

Emerging Markets Credit Opportunities Fund (EMCO)

Fund Description

Objective of the Fund is to provide investors with attractive total rates of return within fixed income universe by undertaking to take advantage of credit opportunities in Emerging Market companies and countries.

Fund Managers Commentary

EMCO was down 5.33% in November 2011 and down 6.36% YTD 2011

November certainly wasn't dull for markets and the last day changed the overall performance for a number of assets. The month started off with Greece's surprise referendum which was followed by a political crisis in Italy and eventually led to changes in administration in two countries within two short weeks. Although the political situation is now somewhat calmer a small part of the euro project changed for good when Greece was given the ultimatum to make the referendum about leaving the euro. On the other side of the Atlantic the failure to reach a deal by the Super budget committee was the main event but the US equities outperformed as the data flow continued to surprise on the upside.

In all of this turmoil in developed markets, EM's have been prisoner to the gyrations of this political deal making and noise and continue to be illiquid and traded itchy fingers and no conviction.

Returns for cash credit indices were negative across the board led by higher-beta sectors. EUR High Yield and Fin Sub indices were down -9% and -4.8% on the month bringing the YTD returns to -12.7% and -5.5%. Interestingly USD HY was down -1.9% in November but still up 2.5% for the year. EM Bonds are on average down 3.04% for the month and down 2.31% YTD.

The fund is currently positioned with an average portfolio rating of B+, 11.7% of cash and current yield of 12.1%.

Fund Returns

	MTD	YTD	1 Year	3 Years	SI
EMCO	-5.3%	-6.4%	-4.6%	10.6%	-7.8%
		2007	2008	2009	2010
EMCO		0.3%	-31.5%	31.5%	9.5%

Top Holdings

Bumi Capital Pte Ltd	10.4%
Dubai Sukuk Centre	9.2%
Emaar Sukuk Ltd	6.7%
Quadra Fnx Mining Ltd	6.5%
Dubai Holding Comm Op	6.4%

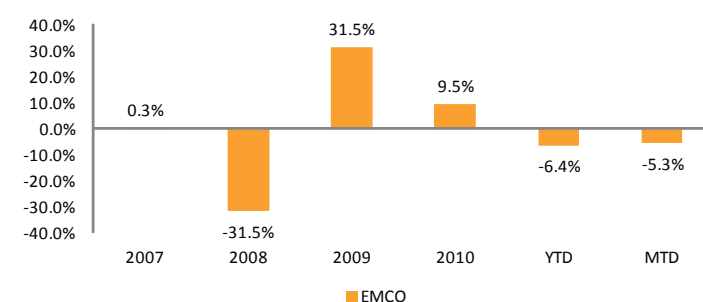
Fund Statistics

Average Coupon	7.0
Fund Rating	B+
Average Maturity	5.9
Average Yield	12.1
Modified Duration	3.4

Fund Details

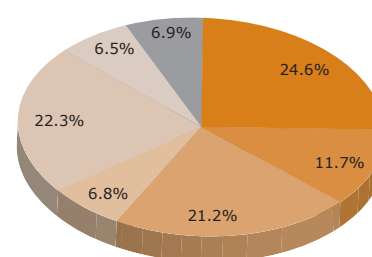
Fund Type	Hedge Fund
Domicile	DIFC, Dubai
Currency	USD
Regulator	DFSA
Bloomberg Ticker	MCFEMCO

Performance (Chart)



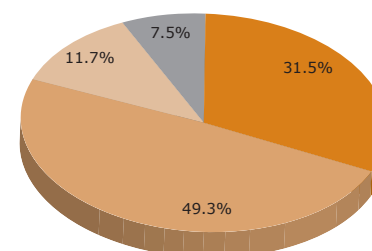
Regional Allocation

- Asia (24.6%)
- Cash (11.7%)
- CIS (21.2%)
- Latin America (6.8%)
- MENA (22.3%)
- North America (6.5%)
- South Asia (6.9%)



Ratings Breakdown

- B+ to B- (31.5%)
- BB+ to BB- (49.3%)
- Cash (11.7%)
- Not Rated (7.5%)



Net Asset Value	Monthly
Liquidity	Monthly
Management Fee	2% p.a.
Investment Manager	Mashreq Capital (DIFC) Limited
Auditor	Deloitte & Touche
Registrar, Administrator & Custodian	HSBC Middle East

SI: Since Inception, MTD: Month to Date, YTD: Year to Date

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