

Emerging Market Credit Opportunities (EMCO) Fund

Fact Sheet: September 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 29 th Sept.	8.658
Yield	10.53%
Average Coupon	5.07%
Portfolio Modified Duration	1.95
Average Maturity	4.14 years
Average Portfolio Rating	BB+

Top 3 Long Positions

Issuer	Weight %
Paiton Energy	10.63
Tata Motors	10.56
Dar Al-Arkan International	7.96

Peer Comparison

	1 Mnth %	3 Mnth %	YTD %
EMCO	4.00	9.19	26.06
JPMorgan EM Debt Fund	5.63	11.61	32.74
TCW EM Income Fund	3.98	11.66	31.74
DWS EM Fixed Income Fund	3.77	10.40	23.37
Ashmore EM Corporate HY Fund	4.45	12.44	21.23
T Rowe Price Inst. EM Bond Fund	4.77	10.27	15.73

Overview and Outlook

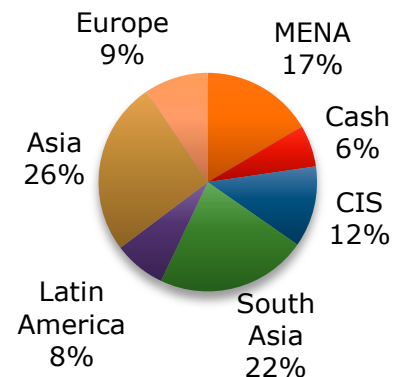
Your fund gained 4% this month.

The fund is up 26.06% YTD and this performance can be attributed to our concerted effort in repositioning the fund to higher quality issues in the emerging market space.

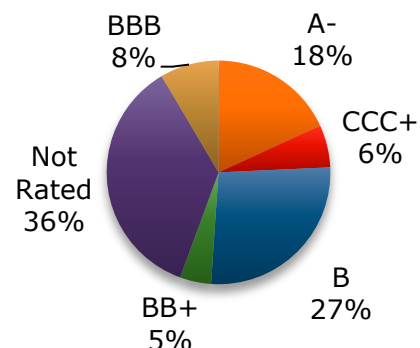
In September we have sold one of our top holding, Noble Group as it achieved investment grade ratings as we had expected and thus achieved our targeted exit point in terms of yield and value. We have utilized the proceeds to diversify and build smaller positions in issues we think still provide us an additional yield pickup with relative downside protection. We also continue to participate and deploy cash into new issues we think are attractive relative to the existing curve and to other similar rated credits.

Our strategy for the rest of 2009 is to achieve conservative gains by continuing to invest in strong BB rated High Yield Emerging Markets credit. We believe that there is opportunity in this space to generate returns with comfortable downside protection, as the B+ to BB space is where we still see corporate bonds with attractive yields supported by strong underlying fundamentals.

Regional Composition



Ratings Breakdown



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