

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

As we neared the end of earnings season and the beginning of Ramadan, the markets remained unclear with no clear catalysts for the holy month, simply following global markets and oil prices on thin volumes. Oil gained 2.6% during the month trading between a range of \$68-\$73/barrel and ended the month midway at \$70/barrel. The MENA regions' markets rose 2.7% this month. The outperformers were Egypt, Oman, Qatar, Dubai, Tunisia, Abu Dhabi, and Kuwait gaining 8.9%, 8.5%, 6.1%, 5.3%, 4.0%, 3.4%, and 3.1%, respectively. On the other hand, the underperformers were Palestine, Bahrain, Morocco, KSA, Jordan, and Lebanon recording 2.0%, 1.0%, 0.7%, -2.0%, -2.1%, and -5.0%, respectively.

The darling Egypt, the best performing market for the second month in a row, continued witnessing foreign appetite due to positive news flow. During the beginning of the month, real GDP growth for fiscal year 08/09 beat expectations recording a positive gain of 4.7% versus expectations of 4.3%. Later in the month, two renowned international institutions highlighted Egypt's sound economic fundamentals. The Moody's upgrade of Egypt's sovereign credit rating outlook from negative to stable, led to a market performance of 2% on that day alone. Shortly thereafter, Financial Times FDI Intelligence ranked Egypt as the second in Africa after South Africa in terms of attractiveness of its investment climate trickling down to gains of 3% at the end of the day's session.

Saudi Arabia caused a bit of stir this month when it failed to reach an agreement with MSCI giving Tadawul a pre-approval right over the licensing of MSCI indices. Due to this disagreement, it is expected that Tadawul will cut data-supply to MSCI. While this may appear negatively on the forefront, the market did not react to the news, trading flat the following day, almost certainly due to the insignificant size of foreign investors in the market. It is important to highlight that due to the possible removal of the Kingdom from the MSCI Arabia Index, many Fund managers, including ourselves, will be shifting to other MENA indices which will include Saudi Arabia; namely the S&P Pan Arab Index, the Dow Jones Arabian Titans, and recently approved right to establish a Saudi indices, Bloomberg Finance L.P.

During the month, we maintained equity exposure in anticipation of a market outperformance after the slow Ramadan season and the Eid el Fitr holiday. The MENA region's strong fundamentals continue to withhold both on the macroeconomic and company earnings fronts while valuations remain to be ever so attractive. Supporting our bullish view, the MENA markets are lagging Emerging Markets, up 19% YTD vs. MSCI EM of 50%, coupled by trading at cheaper valuations, a 24% discount to PEO9e of Emerging Market peers, and given the seasonality of an expected market rally after Ramadan; therefore, we expect MENA markets' to play catch up til the end of the year.

Fund Performance

Period	Beltone MENA Fund	S&P Pan Arab
MTD	5.0%	2.7%
YTD	13.8%	20.4%
2008	-47.1%	-49.8%
Since Inception	-32.6%	-29.8%

Fund Information

NAV per Share	6.91
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

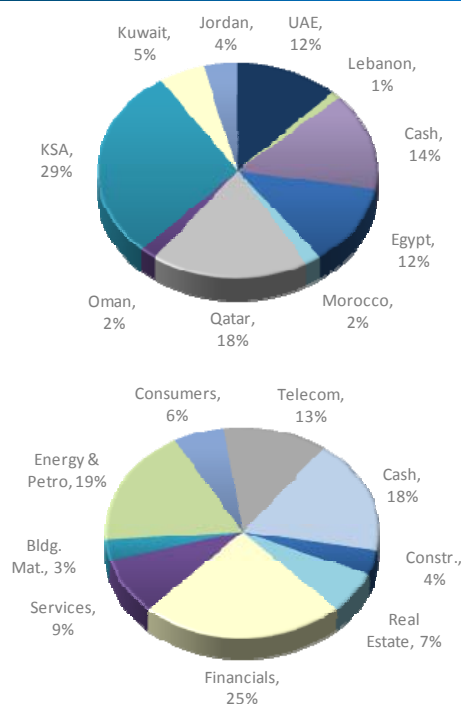
No. of Holdings	31
PE 10e*	10.7x
Earnings Growth 10e (%)*	41.4%
Dividend Yield 10e (%)*	4.6%
MCAP (USD bn)*	10.8

* Weighted average calculation excludes cash position

Top 5 Holdings

Company	Country	% Assets
Qatar National Bank	Qatar	5.6%
SABIC	KSA	4.8%
Al Rajhi Bank	KSA	4.8%
Etihad Etisalt	KSA	4.7%
Industries Qatar	Qatar	4.5%
Total		24.4%

Country & Sector Allocation



Note: As of 30.07.2009

Fact Sheet for August 2009

This month, we would like to share with you what we have come across with regards to market performance in the Kingdom of Saudi Arabia after Ramadan. We would like to confirm that after Ramadan, the market usually continues its trend either on the upside or downside. Given current positive market performance, we believe that the Kingdom and other regional markets should witness a strong rally after Eid el Fitr til the end of the year.

Month of Ramadan

