

# Magna MENA Fund



The Magna MENA Fund seeks to achieve capital growth by investing in a diversified portfolio of MENA Securities.

The Magna MENA Fund is a sub-fund of the Magna Umbrella Fund plc.

## Key Characteristics

30 - 50 Holdings  
Tracking Error Target 6% - 10%  
Stockpicking focus

## Fund Facts

Structure	UCITS
Domicile	Ireland
Registrations	AT CH DE DK FI FR GB IT LU NL SE SG
Launch Date	22 Feb 2011
Income	Accumulated
Daily Dealing	12 noon (Dublin time)
Dealing Cut-off	T - 1
Number of Holdings	36
Cash Weight	4.0%
Tracking Error	4.4% (ex-ante)
Fund Size	EUR 16.4m
Benchmark	S&P Pan Arab Composite Index
Portfolio Advisors	Sharat Dua & Akhilesh Baveja

## NAV Data

Open Share Classes	EUR	GBP	USD
N Shares	11.308	9.470	15.066
R Shares	11.225	9.400	14.955

Charlemagne Capital is the source of all information  
All data as at 29 Feb 2012

## Commentary

February 2012

February saw MENA stockmarkets split between Egypt, Saudi Arabia and the UAE, all of which rose strongly, and the remainder of the region, where most markets recorded small losses.

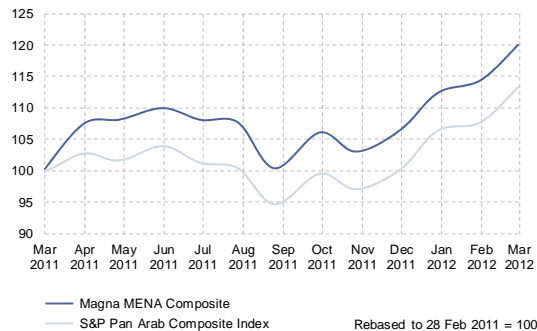
Share price rises were largely fuelled by indiscriminate local buying and accompanied by a significant increase in liquidity. The recent parliamentary elections seem to have been a major positive factor in Egypt with the dominant Muslim Brotherhood successfully portraying themselves as both moderate and modern, with a competent grasp of the current economic situation. However, having recently been in Cairo, we feel that the market rally has got ahead of the political reality, hence we remain cautious. In Saudi Arabia although share prices were supported by on-going expectations of an opening up of the local market to international investors, the best performing names were low quality stocks, which we would not wish to own.

The Fund underperformed its benchmark by only a small margin however, with the basket approach of holding smaller stakes in development companies in the energy sector adding value as both Gulf Keystone Petroleum and Petroceltic saw their shares rise strongly. The former continued to benefit from speculation that the oil majors were moving into Iraqi Kurdistan and could make an offer for the company. We have already recouped our original investment by selling back our holding at elevated price levels, with our remaining exposure now essentially a free option. Petroceltic benefited from confirmation that the sale of part of its Algerian operations to Enel of Italy had completed, removing any lingering doubts over the company's financial position.

In the UAE, First Gulf Bank also performed well, continuing to benefit from results released towards the end of January. The company has re-iterated to us its commitment to shareholder returns, through both its dividend and share buy-backs. With a return on equity in the high teens, it is attracting increasing broker support but the National Bank of Abu Dhabi, also held within the portfolio, is the higher quality name and is beginning to look the better value following First Gulf Bank's recent performance.

Amongst relatively few changes to the portfolio in February, we pared back our exposure in the Saudi petrochemicals group SABIC in favour of a higher weighting in its competitor Yansab, on valuation grounds.

## Gross EUR Performance



Period to 29 Feb 2012	Composite	Index
1 Month	4.9%	5.2%
From 29 Dec 2011	6.8%	6.5%
3 Months	12.7%	13.1%
1 Year	20.0%	13.3%
Since inception (28 Feb 2011)	20.0%	13.3%

The Magna MENA Composite is based on all share classes of the Magna MENA Fund. Composite performance figures are shown gross, ie before fees, in EUR. The Index is the S&P Pan Arab Composite Index. Performance figures are annualized for periods in excess of one year. Charlemagne Capital claims compliance with the Global Investment Performance Standards (GIPS®), as verified for the period 1 June 2000 through 30 June 2011 by Ashland Partners. A copy of the verification report and a presentation that adheres to GIPS standards are available upon request.

Charlemagne Capital is an independent specialist emerging markets investment manager. We seek to use the inefficiencies that exist in emerging markets to generate excess returns through a disciplined and research-driven bottom-up stockpicking process within an intelligent risk framework.

# Magna MENA Fund

Portfolio Data as at 29 Feb 2012

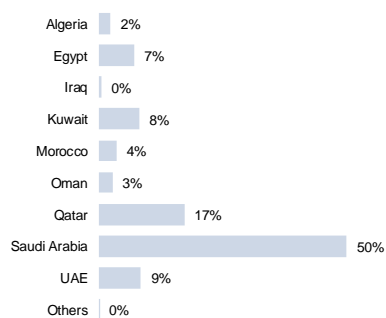
## Top 10 Holdings

Company Name	Country	Sector
Al Rajhi Bank	Saudi Arabia	Financials
First Gulf Bank	UAE	Financials
Mabaneer	Kuwait	Industrials
Mobily	Saudi Arabia	Telecommunication Services
Orascom Construction	Egypt	Industrials
Qatar Electricity and Water	Qatar	Utilities
Qatar National Bank	Qatar	Financials
Samba	Saudi Arabia	Financials
TASNEE	Saudi Arabia	Industrials
Yansab	Saudi Arabia	Materials

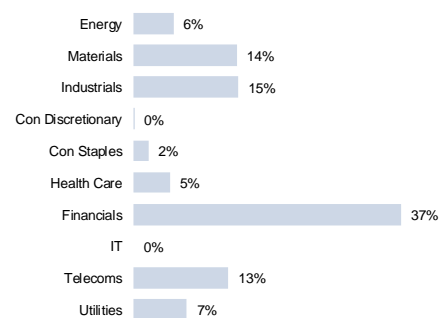
In alphabetical order

Combined weight of top 10 holdings: 49%

## Country Exposure



## Sector Exposure



Excluding cash

## Subscription Information

	N Shares	R Shares
Minimum Subscription	EUR 1,000,000	EUR 5,000
Additional Subscriptions	EUR 1,000	EUR 500
Annual Management Fee	1.25%	1.95%
Performance Fee	Relative	Relative
Front-end Load	Up to 5%	Up to 5%
WPKN Code	A1CZJE	A1CZJF
ISIN Code EUR	IE00B3QPMN62	IE00B3NMJY03
GBP	IE00B3Q4PM35	IE00B66DKK41
USD	IE00B66WMM77	IE00B3SV4W58
Bloomberg Code	MAGMENE	MAGMERE

Performance Fees

N and R Shares: 20% over S&amp;P Pan Arab Composite Index

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To receive a list of Charlemagne Capital's composite descriptions and/or a presentation that complies with GIPS standards, as well as any other information, please contact the Marketing & Sales Department

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