



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:
Cie 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:
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 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.





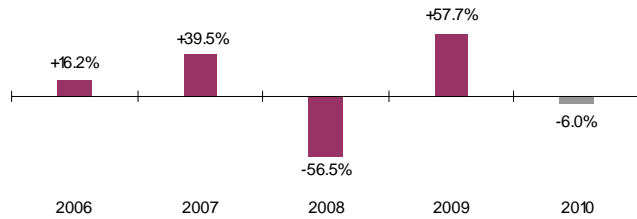
MONACTION EMERGING MARKETS

Monthly report

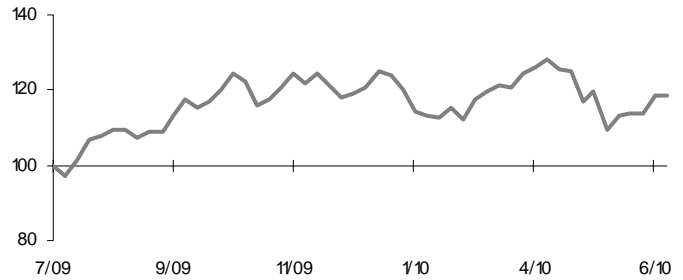
Net Asset Value as of June 30th, 2010: \$1,045.20
Monthly Performance: +0.1 %

Performance

Historic performance



Trailing 12 months performance (basis 100)



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

Market strategy

Despite a fall of 0.7% in the month, emerging markets outperformed developed markets in June, a performance that was all the more remarkable considering that oil and raw material prices remained low. Investors clearly continued favouring emerging-country areas.

The 98 basis points out-performance of the Monaction Emerging Markets fund in June, was due to our stock picking, notably in the consumer discretionary products sector. Among the best performance contributors were the casinos operator SJM Holdings, based in Macau, and the Brazilian specialised distributor Cia Hering.

We took the opportunity of depressed markets in May, to invest our cash during June. In particular, we bought shares in the Russian company Pharmstandard, benefiting from the large drop in their price, subsequent to their exit from the mid-cap pharmaceuticals index.

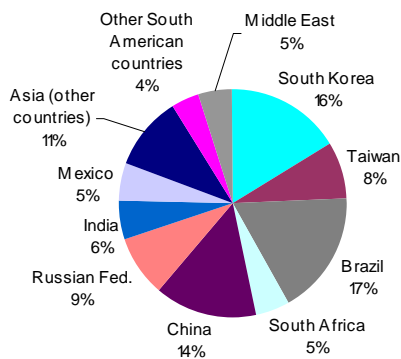
At the same time, we sold shares in the powder milk producer Ausnutria, following a spate of bad news concerning the company, as well as Rosneft shares, which were highly exposed to oil price movements.

Main positions

Samsung Electronics (South Korea)4.4%
PDG Realty (Brazil)3.5%
Hyundai Mobis (South Korea).....3.1%

Cnooc (China).....2.8%
Indust. Bank of Korea (South Korea)2.6%
Cia Vale Do Rio Doce (Brazil).....2.6%

Geographic distribution



Sector distribution

