

# Beltone MENA Equity Fund

## Fact Sheet for December 2007

### Fund Objective

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

### Markets Commentary

All the region's markets landed in the green with the exception of Morocco dropping a mere 1%. The region's positive uptrend was on the back of investor anticipation of the GCC Common market which was announced towards the end of the month in addition to expectations of the continuation of year end rallies.

On the GCC front, Saudi Arabia, regaining its position as the market leader, outperformed the regional markets to gain in the month of December 19%, bringing the year to date performance to 42%. Dubai and Abu Dhabi were also of the top performers gaining 11% and 9%, followed by Oman, Bahrain, Kuwait and Qatar climbing up 7%, 6%, 4% and 2% respectively.

In the North Africa and LEVANT region, Egypt and Jordan were synonymous in terms of performance gaining 8% this month. Lebanon and Tunisia followed the region's positive uptrend appreciating 1% and 0.4%.

### Fund Overview and Strategy

December proved to be another good month for Beltone's MENA fund, achieving 9.3% bringing the fund's performance since inception to 14.8%.

Within the Saudi market, the fund's main bets have proven worthy of their pick, landing in the fund's top performers zone. SABIC, the fund's largest position skyrocketed 25% during the month on the back of positive news flow of 1: 5 bonus shares and the arrangement of a USD 6 billion debt financing scheme utilized in financing the expansion of its affiliate, Saudi Kayan Petrochemicals Corporation.

The second best performer, Al Rajhi Bank, rose 25% on the back of an announcement of being part of a consortium bidding for the USD 10 billion Saudi rail project, in addition to its CEO being declared as the "Islamic Banker of the year for 2007" in the annual World Islamic Banking Conference.

Within the UAE market, the main contributor to performance was the real estate sector with Sorouh, Al Dar and Emaar properties rising 28%, 27% and 20% respectively. Egypt on the other hand witnessed growth across all sectors, with the top contributors being Ghabbour, CIB and OCI rising 18%, 16% and 14% respectively.

### Fund Performance

Returns	Beltone MENA Fund
October	2.5%
November	2.4%
December	9.3%
Since Inception	14.8%

### Fund Information

NAV per Share	11.48
Launch Date	October, 2007
Listing	ISE & DIFX
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	11.0%
STC	Saudi Arabia	7.1%
Al Rajhi Bank	Saudi Arabia	7.1%
SAFCO	Saudi Arabia	5.5%
SAMBA	Saudi Arabia	3.6%
<b>Total</b>		<b>34.3%</b>

### Country Allocation

