



MONACTION EMERGING MARKETS FUND UNDER MONACO LAW

Adjustment of the complete prospectus in accordance with the regulations of the Loi 1.339 as of September 7th, 2007 and of the Ordonnance Souveraine 1.285 of September 10th, 2007, approved as of November 24th, 2008 by the Commission de Contrôle des Activités Financières

The complete prospectus is available to clients at any CMB branch

Type of fund:
emerging market equities

Reference currency:
US Dollar

Recommended investment horizon:
minimum 3 to 5 years

Allotment of results:
capitalized

Frequency of net asset value calculation:
daily

Pricing method:
closing prices

Conditions of subscription/redemption:
with CMB, valued at the day's close as calculated on the following day for orders placed until 11.00 am

Inception date:
August 11th, 2006

Fund manager:
C^{ie} Monégasque de Gestion SAM
13 bd Princesse Charlotte
Principality of Monaco

Fund Manager by delegation:
Martin Currie Investment
Management Limited
Saltire Court, 20 Castle Terrace
Edinburgh EH1 2 ES—Scotland

Depository bank:
C^{ie} Monégasque de Banque SAM
23 avenue de la Costa
Principality of Monaco

Publication of Net Asset Value:
in the "Journal Officiel de Monaco" and posted in the head office of CMB and its branches.

The Net Asset Value of our funds is published and updated on a regular basis on our web page www.cmb.mc

Description

The fund invests principally in listed equities of Emerging markets (that is to say Central- and-Latin America, Asian countries which are not OECD members such as India, China, East European countries, South Africa, Turkey and Israel). Investments in countries not being member of the OECD could represent a higher risk level, due to specific economic, political and financial conditions in these countries. Depending on market conditions, a part of the fund's assets may be invested in money market products or be kept in cash.

Investment objective

The fund is suitable for clients looking to build an exposure in US Dollar to Emerging market equities. It is a financial instrument in which the client may invest part of his assets, with a recommended investment horizon between 3 and 5 years. The objective of the fund is to generate capital gains in the long run. In the case where an investment for a shorter time horizon is realized, the client should be informed about the levels of volatility and risk inherent to stock markets in the short run.

Management style

The fund is managed actively.

The first step in the creation of the portfolio consists in an investment strategy which is split between an analysis of economic conditions and a detailed analysis of the markets, in order to define investment opportunities on a geographic and on a sector level. The fund seeks an optimum risk diversification with the objective to generate capital gains in the long term.

The second step consists in the selection of individual stocks, depending on their valuation, on their financial strength and on their long-term growth outlook.

The selection of the stocks held in the portfolio is executed primarily in respect of their valuation ratios. The analysis of the balance sheets, to check the level of debt for example, is completing this approach, so as to assure that investments take place in financially sound companies.

The fund is taking advantage of the cooperation with well known financial intermediaries and institutions to access top information about the identified companies and their businesses.

The stocks held in the portfolio are monitored on a daily basis in order to manage efficiently the volatility of the markets. Technical analysis is used for tactical decisions. As a result, the exposure in selected stocks, benefiting from a positive momentum, may be increased, while it may be reduced for stocks with a perceived risk of short-term depreciation.

Investment universe

The fund is mainly active in stocks of Emerging markets. It invests in countries characterized by strong growth and an important potential of economic development, notably the stock exchanges in Latin-and-Central America, Asian countries, which are not part of the group of developed countries in the terminological sense of the OECD, including India and China, East-European stock exchanges, notably Russia, as well as South Africa, Turkey and Israel.





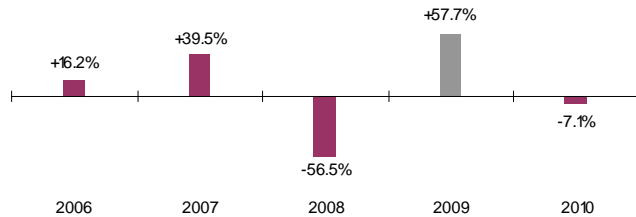
MONACTION EMERGING MARKETS

Monthly report

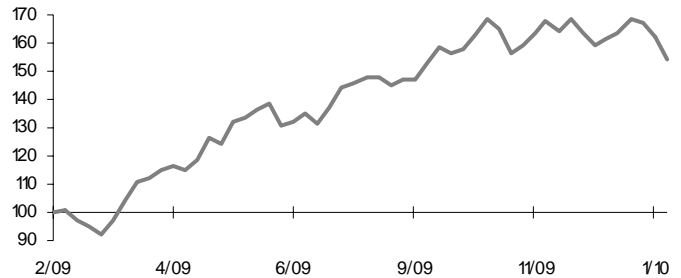
Net Asset Value as of January 29th, 2010: \$1,032.99
Monthly Performance: -7.1 %

Performance

Historic performance



Trailing 12 months performance (basis 100)



Past performance does not guarantee future performance. 2009 performance data is not audited.

Market strategy

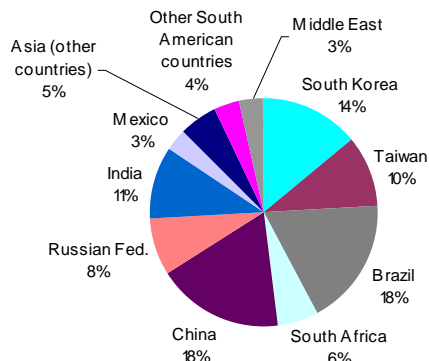
Similar to the December situation, performance of the emerging markets was relatively below that of the developed markets, the MSCI Emerging Markets Local Currency was down by -4.4% in January, compared to a -3.6% drop for the MSCI World Local Currency index, which covers developed countries. This movement was accompanied by a sharp rise in the value of the Dollar against the Euro, a phenomenon which shows that the unwinding of carry trades started in December is continuing.

This movement to reduce riskier bets mainly affected the Chinese market, with Shanghai losing -8.8% during the month. Analysts have shared their concerns about the growing real estate bubble in China as a consequence of recovery policies, leading to forecasts of a tightening of Chinese monetary policy and a consequently less optimistic view of market prospects in expectation of a growth slowdown. However, the downward movement was not generalised. Although Brazil (-4.6%), Mexico (-5.3%) and India (-6.3%) had a similar trend to China, some countries including Russia (+3.6%), Indonesia (+3.02%) and Chile (+6.3%) rose, Chile's outstanding performance being a consequence of the right's election victory.

Main positions

Samsung Electronics (South Korea)	6.0%	Hon Hai Precision Industry (Taiwan)	2.8%
Cia Vale Do Rio Doce (Brazil)	5.1%	PDG Realty (Brazil)	2.8%
Petroleo Brasileiro (Brazil)	3.1%	China Construction Bank (China)	2.7%

Geographic distribution



Sector distribution

