



MONACO TOTAL RETURN USD FUND UNDER MONACO LAW

Permit n° 2006.09/01 and 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 January 12th, 2009 by the Commission de Contrôle des Activités Financières

The complete prospectus is available to clients at any CMB branch

Type of fund:
alternative investment fund

Reference currency:
US Dollar

Recommended investment horizon:
minimum 2 years

Allotment of results: capitalized

Frequency of net asset value calculation:
daily

Pricing method:
closing prices

Minimum subscription amount:
10 000 Euro (equivalent US)

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:
January 2nd, 2007

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

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 its assets principally in money market products and bonds, and uses futures market instruments to gain exposure to a large array of asset categories (stocks, bonds, commodities, currencies, corporate debt and volatility), depending on opportunities and upon the discretion of the manager, with a return objective uncorrelated to those of traditional markets, with active risk monitoring.

Investment objective

The subscription of the fund is restricted to institutional investors or clients who are aware of the financial markets mechanisms. It is a financial instrument in which the client may invest part of his assets, with a recommended investment horizon of 2 years. It is suitable for clients seeking an investment with a high potential of risk diversification. The objective is to generate capital gain in the medium term, with the aim to outperform money market returns on the indicated investment horizon.

Management style

The fund is managed actively.

The core of the portfolio, invested mainly in money market instruments and bonds of issuers whose average rating will be managed according to the outlook on the corporate debt markets, generates a return close to the money market.

The fund manager uses derivative instruments (futures contracts, options, swaps) in order to implement strategies that take advantage of trends in various markets or assets, by gaining directional exposure to a given asset, or by benefiting from the outperformance of an asset, or group of assets, relatively to another asset.

Qualitative strategies, based on fundamental and technical factor analysis, are implemented along with quantitative strategies, based on methods of systematic trades taking advantage of the trends in two, or more, asset price spreads. All interventions on the markets are supervised by a series of risk management techniques, in order to limit the fund's expected volatility.

The fund is taking advantage of the cooperation with well-known financial intermediaries and institutions to access top information in its economic and market analysis and achieve appropriate investment decisions.

Investment universe

The fund invests in money market instruments (at least 50% of the fund's assets), fixed and floating rate bonds and convertibles, and in equities, issued by issuers located in OECD countries.

The fund uses derivative instruments, in regulated, organised or over the counter ("OTC") markets. Dealing on futures markets is restricted to exchanges located in OCDE countries, and covers the following asset types: bonds, corporate credit, equities, volatility, commodities and currencies.

Special risk information

The fund Monaco Total Return USD is an alternative investment fund established under Monaco Law, and was granted the Agrément 2006.08/01 by the Commission de Contrôle des Activités Financières of the Principality of Monaco on January 12th, 2009. The fund is subject to regulation as described in articles 50 to 54 of the "Ordonnance Souveraine" 1.285 of September 10th, 2007. In accordance with the article 53 of this same "Ordonnance", the subscription of the fund is restricted to clients who are aware of the financial markets mechanism with sufficient experience to evaluate its merits and risks.





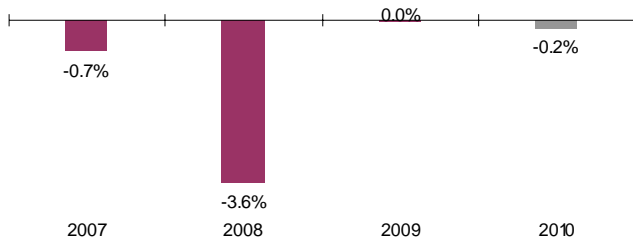
MONACO TOTAL RETURN USD

Monthly report

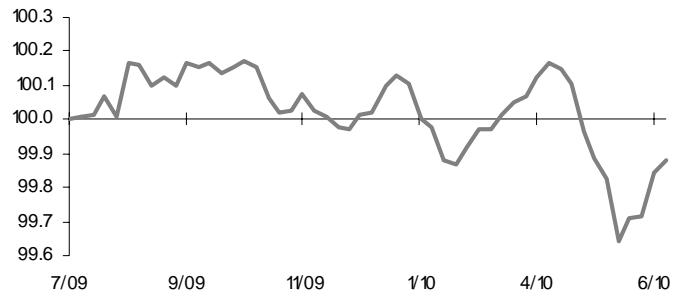
Net Asset Value as of June 30th, 2010: \$955.84
 Monthly Performance: +0.2 %

Performance

Historic performance



Trailing 12 months performance (basis 100)



Past performance does not guarantee future performance. 2010 performance data is not audited.

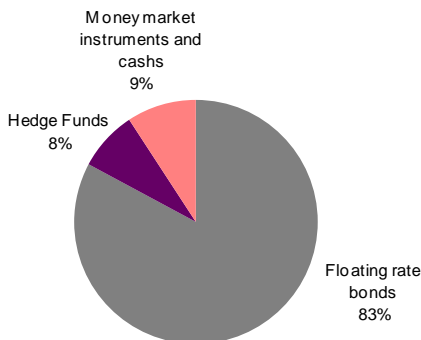
Market strategy

June was marked by disappointing US employment figures, together with investors' fears regarding economic growth and company profits, and austerity measures announced by governments throughout the world. A number of economists, including the Nobel prize winner for economics Paul Krugman, argue that a reversal of policies, followed since 2008, to relaunch the economy and counter the economic crisis, would be hasty and could stifle a still fragile recovery.

In this context, equity markets were down (MSCI World -4.3% in terms of local currencies), whereas credit spreads widened (ITRAXX 5 year Europe +9 bp). Debts of peripheral euro countries suffered (yields on 5-year government bonds of Portugal +88 bp, Spain +43 bp, Greece +275 bp), while the yields on the Bund remained close to their historical lows, the 5-year rate ending the month at 1.46%. US rates fell sharply for the second consecutive month, the 5-year US treasury note rate down 32 bp, ending the month at 1.77%.

In a market environment considered uncertain, the fund continued to be invested essentially in bonds with short maturities.

Asset allocation



Risk evaluation

| | |
|-------------------------|-------|
| Expected volatility | 0.50% |
| Modified duration | 0.00 |
| Equity exposure | 0.00 |
| Leverage | |
| Interest rates | 0.0% |
| Equities and volatility | 0.0% |
| Currencies | 0.0% |
| Commodities | 0.0% |