

Emerging Market Credit Opportunities (EMCO) Fund

Fact Sheet: November 2009

Fund Description

The Emerging Markets Credit Opportunities Fund is an open-end Hedge Fund incorporated in the Dubai International Financial Centre (DIFC). The objective of the Fund is to provide investors with attractive total rates of return within the fixed income universe by undertaking to take advantage of credit opportunities in Emerging Market companies and countries.

Executive Summary

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

Fund Summary

NAV as at 30 th Nov.	8.78
Yield	8.11%
Average Coupon	6.46%
Portfolio Modified Duration	2.77
Average Maturity	7.85 years
Average Portfolio Rating	BB+

Top 3 Long Positions

Issuer	Weight %
Paiton Energy	10.43
Tata Motors	10.32
Bumi	7.28

Peer Comparison

	1 Mnth %	3 Mnth %	YTD %
EMCO	-0.05	5.47	27.83
JPMorgan EM Debt Fund	0.54	5.20	31.40
TCW EM Income Fund	0.93	5.03	34.20
DWS EM Fixed Income Fund	1.27	5.39	25.70
Ashmore EM Corporate HY Fund	-4.27	-1.24	25.07
T Rowe Price Inst. EM Bond Fund	0.00	4.31	23.66

Source: Bloomberg

Overview and Outlook

The fund was down 0.05% this month.

The fund is up 27.8% YTD. The performance can be attributed to the fund's repositioning in October with the view that yields in the lower rated high yield issues are at the tight. We exited all holdings which had B or lower rating during the month.

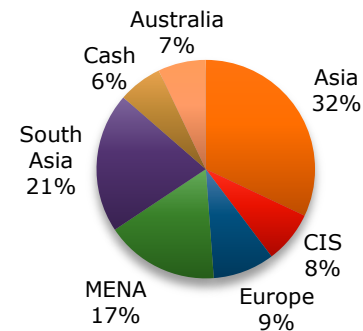
The best performing position was Qatar Government which gained 2.3%, while the worst performance was seen in Abu Dhabi Commercial Bank which was down 3.4%.

We had exited our exposure to Dubai related issues at the end of October, which has protected us from the downside related to those issues.

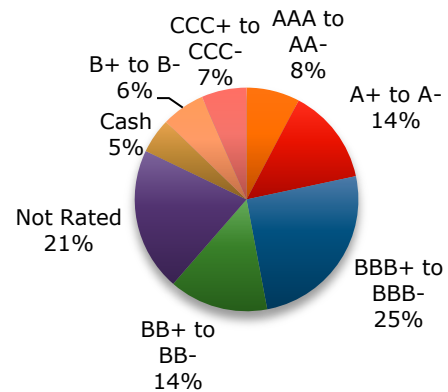
We believe that currently there is value in certain GCC names with strong fundamentals and cash flows that have been unduly affected by the Dubai debt crisis. We intend to opportunistically add such securities to our portfolio.

We continue to believe that there is opportunity in strong BB rated high yield emerging market credits to generate returns with comfortable downside protection.

Regional Composition



Ratings Breakdown



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