

# EMCO FUND (Emerging Markets Credit Opportunities FUND)

## Fact Sheet for May 2009

### Executive Summary

Fund Type	Hedge Fund
Domicile	DIFC, Dubai
Currency	US Dollar
Regulator	DFSM & DIFC
Net Asset Value	Monthly
Liquidity	Monthly
Management Fee	2% p.a.
Share Registrar	HSBC Middle East
Administrator	HSBC Middle East
Custodian	HSBC Middle East
Auditor	Deloitte & Touche

### Fund Summary

Yield	14 %
Average Coupon	7.2 %
Portfolio Modified Duration	1.5
Average Maturity	3.7 years
Average Portfolio Rating	BB
3 Month USD LIBOR	0.65625

### Top 3 Long Positions

Paiton Energy	11.4 %
Ras Laffan Gas	7.3 %
China Fishery	7.1 %

### Performance Summary

	EMCO Fund	CS Emkt Corp Bond (BB) Index
1 Month	4.5 %	9.2 %
3 Month	10.64 %	24.03 %
LTM (Last 12 Months)	-22.8 %	-9.4 %
Inception	21.9 %	-4.7 %

Mashreq Capital (DIFC) Limited  
Regulated by the DFSA

**Disclaimer:** Performance data quoted represents past performance; past performance is not necessarily a reliable indicator of future returns. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the Fund may be lower or higher than the performance quoted.

This information has not been prepared keeping in view the investment objectives of individual investors due to which investors are advised to investigate accuracy, reliability and appropriateness of this information before making any investment decisions. This statement is intended for specific recipients only, as professional clients and it is not advisable for any other person to act upon it.

### Overview and Outlook

Your fund gained 4.5% this month.

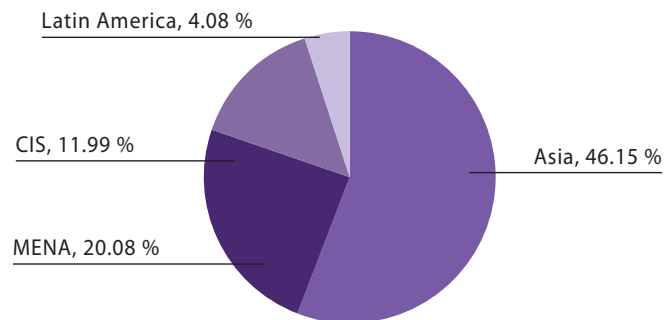
This performance can be attributed to the fact that the fund has started to move into the lower rated issuers and is taking small position in those corporate's that we believe are fundamentally sound and who we believe will benefit from the turn around. Companies like Shanghai Real Estate up 19% and China Fishery Group up 6% while also adding high yielding high grade issuers like Noble Group up 13%.

Currently we are ~90% invested and 10% in cash which we will be deploying the attractive new issues that are due to hit the market in the coming months.

We continue to believe that fundamentally strong credits in the high yield space will outperform the rest of the high yield emerging market space.

All the actions taken by governments by way of economic stimulus plans will benefit companies to get back on the profitability track. Also provide them with avenues to raise financing to refinance their debts and raise money from the banks and credit markets to fund operations.

### Regional Composition



### Ratings Breakdown

