

Fact Sheet for August 2010

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

Happy Ramadan! Shorter trading hours and limited news flow characterize this time of the year leading to the lowest liquidity levels across our Mena markets.

Tunis and Qatar were the stars this month advancing 4.1% and 2.8% respectively, outperforming the S&P Pan Arab index which dropped -0.7%. Bahrain, Egypt, Kuwait also ended the month on a positive note and outperformed the index rising 1.8%, 1.4%, and 0.5% respectively. Jordan and Lebanon were the worst performing markets losing 3.7% and 3.4% respectively. KSA, Dubai, Abu Dhabi, Palestine and Oman also ended the month in negative territory losing 2.8%, 1.9%, 1.9%, 1.3%, and 0.6% respectively.

Tunis was the best performer, albeit at very low volumes. Tunis remains one of the most expensive markets on valuations, hence the market bubble remains fundamentally unjustified.

Qatar saw the release of strong central bank data for the month of July showing a 1.7% m-o-m growth in loans and a 7.0% growth in deposits. Central bank data lifted the banking sector and the whole market up.

Lebanon was harshly hit this month on the back of renewed tensions between Israel & Lebanon fueling rising concerns over Lebanon's economic outlook. Furthermore, rising tensions between the different Lebanese political groups following news that a member of Hezbollah may be indicted by a UN tribunal investigating the assassination of Lebanon's former Prime Minister, Rafiq Al-Hariri, in 2005, raised more concerns on the country's political stance.

Egypt witnessed the release of 2Q results which came mostly in line with expectations while most of our holdings delivered a strong set of results that beat expectations by an average of 16% like El Sewedy Cables, Ezz Steel and OCI. EFG, the region's largest investment bank, announced the acquisition of 65% of Credit Libanais, a retail bank with the third largest network in Lebanon, with an option to buy another 25% over the next two years. The stock rallied 3% throughout the month as the acquisition comes within the group's plan to diversify its business model.

UAE saw some activity this month as the news of Nakheel repaying AED 2.5bn of the AED 4bn owed to trade creditors, was taken positively by investors. The market also surprisingly went up during the month despite rumors that Dubai World will be selling assets over eight years to raise more than \$19 billion to pay off creditors. From an economic standpoint, the news is negative as the assets sale is not the best way to repay debt, besides the Dubai World debt is estimated at USD 53bn, a higher number than previously estimated leading to a wider debt-finance gap. Eventually, the market fever cooled down and the UAE markets ended the month in the red.

The investment manager is still maintaining equity exposure at the 85-90% range, while positioning in key stocks in anticipation of a post Ramadan and Eid rally that is yet to materialize.

*Note: Performance of the S&P Index is compared with the performance of the relevant countries' indices.

Fund Performance

Period	Beltone MENA	S&P Pan Arab	MSCI Arabia
August	0.31%	-0.66%	-0.41%
YTD	5.03%	3.70%	1.55%
2008	-47.1%	-49.8%	-55.0%
2009	9.7%	18.2%	17.3%
SI	-31.76%	-28.59%	-38.80%

Fund Information

NAV per Share	6.99
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

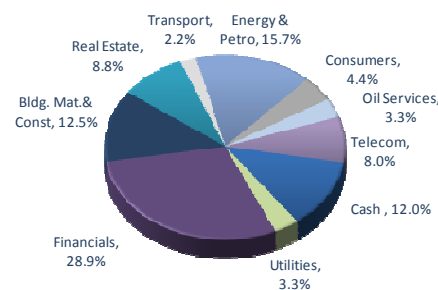
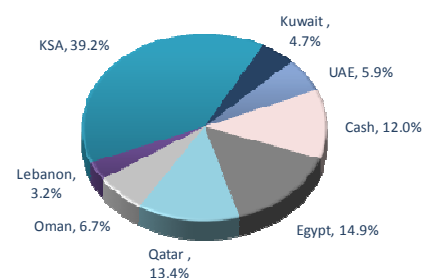
No. of Holdings	27
PE 10e*	12.2x
Earnings Growth 10e (%)*	79.2%
Dividend Yield 10e (%)*	3.3%
MCAP (USD bn)*	14.3

* Weighted average calculation excludes cash position

Company	Country	% Assets
SABIC	KSA	8.9%
Al Rajhi Bank	KSA	8.5%
SIPCHEM	KSA	5.1%
QNB	Qatar	4.9%
Mobily	KSA	4.6%
Total		32.0%

Note: As of August 31st, 2010

Country & Sector Allocation



Note: As of August 31st, 2010