

WEEKLY UPDATE ON AFRICAN EQUITIES

WEEKLY COMMENTARY

AFRICA PAUSES FOR BREATH Most of the stock markets in the Sub Saharan Africa region closed in the red this week except the Botswana stock market. That was up by 1.45%. The Johannesburg All share index closed the week 46.37 points lower compared to the previous week. The Kenyan stock market retreated by 1.01%, breaking its 17 days rally to close 33 points lower. The Mauritius SEMDEX also finished the week in the red closing 5 points lower. On the back of sustained selling pressure on the banks the Nigerian stock exchange suffered a record decline of 3,096 points to close nearly 10% lower relative to the previous week. The Maghreb markets, meanwhile, weathered this week's profit taking relatively well. The Moroccan market closed flat but more impressively the Tunisian exchange recorded another positive week.

MARKET MOVEMENTS

MAURITIUS The market lost its steam this week as a result of profit taking. Many attribute this decline to the unexpected decision made by the MPC Committee of the Central Bank to leave the Repo rate unchanged at 5.75%. The market turnover for the week totaled \$9.6m with banking and hotel stocks accounting for over 50% of the market's trades. Mauritius Commercial Bank, State Bank of Mauritius and New Mauritius Hotel accounted for over 64% of the total market turnover for the week. The market is expected to remain volatile as Mauritius Commercial Bank and State Bank of Mauritius approach their yearend in June. Mauritius Commercial Bank has already declared a dividend of Rs3 (\$0.09) which would be paid to registered shareholders on the 30th of July.

MARKET INDEX OVERVIEW

MARKET	INDEX	WTD	YTD
Nigeria	NSE All Share	-9.66%	-16.71%
Kenya	NSE 20 Share	-1.01%	-9.55%
Ghana	GSE All Share	-9.02%	-49.20%
Botswana	Botswana Share	+1.45%	-11.00%
Mauritius	Mauritius Index	-0.37%	+22.81%
South Africa	Jalsh Index	-0.21%	+2.68%
Egypt	Hermes Index	-11.09%	+19.21%
Morocco	MASI Index	-0.19%	+5.75%
Tunisia	TUNIDEX	+1.58%	+26.76%

SOUTH AFRICA Despite the Mining sector's recovery on Friday, the South African Stock market retreated 46.37 points further to close at 22331.86, thereby increasing its losses by 0.21% on a weekly basis. The JALSH YTD returns decreased to 2.68% compared to the previous' week value of 2.90%. The metal sector supported the market as low US interest rates boosted gold demand, the Banks and Industrial sectors advanced by 3.09% and 0.67%. Among the most traded stocks; Anglo American, Impala Platinum, Anglo Platinum gained 3.8%, 2.8% and 4.2% while FirstRand added 2.3%.

FOREIGN EXCHANGE RATE OVERVIEW

CURRENCY LC TO €1	CROSS RATE	WTD	YTD
Ghanaian Cedi	0.4759	-1.22%	-2.05%
Nigerian Naira	0.0047	-0.40%	-0.80%
Kenyan Shillings	0.0093	+0.30%	+1.20%
Mauritius Rupees	0.0223	+1.07%	-0.21%
Botswana Pula	0.1034	+10.06%	+2.07%
South Africa Rand	0.0898	+1.42%	+3.89%
Moroccan Dirham	0.0885	-0.35%	+0.60%
Tunisian Dinar	0.5281	-0.29%	-2.32%
Egyptian Pound	0.1269	-0.92%	-1.71%

BOTSWANA The Domestic Companies Index (DCI) traded steadily earlier this week and gained as much as 88.94 points, closing at 6229.31 on Friday. There were a total of 2.1 million shares traded which were valued at \$2.1 million, a substantial increase from previous week's figure of \$0.920 million. First National Bank of Botswana, Botswana Insurance and Barclays accounted for over 60% of the weekly turnover. We believe that sellers are finally keen to match increasing demand at the current prices.

TUNISIA The Tunisian market carried its positive momentum for the seventh consecutive week. The market was buoyed by positive performance in the building materials sector. Tunindex grew by 1.58% and ended at 3 666.48 points. On year-to-date basis, the index gains reached 26.76%. Trading activity was stable. Total trading volume on the exchange was down marginally by 1.26%, with 4.84 million shares changing hands, representing a total value of 22.28 million euros (a decrease of 11.24% from last week). High volume was seen in the building materials stocks TPR (Aluminum) and SOMOCER (Ceramic) with both companies accounting for 20% of the total traded volume. They closed higher by 10.6% at 5.73TND and by 4.6% to 2.49 TND respectively.

MOROCCO Moroccan market ended a seesaw week with a marginal loss. MASI shed 0.19% at the end of the week and closed at 11 615.08 points, implying YTD gains of 5.75%. Total trading volume on the exchange was down by 33.17% this week, with 3.3 million shares changing hands at a total value of 320 million euros (an increase of 57% from last week's value). Half of the volume concerned big block transactions related to three mid-cap banks (CDM, CIH and BMCI). One of the notable winners this week was Delta Holding, which represents 2.01% of the African fund; the company appreciated by 5.13%, ending at 82MAD.

NIGERIA The Nigerian Stock market experienced a record low this week as selling pressure in the banking sector continued to dominate trades on the exchange. As a result, the market fell as much as 3,096.64 points, during a five days trading period. The Nigerian stock market closed lower at 25813.55 points bringing the WoW and YTD return to -10.71% and -17.68%. The total traded volume for the week amounted to \$105m with the banking sector accounting for over 61% of the total weekly turnover. The increased volatility on the exchange occurred after; the Central Bank proposed to carry out audit on all the banks to enable the Central Bank confirm the total margin exposure at various banks and the Securities and Exchange Commission issued a new disclosure requirement for quoted companies on the Nigerian Stock Exchange. This resulted in the many of the banks instructing their subsidiaries to offload their holdings in quoted stocks!

EGYPT Egypt's stock exchange benchmark EGX 30 index lost 11.09 % this week, representing 683.75 points, ending Thursday's transactions at 5,479.51 points compared to 6,163.26 points at the end of last week. Foreign investors were the most active buyers

all through the week. Egyptian banks responded to the CBE's decision, reducing its corridor interest rates by 50 basis points to 10.5% and 9% for the overnight lending and deposit facility interest rates, by reducing rates on lending to boost credit and economic growth, while maintaining deposit rates at current levels.

KENYA After 17 straight days of rallying, the stock market finally succumbed to profit taking. The index closed at 6,189.81 points. The index retreated by 33.24 points bringing the WOW and YTD return to -1.01% and -9.55% respectively. The market turnover for this week stood at \$15.03m, an increase from last week's figure of \$13.5m. East African Breweries Ltd, which declined, by 6.7 % was one of the most traded stocks as it had an increased demand, which was then oversupplied by retail sellers. The market has seen increased demand for stocks from foreign investors and local institutional investors. Local retail investors remained the major source of supply for the market. Safaricom, East Africa Breweries, and Kenya Commercial remained the most actively traded stocks as foreign investors showing increased interest in these stocks.

GHANA The Ghanaian cedi remained unstable this week, depreciating by 1.22% relative to previous week. However we believe the promised capital inflows from international institutions will improve the country's economic outlook.

COMPANIES IN THE NEWS

BCP (MOROCCO; WEIGHT: 1.08%) BANQUE CENTRALE POPULAIRE (BCP) has taken an equity stake in another Moroccan bank BANK AL AMAL, a financial institution originally dedicated to financing Moroccan expatriate projects. It should be noted that BANK AL AMAL's share capital is divided into (i) 1.25 million A shares held by banks (25% of the share capital), with two votes each, and (ii) 3.75 million B shares owned by Moroccan expatriates (75% of the share capital), with only one vote each. It is interesting to note that Moroccan expatriates' equity investments were financed by the bank using the interest on their deposits with other Moroccan retail banks. This increased stake could be the prelude to BCP taking control of BANK AL AMAL.

ALLIANCES (MOROCCO; WEIGHT: 1.11%) Alliances group has been retained for the construction and development of a new integrated touristic area in

Tifnit. The group aims at creating a reference seaside destination in eco-tourism, within a site of 200 hectares in the heart of the Sous Massa Draâ national park. Alliance group has also launched this week a 2.5 MMDH investment fund to promote tourism, with a first closing of 1.5 MMDH. The announcement of the fund, called ALIF (Alliance Investment Fund), was made during the 9th National Tourism Forum.

SENTULA MINING LTD.(SOUTH AFRICA; WEIGHT: 1.10%) Sentula stock performed well on the back of the doubling in its Full-Year Profit. The stock of the Johannesburg-based coal producer climbed as much as 25 cents, or 5.6 percent, to 4.75 rand.

FIRST NATIONAL BANK OF BOTSWANA (BOTSWANA; WEIGHT: 0.31%) First National Bank of Botswana Limited (FNBB) announces the appointment of Ms. Lorato Edith Boakgomo-Ntakhwana to the position of Chief Executive Officer of the Bank effective 15 June 2009. The first Botswanian woman to hold this prestigious position. Lorato brings with her a wealth of banking experience. She has worked for the Bank of Botswana and the South African Reserve Bank for a combined period of 17 years prior to joining the FirstRand Group in November 2004.

DIAMOND BANK(NIGERIA; WEIGHT: 1.88%) Diamond Bank Plc, a Nigerian bank operating in Ghana, has emerged as the winner of the prestigious

African Leadership Magazine's African Bank of the Year award (African commerce and industries awards, 2009). The award bestowed on the bank was also in recognition of its outstanding contributions to the global economy, African growth and prosperity, and outstanding industry leadership.

METOREX LTD.(SOUTH AFRICA; WEIGHT: 1.06%) Metorex Ltd., which mines copper in Africa, sold its stake in Pan African Resources Plc for 386 million rand (\$48 million), in its bid to strengthen its balance sheet.

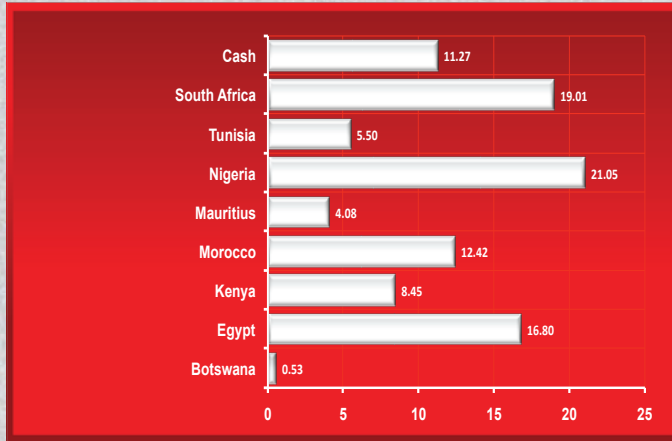
OANDO PLC.(NIGERIA; WEIGHT: 1.93%) Oando Plc is to extend its local gas grid by 100 km a year. It hopes to become the sub-Saharan Africa's largest gas distribution network. The company announced a 52% increase in its Profit After Tax (PAT) for its audited reports for the financial year ended December 31, 2009. This grew from N5.48 billion in 2007 to N8.34 billion in 2008. This result was attributable to the company's improved operational efficiency and increased trade volumes.

SAFARICOM LTD (KENYA; WEIGHT: 2.09%) Safaricom has launched Kenya's first mobile internet portal. It is hoped this will allow the firm's subscribers to access both local and international content direct from their mobile phones. Safaricom is the first provider to come up with a well-packaged information, communications and entertainment service for our subscribers.

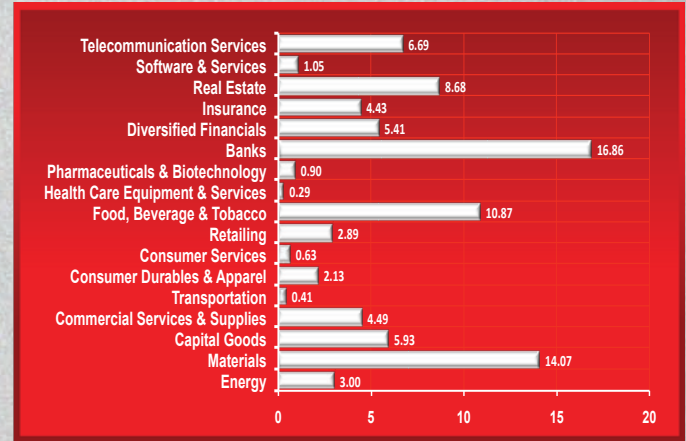
AFRICAN LIONS FUND PERFORMANCE

CCY	CURRENT NAV	WTD	SINCE INCEPTION
EUR	111.55	-2.13%	+11.55%

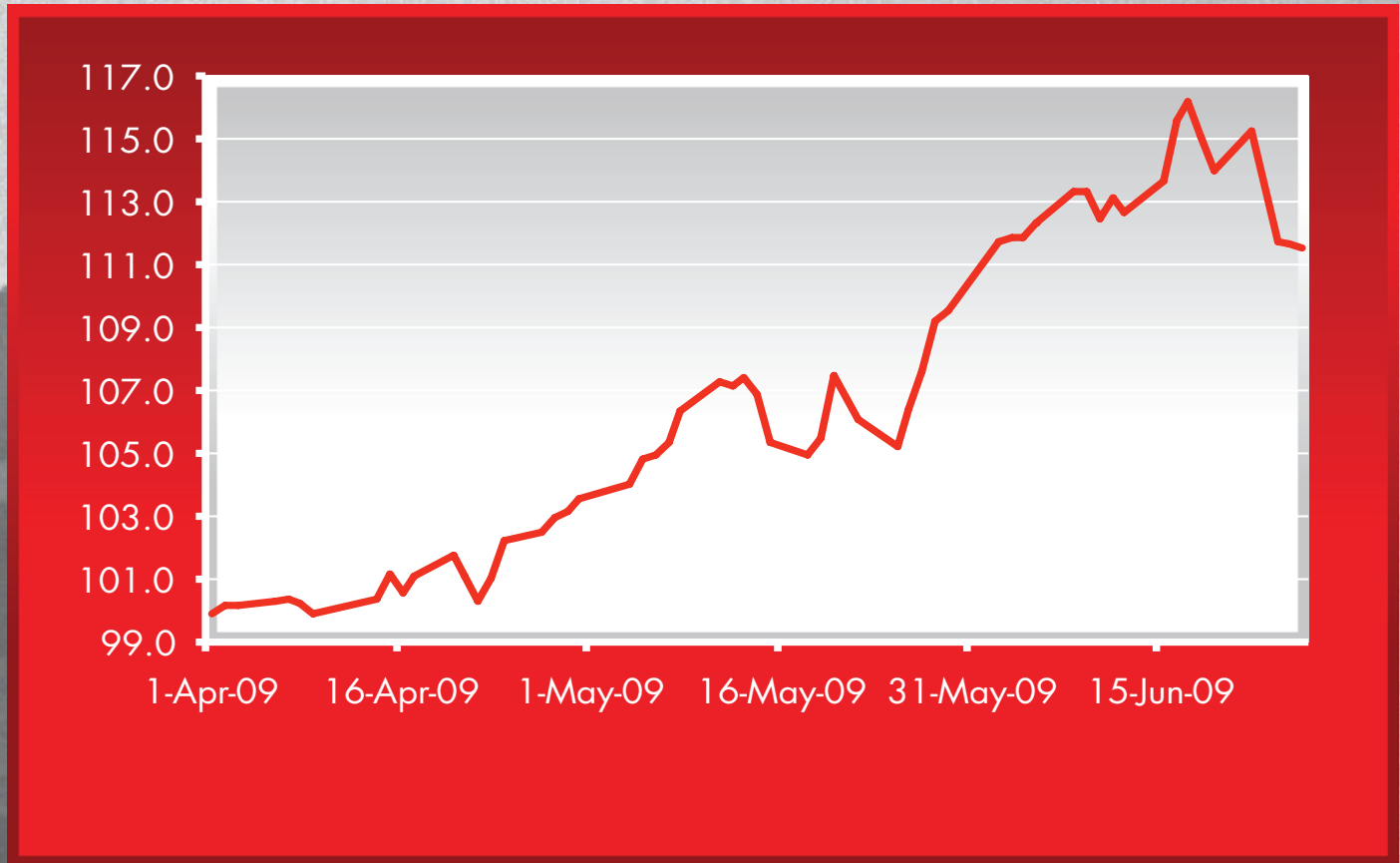
COUNTRY BREAKDOWN



SECTOR BREAK DOWN



AFRICAN LIONS FUND NAV (EUR)



— African Lions

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