Fund Manager decreased exposure to the country.

Overall, the region remains to be attractive with high oil prices, continuous liquidity in the markets and expectations of further foreign investor participation following the possible inclusion of GCC countries in the MSCI Emerging markets index.

Fund Performance

Returns	Beltone MENA Fund
MTD	-1.1%
YTD	2.8%
Since Inception	18.0%

Fund Information

NAV per Share	11.80
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	42
PE 08	13.5x
Standard Deviation	6.2%
Sharpe Ratio	2.4

Top 5 Holdings

Company	Country	% Assets*
Arabtec	UAE	4.8%
OCI	Egypt	4.3%
Emirates NBD	UAE	3.9%
SAFCO	Saudi Arabia	3.8%
SABIC	Saudi Arabia	3.4%
Total		20.2%

*As of 31st May, 2008

Country Allocation

