MONACTION ASIE
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:
asian equities

Reference currency:
Euro

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:
Cie Monégasque de Gestion SAM
13 bd Princesse Charlotte
Principality of Monaco

Fund Manager by delegation:
Barings Asset Management Ltd
155 Bishopsgate
London, EC2 3XY

Depository bank:
Cie 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 Asian equities of developed countries. However, additional investments in companies of South-East-Asian countries outside the OECD may be effected up to a limit of 25% of the fund's assets. 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 other funds, investing themselves in Asian equities or be kept in cash or money market products.

Investment objective

The fund is suitable for clients looking to build an exposure in Euro to Asian stock markets. 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 investing in stock markets of Asian economies considered as developed by the OECD, notably in Japan, Australia, Hong Kong, Singapore and New-Zealand.
Investments in "Pacific Rim" countries, in particular Taiwan, Thailand, Malaysia, Indonesia, as well as in Chinese stock markets (Shanghai, Shenzhen) may also be realized.

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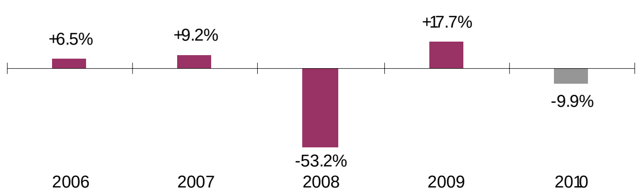
June 2010

MONACTION ASIE
Monthly report

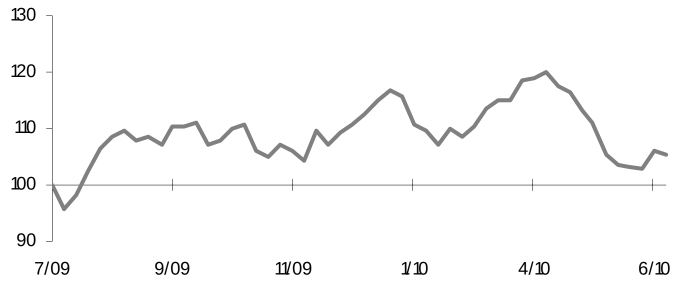
Net Asset Value as of June 30th, 2010: 577.56 €
Monthly Performance: -3.1 %

Performance

Historic performance



Trailing 12 months performance (basis 100)



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

Market strategy

In June, publication of generally weak economic figures impacted the markets. Enthusiasm arising from a possible easing of the Chinese exchange rate system (stop to the peg with the US dollar) was short-lived. The Shanghai Composite Index broke the support of the 2500 level under the effect of the Purchasing Managers Index (PMI) in China, together with the cash drained by the flotation of the Agricultural Bank of China. In the month, Australia had the lowest performance of the area, while Asia and Singapore had the highest, driven by the casinos operator Genting Singapore. The Japanese market continued to fall, without support of other markets and in anticipation of the publication of first quarter company earnings. The yen continued to rally, reaching historically high levels.

The Monaction Asie fund marginally outperformed in June, thanks to the selection of Japanese stocks that were exposed to their domestic market, notably the internet giant Yahoo and the property company Dairo Trust. Nikon shares, just as the rest of the technology sector, remained weak. The positive contribution of our overexposure to the Singapore market was offset by our overexposure to Australia and our underexposure to Hong Kong. The Thai building firm Sino-Thai recorded one of the best performances of non-Japanese stocks held in the fund.

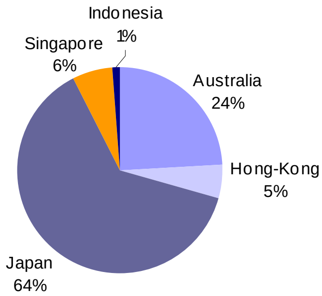
In view of a difficult market context, we returned to a neutral position in respect of our benchmark in the Japanese market. Given the continued uncertainties regarding the strength of the global recovery over the short term, we could reduce the fund's exposure to Australia. Our preferred choice is the secular growth markets, such as Indonesia. In Japan, we maintained our positions with regards to domestic distributors, such as Yamada Denki, Shimamura and Xebio. We initiated a position on Santen, leader of the Japanese ophthalmology market, which contributed a positive performance since acquiring the shares. Despite the general weakness of the technology sector, we confirmed our positions in companies that offer a good investment and have sound management, such as the parts manufacturer Disco and the microchips manufacturer Shin-Etsu.

The markets are forecast to be difficult over the summer months, with economic indicators expected to be less than positive and August's publications of earnings could add to the general gloom. The relatively low valuation levels in Asia could however provide some consolation. We believe that Japanese stocks provide an attractive valuation and are confident of their increased earnings potential. We are aware that a strong yen could have a negative effect on Japanese companies abroad and we are therefore closely monitoring those shares with high exposure to exports, as the publication of earnings draws close.

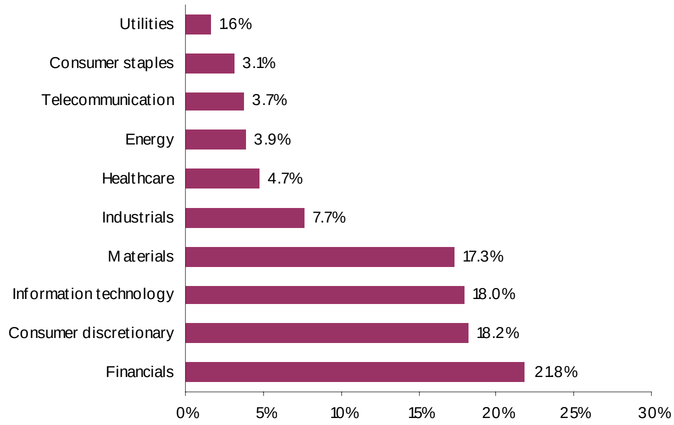
Main positions

BHP Billiton (Australia)..4.3%
Rio Tinto (Australia)..2.8%
Commonwealth Bank of Australia (Australia) 2.8%
Daito Trust Construction (Japan)................................ 2.4%
Honda Motor (Japan) 2.2%
Nippon Telegraph & Telephone (Japan)..................... 2.1%

Geographic distribution



Sector distribution



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