Alternative VIEW Ideas on Investment Funds

from LIBERUM CAPITAL

20 May 2009

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Welcome to the third edition of Alternative View. We cover 8 companies this month in the alternative asset space:

Performance

The performance of the funds we featured in our first and second edition has been very strong with an average return of 42.3% across the 16 funds we have recommended. The table below shows the performance of each of the ideas we put forward in the first two issues of Alternative View. Our speculative buy, Invista European (IERE), takes the lead at +208.2%.

Table 1: Recommendations

Ticker	Company Name	Recommendation	Performance Since Recommendation	Date of Recommendation
DNE	Dunedin Enterprise Investment Trust PLC	Buy	66.8%	27/02/2009
CROP	Ceres Agriculture Fund Ltd	Buy	25.9%	03/03/2009
IERE	Invista European Real Estate Trust	Speculative Buy	208.2%	03/03/2009
IFD	Invista Foundation Property Trust Ltd	Buy	93.9%	03/03/2009
KEIF	Kenmore European Industrial Fund	Buy	71.7%	03/03/2009
OCL	Oakley Capital Investments Ltd	Buy	8.3%	03/03/2009
ORP	Origo Resource Partners Ltd	Buy	9.6%	03/03/2009
PGGO	Partners Group Global Opportunities Ltd	Buy	36.8%	03/03/2009
DTL	Dexion Trading Ltd	Buy	3.5%	15/04/2009
GPE	Graphite Enterprise Trust PLC	Buy	25.4%	15/04/2009
HGT	HgCapital Trust PLC	Buy	7.1%	15/04/2009
IPO	IP Group PLC	Buy	11.6%	15/04/2009
SRE	Sirius Real Estate Ltd	Buy	32.4%	15/04/2009
SDIC	Speymill Deutsche Immobilien Co	Buy	2.4%	15/04/2009
MCAU	Speymill Macau Property Co PLC	Buy	30.6%	15/04/2009

Source: Bloomberg

FTSE All-Share Equity Investment Instruments Index

Source: Bloomberg

EPRA Europe Index

Source: Bloomberg

LPX50 Index

Source: Bloomberg

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Introduction

Welcome to the third issue of Alternative View.

We wrote with hope in April of a realisation in the wider market of a 'tomorrow' and the market hasn't disappointed. Investor appetite for risk has continued into May with the FTSE All-Share up over 11% since mid April (+4% since 1st May) and the FTSE All World up 6.85% since mid-April (+2% since 1st May).

In the closed-end fund universe the average weighted increase in share prices from mid-April to 18th May is 9.94% and 14% of funds have increased 30% or more. Retail buyers have been notably active in the market, particularly in the property sector, in stocks where a differentiated investment case can be made. On a wider market basis investors have taken comfort in the banks' willingness to refinance heavily indebted companies and this means investor optimism is spreading to stories where there is belief in value over the longer term earnings. Perhaps investor optimism has rebounded too strongly in recent weeks for some but there have been signs economic activity is improving in the US and in the UK where the pace of decline may be moderating with PMI data recently coming in ahead of bearish expectations.

But, even in cases where prices have increased over the month, there is still significant value to be found. Similarly, we continue to find stocks where a strong investment case is either overlooked or overshadowed by general market concerns. This is the perfect opportunity for investors to take a closer look at a new story or to revisit one which hasn't been looked at for a while. We've covered 8 companies this month…

Trading Emissions (TRE) and **Vietnam Infrastructure (VNI)** both have cash balances close to, or in excess of, their market caps with very low gearing. Both are run by leading management teams and play to demand-led themes in growth economies. TRE, we believe, suffers particularly from having to tell a more complicated story and has been overlooked historically because of this. It's a highly successful business managed by pioneers in the carbon market. **Aurora Russia (AURR)** suffered from a share sell off in Q4 08 as Russia fell out of favour going into the downturn. The company has cash resources of almost 70% of its market cap and, despite a share price increase of 123% over the past month, is still trading at a c. 80% discount to its NAV. **Advantage Property Income Trust (TAP)** is a long term dividend play and, while the recent decision to suspend dividends in Q1 09 in favour of paying down debt will reduce yield to a degree in the short term, we believe it will assist in removing concern over leverage which has penalised the company's share price. **Alpha Pyrenees (ALPH)** has also suffered a discount over gearing concerns but we think investors looking for income should take the time to look at this company as a hedge against the risk of an increase in the cost of borrowing in the medium term. **Eastern European Property Fund (EEP)**, which had results this week, differentiates itself through its low levels of gearing and its conservative strategy of investing in properties in Istanbul where there is a shortage of international class retail, leisure and office space. In private equity we believe **Conversus Capital (CCAP.AS)** offers a compelling case in its highly diversified, mature portfolio with a stated focus on value realisation. CCAP should be particularly interesting for those looking toward opportunities in a US recovery. **Electra Private Equity (ELTA)** is perfectly placed to take advantage of a market recovery. Its differentiation in the marketplace is clearly illustrated by its current weighted average debt/EBITDA ratio on direct investments of only 3.9x – well below the high ratios which characterised many private equity deals in 2006/2007. It is demonstrative of a high quality management team.

If you would any further information on any of these ideas, please don't hesitate to get in touch.

Katherine, Henry, Linda, Barbara

Advantage Property Income Trust (TAP, 18.25p, Buy)

Fund Details

Last Published NAV	46.30
Last NAV Date	30/03/2009
Premium/Discount	-61.12%
Average 52-Week % Prem	-62.19%
Liberum Est NAV	39.12
Liberum Est Prem/Disc	-53.99%
Market Cap (GBp m)	25.69
Total Assets (GBP m)	203.65
Net Yield (historic)	18.06%

Fund Information

Sector
Property
Geographic Focus
UK
Benchmark index
FTSE E/N UK
Fund manager
Valad Asset Management (UK) limited
Investment manager
-
Website
www.tapincome.com

Investment objective

TAP aims to provide shareholders with an attractive level of income, together with the potential for income and capital growth derived from investment in the group's diversified portfolio of commercial property in the UK and the Channel Islands.

Dividend policy

TAP aims to pay dividends quarterly. In line with the group's revised dividend policy amended in November 2008, dividends are funded from recurring income. On 19/05/09 TAP stated it would suspend payment of dividends in Q1 09 in order to pay down debt but that it hopes to resume the payment of dividends in H2 09.

Source: Bloomberg, Company, Liberum Capital

TAP is a long-term dividend play and, while the decision to suspend dividends until H2 09 (RNS 19/05/09) is not ideal in the short term, it should assist in removing market concerns over gearing levels. TAP stated a general policy of paying dividends in line with recurring profits in Nov 08. We believe TAP has room to pay 1.626p DPS in H2 09 and a 5.4p DPS in 2010 which is a yield of 9% and 30% respectively on current prices. Despite its yield potential the Company's share price has fallen 83% since the start of the credit crisis and it currently trades at a c. 61% discount to its latest NAV (31/03/09). We believe TAP is being unreasonably discounted over fears of a potential loan covenant breach.

TAP offers stable rental income streams, a below average expense ratio and strong free cash flow generation. It is set to capitalise on improved portfolio returns on secured rental increases in new leases and could potentially benefit from lower vacancy rates in 2009/2010 (11.4% at end of March 09 to 4.5% next year in our view) when two of its largest assets are likely to be fully let. We believe the letting of Advantage Reading (10th largest asset valued at £5.1m at 31/03/09) and Brunswick Point (4th largest asset valued at £8.0m at 31/03/09) provide room for £12.6m of potential uplift to March 2009 valuations when fully let.

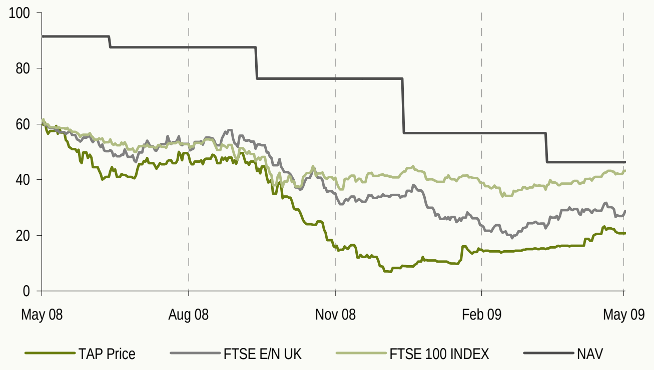
TAP has two loan banking facilities. The market's concern lies primarily with TAP's Capmark Bank Europe loan facility which is a £35.3m securitised non-recourse, non-cross collateralised debt facility indexed at a blended fixed rate of 5.26%. It has an LTV covenant of 70% and expires January 2013. The LTV on Capmark is currently 69.3% as at 31/03/09. LTV is tested quarterly. Taking into account the £1.2m in cash proceeds from the sale of two assets in Q1 09 and the £1.7m of planned asset sales exchanged, we estimate the LTV on the Capmark facility, net of cash, would drop to 64% based on 31/03/09 valuations.

Management also announced on 19/05/09 that assets worth £8m are currently in the hands of solicitors with proceeds to be used to reduce the group's LTV, they believe, to 52% of GAV. The blended group LTV is 61.9% as at 31/03/09. The letting of the recently renovated Advantage Reading, which is part of this facility, as well as some asset sales, would alleviate market concerns on refinancing risk which could potentially lead to the stock re-rating. Management sees potential to sell £18m of assets in 2009/10 in total and, while disposals have been relatively light compared to peers so far, the average lot size of the portfolio is small (c. £2.6m), which is important given the lack of financing for large lot sizes.

TAP has strong cash flow generation (£12.6m in 2009E unchanged from 2008) and we believe the company will be able to deliver an H2 09 DPS of 1.626p (9% dividend yield) and a 2010E DPS of 5.4p (30% dividend yield).

TAP trades at 61% discount to March 09 NAV and has fallen 83% since the start of the credit crisis in June 2007. Given its long term dividend policy, strong cash flow generation, high reversionary yield potential (9% at the end of March 09) and above average net returns on the portfolio, we believe TAP displays a compelling investment case.

Price/NAV/Benchmark Performance



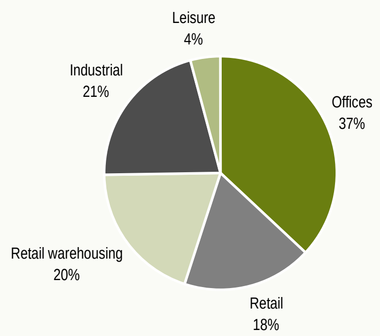
Source: Bloomberg, Company

Performance (%)

	1 Month	3 Months	12 Months
Price (GBp)	16.25	14.25	59.75
Premium/Discount	-64.90%	-73.99%	-33.33%
Price performance	27.69%	45.61%	-65.27%
NAV performance	0.00%	-18.34%	-49.40%
FTSE E/N UK	-2.56%	24.55%	-52.51%
FTSE 100 INDEX	9.32%	11.35%	-29.83%
Relative to FTSE E/N UK	30.25%	21.06%	-12.76%
Relative to FTSE 100 INDEX	18.37%	34.27%	-35.44%
		Date of high	Date of low
52-Week price range	62 to 6.7	19/05/2008	22/12/2008
52-Week prem range	-33.33 to -91.02	18/05/2008	23/12/2008

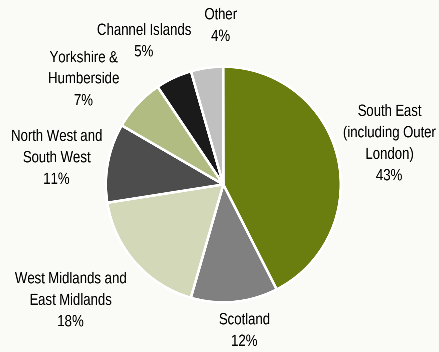
Source: Bloomberg, Company

Breakdown of Portfolio by Sector % at 31/03/2009



Source: Company, Liberum Capital

Breakdown of Portfolio by Region % at 31/03/2009



Source: Company, Liberum Capital

Largest Portfolio Holdings

Waterfront business park (Office, Fleet)	5.01%
National Westminster House (Office, Guernsey)	4.96%
The Brunel Centre (Retail, Bletchley)	4.92%
Brunswick Point (Office, Leeds)	4.43%
Kingsway East Leisure Park (Leisure, Dundee)	4.26%
The Links (Office, Warrington)	3.93%
Geoffrey House (Office, Maidenhead)	3.41%
Silver Court (Office, Welwyn Garden City)	3.35%
Southgate Retail Park (Retail Warehousing, Derby)	3.01%
Advantage Reading (Office, Reading)	2.80%
	40.08%

Source: Company, Liberum Capital

Fund Information and Capital Structure

Launch date	05/02/2005
End date	-
Exchange	London
Domicile	Guernsey
Shares Outstanding	142.75m
Free Float	66%
Gearing %	53.7%
Loan amount	£ 111.8m
Loan coupon	5.95% (including margin)
Loan maturity	2013-2015
Covenants	Sliding scale of LTV covenants up to a max of 70% and ICR covenant of 1.5x expiring Jan 2015 on the Bank of Scotland facility. LTV covenant of 70% and ICR covenant of 1.35x on the Capmark Bank Europe facility expiring January 2013.

Source: Bloomberg, Company, Liberum Capital

Management Contract

The asset manager is paid a quarterly annual management fee of 0.65% of GAV (effective as of July 1st 2008). The term of the management contract has been agreed through September 2010 and includes mutual options to terminate the contract. The management contract does not incorporate any performance fees.

Source: Company

Wind-up Provision/Discount Management

The fund does not have fixed winding up date. Management has the authority to buy back up to 14.99% of the outstanding share capital (reviewed annually). Since inception, TAP has not engaged in any share buy back programme.

Source: Company

Alpha Pyrenees (ALPH, 38.5p, Buy)

Fund Details

Last Published NAV	53.10
Last NAV Date	31/03/2009
Premium/Discount	-26.55%
Average 52-Week % Prem	-43.00%
Liberum Est NAV	43.53
Liberum Est Prem/Disc	-10.41%
Market Cap (GBp m)	45.83
Total Assets (GBP m)	363.81
Net Yield (historic)	17.95%

Fund Information

Sector
Property
Geographic Focus
France (89%) and Spain (11%)
Benchmark index
FTSE EPRA FRANCE GBP TR
Fund manager
Alpha Real Capital
Investment manager
-
Website
www.alphapyreneestrust.com

Investment objective

ALPH typically invests in commercial property in France and Spain with inflation-indexed rents that will provide income return to investors as well as potential for capital growth.

Dividend policy

ALPH pays quarterly dividends. Since listing in 2005, ALPH delivered attractive dividend returns to shareholders - 5 pence in 2006, 6 pence in 2007 and 7 pence in 2008. ALPH paid 1.75p DPS for the quarter 31/03/2009, which equates a 7 pence DPS for 2009.

Source: Bloomberg, Company, Liberum Capital

ALPH is an attractive and secure income play. In our view the Company is on track to deliver a 7p DPS in 2009, unchanged from 2008 levels, which equates to a dividend yield of 18.3%, one of the highest in the sector. ALPH trades at a 27% discount to March 09 adjusted NAV of 53.1 pence (net of mark to market revaluation of currency swaps, interest rate swap derivatives and deferred tax provisions) which we think is too wide given superior earnings visibility, the lower risk profile of its tenants (82% of the portfolio income is secured by leases to Grade A tenants), above average lease length to expiry of 8.3 years and an attractive dividend yield and relatively secure portfolio valuations.

While ALPH is a leveraged play (LTV of 77% / LTV net of all cash of 69.7% based on March 2009 valuation) we think it unlikely to breach its LTV covenants which range between 85%-87.5%. Based on the 31/03/2009 valuations ALPH can withstand a 18% decline in property values before it breaches its covenants. It holds un-mortgaged assets worth £16.4m (based on December 2008 valuation) which provide an additional buffer against a softening in property values.

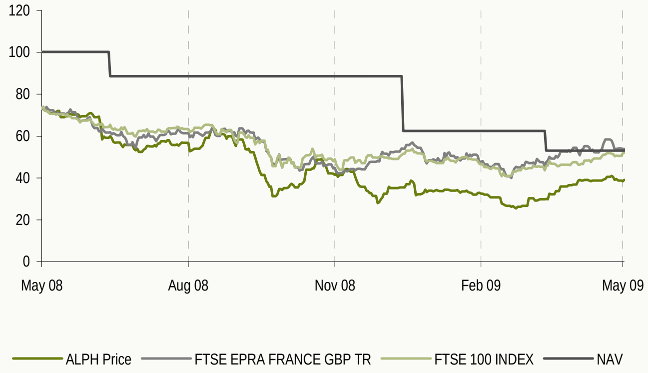
ALPH is predominately geared to the French office and business parks sector (64% of total portfolio) of which 58% is in the Ile- de -France region. Ile- de-France is a thriving region in Europe in terms of logistics flows from where nearly a third of all logistics stock in France is controlled. According to Eurostat, France is Europe's second largest market in terms of logistics flows due to its strategic geographic positioning, its high quality premises and the high quality of its road infrastructure. This is evidenced by the fact rental values did not change significantly in the Ile-de-France region in 2008 against the climate of weakening occupational markets.

ALPH is yet to capitalise on the benefits of lease extension terms and/or increase in rental income from new leases. We see rental income advancing 8.6% in 2009 to £26.5m despite the expected slowdown in annual rent indexation (+5.1% in 2008). In 2008, management was successful in extending the lease terms of assets generating 24% of group's rental income and it secured rental increases in new leases generating 46% group's rental income. For example, the annual rent paid by Alcatel Lucent, its largest tenant (37% of group's rental income in 2008), increased 8.85% to €10.9m effective as of 01/01/09. This was a new 12-year lease with a minimum fixed term of 9 years and the rent is subject to annual indexation.

We believe ALPH is likely to maintain its dividend of £8.2m (7p per share, the same run rate of Q1 09 DPS of 1.75 pence) to shareholders in 2009 (unchanged from 2008) which is backed by strong growth in recurring earnings (i.e. up 13.2% YOY to €15.1m). The Group is likely to return 50% of funds from operations, a metric frequently used to measure operating cash flow in 2009, which compares with 44% in 2008.

Since the beginning of the credit crisis, the stock has come off 62% which we think is too great a fall given ALPH's relatively secure rental income streams, conservative portfolio valuations (net yield on valuation of 8.3%, 85bps higher than the average of its most direct peers) and an absence of near-term refinancing risk. Given interest rates are fixed until 2013-2015 (weighted average rate of 5.26%) the net returns on the portfolio are relatively safe, which makes ALPH a good hedge against the risk of an increase in the cost of borrowing in the medium term.

Price/NAV/Benchmark Performance



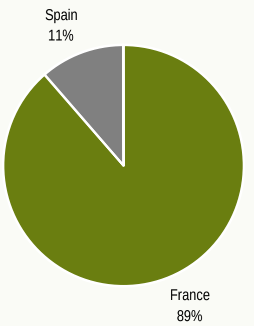
Source: Bloomberg, Company

Performance (%)

	1 Month	3 Months	12 Months
Price (GBp)	36.75	32.50	73.00
Premium/Discount	-41.11%	-47.12%	-26.82%
Price performance	6.12%	20.00%	-46.58%
NAV performance	0.00%	0.00%	-37.66%
FTSE EPRA FRANCE GBP TR	-1.11%	12.14%	-25.99%
FTSE 100 INDEX	9.25%	11.28%	-29.88%
Relative to FTSE EPRA FRANCE GBP TR	7.23%	7.86%	-20.59%
Relative to FTSE 100 INDEX	-3.13%	8.72%	-16.70%
		Date of high	Date of low
52-Week price range	73.5 to 24.5	19/05/2008	12/03/2009
52-Week prem range	-26.82 to -68.36	18/05/2008	15/12/2008

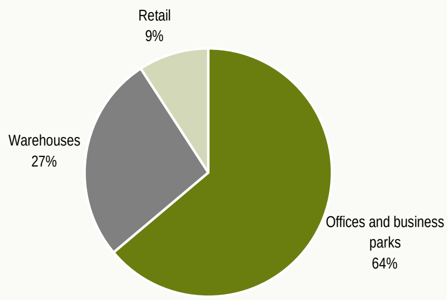
Source: Bloomberg, Company

Breakdown Portfolio by Country % at 31/12/08



Source: Company, Liberum Capital

Breakdown Portfolio by Sector % at 31/12/08



Source: Company, Liberum Capital

Largest Portfolio Holdings

Villarceaux - Nozay (France, business park)	39.29%
Aubervilliers (France, Ile-de-France, offices)	6.98%
Goussainville (France, Ile-de-France, warehouses and offices)	5.83%
Champs sur Marne (France, offices)	4.92%
St Cyr L'Ecole (France, Ile-de-France, offices)	4.24%
Athis Mons (France, Ile-de-France, logistics with offices)	3.65%
Aubergenville (France, Ile-de-France, logistics)	3.61%
Evreux (France, Normandy, logistics with offices)	3.37%
Mulhouse (France, Eastern, France, offices)	3.37%
Gennevilliers (France, Ile-de-France, offices with light industrial)	2.80%
	78.05%

Source: Company, Liberum Capital

Fund Information and Capital Structure

Launch date	29/11/2005
End date	-
Exchange	London
Domicile	Guernsey
Shares Outstanding	117.50m
Free Float	71.20%
Gearing %	58.5%
Loan amount	€ 235m
Loan coupon	5.26% (inc margin)
Loan maturity	2013-2015
Covenants	LTV covenants on the French and Spanish properties vary between 85% and 87.5% expiring 2013-2015. Alcatel Lucent property has a LTV covenant of 85%. ICR covenants are at 1.1x expiring 2013-2015.

Source: Bloomberg, Company, Liberum Capital

Management Contract

The investment manager receives an annual management fee of 1% of GAV. The investment manager is entitled to a performance fee payable if total shareholders return in any accounting period exceeds 12%. The calculation of total shareholders return is a percentage based on the increase in the share price over the last 20 business days of the relevant accounting period plus dividends paid and capital returned vis a vis the previous accounting period. Once this threshold is exceeded, the investment manager is entitled to receive a fee equal to 20% of total annual shareholders return and an additional 15% (i.e. 35% in aggregate) if annual total shareholder return exceeds 20% in any accounting period.

Source: Company

Wind-up Provision/Discount Management

The fund does not have a fixed winding up date. At the EGM held on February 5th 2007, shareholders approved the re-classification of the company's listing from that of a property investment company under Chapter 15 of the listing rules to that of an overseas company with a secondary listing under Chapter 14 of the listing rules with the aim of aligning the company's investment policy more closely with REIT legislation effective as of February 2007.

Source: Company

Aurora Russia (AURR, 23.5p, Buy)

Fund Details

Last Published NAV	116.90
Last NAV Date	30/09/2008
Premium/Discount	-79.90%
Average 52-Week % Prem	-65.06%
Liberum Est NAV	93.42
Liberum Est Prem/Disc	-74.84%
Market Cap (GBp m)	17.63
Total Assets (GBP m)	87.64
Net Yield (historic)	-

Fund Information

Sector
Private Equity
Geographic Focus
Russia
Benchmark index
LPX50 Val Weight TR
Fund manager
Aurora Investment Advisors
Investment manager
James Cook and John McRoberts
Website
www.aurorarussia.com

Investment objective

Aurora Russia Ltd. invests in small and mid-sized Russian companies. The Company primarily invests in business and consumer services and financial companies.

Dividend policy

The current intention of the Directors is to distribute not less than 75% of the distributable profits until the total amount raised in the Admission has been distributed to shareholders. After such time, the intention of the Directors is to distribute not less than 50% of the distributable profits of the Company. Any declaration and payment of dividends by the Company will be dependent upon the Company's results, financial position, cash requirements, profits available for distribution and other factors regarded by the Directors as relevant. The Company has not paid any dividends since its incorporation.

Source: Bloomberg, Company, Liberum Capital

This Russian focused private equity fund trades at an 80% discount to its 30/09/08 NAV of 116.9p. While the market downturn will undoubtedly have had a negative impact on the fund we see a huge amount of value and potential upside in both the share price over the short to medium term and the NAV over the medium term from realisations. We estimate a conservative live NAV of 93p which incorporates currency movements, conservative sum of the parts valuation for Kreditmart and declines in Russian equities over the period. Cash on the balance sheet and within portfolio company, Kreditmart, accounts for 69% of market cap.

Russia is arguably one of the best placed emerging markets for global recovery as it benefits from energy resources strength. The economy is starting to show signs of stabilising and suppressed valuations more than compensate further downside risk.

Aurora is managed by John McRoberts and James Cook both of whom have had significant success in Russian business. Prior to Aurora, McRoberts was a corporate financier having set up and run Apax Partners & Co. Corporate Finance and the Deloitte & Touche's corporate finance business, both in Russia. Cook was Chairman and CEO of GE Consumer Finance Russia, having sold ZAO DeltaBank, a pioneer of credit cards and consumer finance in Russia (a business similar to Kreditmart), to GE. He is credited as being Russia's "Father of Mortgage Lending". The Managers have recently been buying shares further underpinning their current value.

The fund has five investments: **Kreditmart** and **Flexinvest** are being merged together to create a broker/finance company with a full banking platform. The business should become cash-flow positive in June and is on course to emerge as a major player in the fast growing consumer finance market within 12 months where margins are high. It has cash of £7.5m and also receives income from a $17m mortgage book. **Unistream** is the No.1 money-transfer business in Russia operating a network of around 300 branded points of sale that are highly portable, ensuring they are where their customers are, as well as from a significant agent network. While the business's core customer focus has historically been in construction, it is growing a base in eastern Russia where Chinese nationals are working and sending money home. The business is profitable and is on target to grow these profits through 2009. It was looking to IPO last year but due to the market downturn has postponed, and will reassess in Q1 2010. **Superstroy** is Russia's third largest domestic DIY chain based on 2007 turnover. It grew revenues by over 60% in 2008, and has been able to grow EBITDA and increase margins despite the tough retail market environment. AURR installed the CEO responsible for turning around Eurotunnel and who also enjoyed success managing a major Belgian DIY chain. **OSG Records Management** offers document storage and services, data security and data destruction services. It is No.1 in Russia, Ukraine and Kazakhstan (ahead of global leader Iron Mountain), No.2 in Poland and is growing in Bulgaria. It is primed for sale which should give a significant uplift.

With Russia well placed to lead emerging markets in global recovery, this deeply discounted domestic focused fund exhibits significant upside potential from our conservative valuation. The portfolio is already profitable and investments are primed for exit.

Price/NAV/Benchmark Performance

Source: Bloomberg, Company

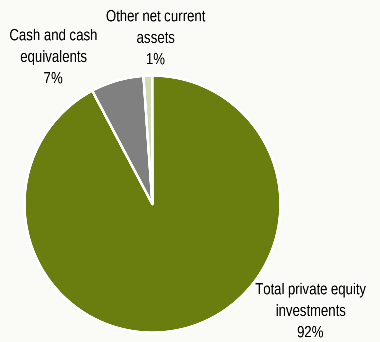
Performance (%)

	1 Month	3 Months	12 Months
Price (GBp)	12.50	15.75	85.50
Premium/Discount	-89.31%	-86.53%	-25.07%
Price performance	88.00%	49.21%	-72.52%
NAV performance	0.00%	0.00%	2.45%
LPX50 Val Weight TR	16.62%	30.26%	-56.74%
FTSE 100 INDEX	8.45%	10.78%	-29.59%
Relative to LPX50 Val Weight TR	71.38%	18.95%	-15.77%
Relative to FTSE 100 INDEX	79.55%	38.43%	-42.92%

		Date of high	Date of low
52-Week price range	85.75 to 10.25	03/06/2008	02/04/2009
52-Week prem range	-24.85 to -91.23	03/06/2008	02/04/2009

Source: Bloomberg, Company

Breakdown by Assets as at 18/05/09



Source: Company, Liberum Capital

No data is available

Largest Portfolio Holdings

Kreditmart + Flexinvest combined	33.52%
OSG Records Management	20.80%
Unistream Bank	19.31%
Superstroy	18.64%
	92.26%

Source: Company, Liberum Capital

Fund Information and Capital Structure

Launch date	24/03/2006
End date	-
Exchange	London
Domicile	GUERNSEY
Shares Outstanding (m)	75.00
Free Float	82.40%
Cash (Net Debt) as % of NAV	6.64%
Cash (Net Debt) as % of share price	26.38%
Implied Discount of Unlisted	-80.16%

Source: Bloomberg, Company, Liberum Capital

Management Contract

The Manager is entitled to a management fee payable semi-annually equal to 2% of the NAV. The Company has also granted an option to the Manager to subscribe for ordinary shares representing 20% of the issued share capital of the Company as of the exercise date at the placing price; provided that (i) the total shareholder return on the ordinary shares as compared to the placing price has increased by at least 12% p.a. from the date of Admission until exercise (the Hurdle Rate), and (ii) if any additional ordinary shares are issued following Admission, the exercise price of the manager option shall be the issue price of the secondary fundraising. The manager option is exercisable at any time during the period between the 3rd and 10th anniversaries of the date of Admission; provided that the Hurdle Rate has been met. The manager option shall also become exercisable any time between the date of Admission and the 10th anniversary without satisfying the Hurdle Rate in the event of a takeover offer or the Company's liquidation.

Source: Company

Wind-up Provision/Discount Management

The Company has an unlimited life. However, at the AGM of the Company in 2010 and every 5 years thereafter, an ordinary resolution will be proposed that the life of the Company be continued. If any such ordinary resolution is not passed, the Directors are obliged to formulate proposals to shareholders to wind up, reorganise or reconstruct the Company. The Company may purchase up to 14.99% of issued share capital.

Source: Company

Conversus Capital (CCAP, $8.91, BUY)

Fund Details

Last Published NAV	20.99
Last NAV Date	31/03/2009
Premium/Discount	-57.55%
Average 52-Week % Prem	-38.98%
Liberum Est NAV	-
Liberum Est Prem/Disc	-
Market Cap (USD m)	707.35
Total Assets (m)	-
Net Yield (historic)	2.18%

Fund Information

Sector
Private Equity
Geographic Focus
Global
Benchmark index
LPX50 Val Weight TR
Fund manager
Conversus Capital LP
Investment manager
Timothy A Smith
Website
-

Investment objective

Conversus Capital is a permanent capital vehicle and the largest publicly traded portfolio of third party private equity investments. Portfolio proceeds are reinvested in primary funds, secondary purchases and in direct co-investments. The objective is to steadily build NAV over time.

Dividend policy

On 04/11/08, the Board elected to discontinue quarterly distributions to unit holders

Source: Bloomberg, Company, Liberum Capital

There are significant mispricings across listed private equity funds and this has been one of the bigger ones. Conversus Capital is a well managed and diversified fund of private equity funds, weighted toward North America, trading on a c. 58% discount. The fund is fully invested in a relatively mature portfolio so investors can expect realisations as markets recover. The existing unfunded commitments enable participation in what should be one of the strongest periods of private equity investment and should it be required, the fund has access to cheap debt. The managers have become increasingly frustrated with the level at which the shares have been trading and have put in place a realisation strategy to deliver value to investors in a shorter time frame. This strategy combined with market recovery makes the fund a BUY.

The Company has introduced a realisation strategy under which it will not make any further substantial investments or commitments in order to focus on realising value from the current portfolio of funded and unfunded commitments. It will still be able to benefit from the opportunities presented by the market downturn as it honours capital calls from current commitments. The Company will use cash flows to pay down debt as, having learnt lessons from other listed private equity funds, it does not want to become overstretched in terms of gearing and over-commitments. It will also look to return capital to shareholders. The move to a realisation strategy does not represent the winding-up the fund in the short term. Once the discount narrows to better reflect portfolio value the managers will consider a return to growth strategy. Should this not happen they will look at an orderly wind-up. The current NAV is $7.5 below the high water mark so investors benefit from 100% of potential NAV growth until the high water mark is achieved.

The fund's portfolio is highly diversified with over 2000 underlying company investments well spread across industries. A key differentiator is its mature portfolio in terms of vintage (average. duration of underlying companies is 4.2 years). Once the IPO market reopens CCAP should see plenty of successful exits at decent multiples from where the shares currently trade. Even in a poor market the fund has been able to make some selective realisations, which demonstrates the quality of its investments (in April one of its funds was able to IPO a company, realising $20m for CCAP). The portfolio is not heavily weighted to mega-cap deals or 2006/2007 vintages (77% of the funded, primary portfolio is funds with vintages of 2004 or earlier) and the diversification reduces downside risk to NAV. The portfolio was cherry picked at launch from the Bank of America's private equity portfolio, who along with Oak Hill Capital, remain key sponsors in CCAP. Long-term strategic investors include Harvard and CalPERS.

Liquidity and attractively priced credit facility The fund currently has $49.4m in cash and a $650m credit facility in place with Citigroup until 2012 priced attractively at LIBOR +140bps. It has current borrowings, which it is paying down, of $397.2m.

A discount of close to 60% is unwarranted for CCAP, given the highly diversified and mature portfolio, a clearly stated realisation strategy, a long-dated, cheap loan facility and cash on the balance sheet of c. 8% of market cap. If you are looking for diversified US private equity exposure ready for the upturn, buy Conversus Capital.

Price/NAV/Benchmark Performance

Source: Bloomberg, Company

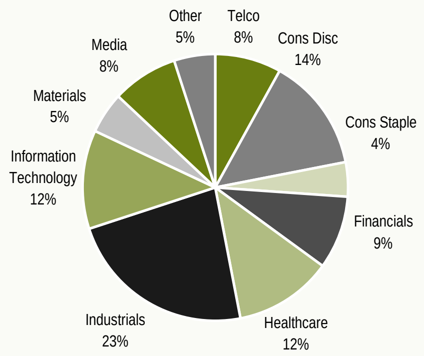
Performance (%)

	1 Month	3 Months	12 Months
Price (USD)	5.90	8.19	21.99
Premium/Discount	-71.72%	-59.79%	-20.35%
Price performance	65.42%	19.17%	-55.62%
NAV performance	0.62%	-3.54%	-23.98%
LPX50 Val Weight TR	15.03%	42.09%	-55.18%
AEX-Index	7.69%	10.47%	-47.08%
Relative to LPX50 Val Weight TR	50.40%	-22.92%	-0.44%
Relative to AEX-Index	57.74%	8.70%	-8.54%

		Date of high	Date of low
52-Week price range	25.5 to 5.65	20/06/2008	19/03/2009
52-Week prem range	-9.91 to -71.24	30/06/2008	31/03/2009

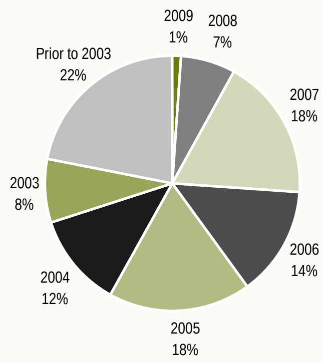
Source: Bloomberg, Company

Breakdown by Sector as at 31/03/09



Source: Company

Breakdown by Vintage as at 31/03/09



Source: Company

Largest Portfolio Holdings

KKR 2006 Fund, L.P.	n/a
KKR Millennium Fund, L.P.	n/a
Thomas H. Lee Equity Fund VI, L.P.	2.97%
Clayton, Dubilier & Rice Fund VII, L.P.	2.54%
M/C Venture Partners V, L.P.	2.49%
Trident III, L.P.	2.04%
Thomas H. Lee Equity Fund V, L.P.	1.85%
Apollo Investment Fund V, L.P.	1.83%
Nautic Partners V, L.P.	1.81%
OCM Opportunities Fund VI, L.P.	1.47%

Source: Company

Fund Information and Capital Structure

Launch date	29/06/2007
End date	-
Exchange	EN Amsterdam
Domicile	GUERNSEY
Shares Outstanding (m)	72.40
Free Float	100.00%
Cash (Net Debt) as % of NAV	3.25%
Cash (Net Debt) as % of share price	7.01%
Listed Securities as % of NAV	16.00%
Over Commitments % of NAV	6.92%
Implied Discount of Unlisted	-66.37%

Source: Bloomberg, Company, Liberum Capital

Management Contract

The Manager is entitled to a management fee equal to 25% of the sum of (i) 1/3 of 1% multiplied by the value of the Non-Cash Assets as of the last day of applicable calendar quarter and (ii) 1/6 of 1% multiplied by the aggregate unfunded commitments to make investments of the Vehicle outstanding as of the last day of the calendar quarter. The Manger is also entitled to a profit interest which shall be increased by an amount equal to 1/4 of the sum of: (i) the Non-Cash Assets of the Vehicle as of the last day of such quarterly accounting period, multiplied by 2/3 of the 1% and (ii) the aggregate unfunded commitments of the Vehicle outstanding as of the last day of such quarterly accounting period, multiplied by 1/3 of 1%.

Source: Company

Wind-up Provision/Discount Management

The Company has unlimited life. On 28/04/09 Conversus announced the implementation of a realization strategy designed to deliver the value of its portfolio to investors. Conversus entered into a Liquidity Enhancement Agreement with Royal Bank of Scotland. Under the Agreement, RBS has sole discretion to effect buy-backs of units and sales of units held in treasury on Euronext Amsterdam. On April 28, 2009, Conversus LP suspended all activity under the Agreement.

Source: Company

Eastern European Property Fund (EEP, 43p, Buy)

Fund Details

Last Published NAV	127.21
Last NAV Date	31/12/2008
Premium/Discount	-65.81%
Average 52-Week % Prem	-52.75%
Liberum Est NAV	128.01
Liberum Est Prem/Disc	-66.02%
Market Cap (GBp m)	8.70
Total Assets (GBP m)	38.86
Net Yield (historic)	0.0%

Fund Information

Sector
Property
Geographic Focus
Turkish real estate market
Benchmark index
FTSE EPRA/NAREIT Europe
Fund manager
Elysium Fund Management
Investment manager
-
Website
www.eepfl.com

Investment objective

EEP aims to provide shareholders with a high level of income and the potential for capital growth by investing in property in major urban centres of its target countries - Turkey, Romania and Bulgaria.

Dividend policy

EEP paid 3.2 pence DPS for the period ended March 2007. Management keeps under active review the return of capital back to shareholders either through share buy backs or payment of cash dividends. Due to difficult trading conditions, the continued renovation of the existing properties and the cash lock-up, management considered prudent to conserve cash and did not propose an interim or final dividend for the fiscal year to December 2008.

Source: Bloomberg, Company, Liberum Capital

EEP continues to deliver above average returns in its target markets (leisure and offices in Bulgaria, leisure, office, retail and residential in Turkey, and industrial in Romania). In 2008, NAV advanced 7.2% to 127.21 pence helped by strong appreciation of the Dollar and Euro against Sterling, which is the Group's reporting currency and, in doing so, bucked the trend of overall increases in yields across all sectors in its target markets.

EEP does not hedge exchange rate risk. All the Group's leases in Turkey are denominated in Dollars while all the Group's leases in Bulgaria and Romania are denominated in Euros. EEP recorded a valuation surplus of £4.9m in 2008 which comprises a £3.6m reduction in the value of the portfolio which was more than offset by an £8.5m foreign exchange gain. The value of freehold property advanced 25%, to £31.2m in 2008. However, on a like-for-like basis, excluding all foreign exchange movements, the value of properties declined by around 15% in local currency terms.

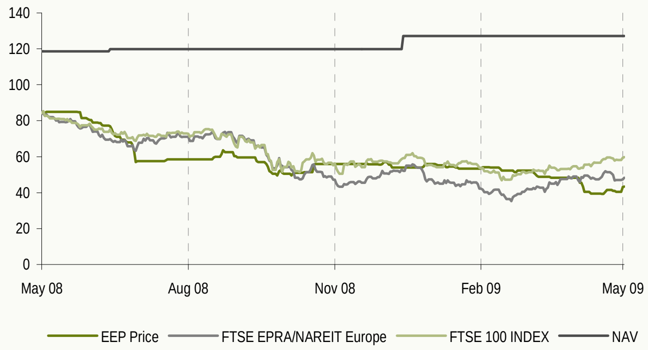
The reversionary potential of the EEP portfolio is sizeable. The estimated rental value at the market rate of vacant units once refurbished/renovated could enhance the Group's rental income by at least 50% primarily in Turkey, the Group's largest core market (i.e. 70% of portfolio value and 55% of group's rental income in 2008). At the end of 2008, 64% of Group's lettable area in Turkey was vacant. Rental income reached £1.5m in 2008 (vs £0.6m for the 9 months to 31/12/07) helped by a considerable increase in letting activity in Turkey. In 2008, EEP let the remaining vacant lettable area of George Washington Street, the office building in Bulgaria which is EEP's second largest asset (17% of portfolio value and 20% of Group's rental income in 2008) to Bulgarian Property Management.

At Group level, as at 31/12/08, EEP was running with an LTV of 38.2% and an LTV, net of cash, of 18%. On the Turkish HSBC facility, as at 31/12/08, the Group's LTV was 54.8% which was in excess of a covenant of 50% although the LTV, net of cash, was 25%. Following negotiation with the bank EEP pledged, in May 09, US$4m (equiv. c. £2.7m) of cash deposit to the bank which is to be ring-fenced for the purchase of new property in Turkey.

EEP is yet to capitalise on higher rental rates on new lettings at the refurbished sites. By acquiring buildings or floors of larger buildings and reconditioning them to international standards EEP has been able to achieve returns above current market yields (yield on cost of 11.7% in 2008 versus market yields of 8.75% to 10.50%). In our view, EEP is well positioned to weather the current weakness in occupational markets given the limited supply of good quality properties in target markets and the limited exposure to development projects. Although we anticipate further softening in property values in local currency, we expect new lettings in Turkey to drive rental growth and increase the underlying value of the portfolio.

EEP trades at 66% discount to 2008 NAV and at a 13% discount to the real estate close-end fund sector. This is unwarranted given the quality of the portfolio, the absence of any refinancing issues, strong reversionary potential and above average returns of its high yielding target markets. Cash, as at 31/12/08, represents c. 74% of the Group's current market cap.

Price/NAV/Benchmark Performance



Source: Bloomberg, Company

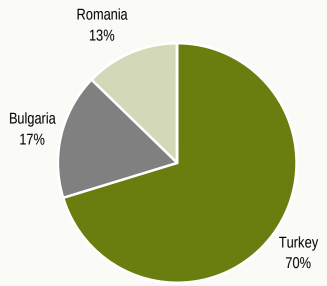
Performance (%)

	1 Month	3 Months	12 Months
Price (GBp)	48.25	54.25	84.50
Premium/Discount	-62.07%	-58.14%	-29.01%
Price performance	-9.85%	-19.82%	-48.52%
NAV performance	0.00%	0.00%	7.18%
FTSE E/N Dev Europe	-1.23%	16.58%	-47.89%
FTSE 100 INDEX	9.32%	11.35%	-29.83%
Relative to FTSE E/N Dev Europe	-8.62%	-36.39%	-0.63%
Relative to FTSE 100 INDEX	-19.17%	-31.16%	-18.69%

		Date of high	Date of low
52-Week price range	85 to 39.25	21/05/2008	05/05/2009
52-Week prem range	-28.38 to -69.15	21/05/2008	05/05/2009

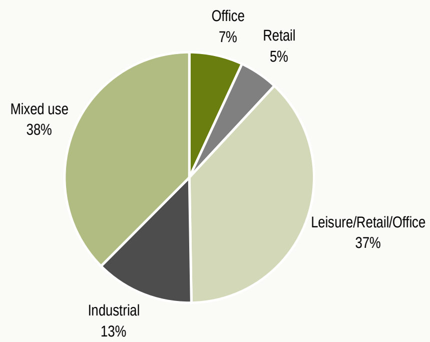
Source: Bloomberg, Company

Breakdown portfolio by country % at as at 31/12/2008



Source: Company, Liberum Capital

Breakdown portfolio by sector % at as at 31/12/2008



Source: Company, Liberum Capital

Largest Portfolio Holdings

Kadife Palas (Leisure/office/residential, Istanbul, Turkey)	8.06%
The Misir Building (Office, Istanbul, Turkey)	6.96%
Ravouna Apartments (Office/retail, Istanbul, Turkey)	10.54%
Markiz Oriental Passage (Leisure/office/retail, Istanbul, Turkey)	33.89%
Nil Passage (Leisure/office/retail, Istanbul, Turkey)	3.78%
Pera Residence (Retail, Istanbul, Turkey)	4.28%
Yellow Building (Retail, Istanbul, Turkey)	0.77%
Gonul Sokak (Retail/office, Istanbul Turkey)	1.89%
George Washington St (Office/leisure, Sofia, Bulgaria)	17.03%
Transalkim Warehouse (Industrial, Bucharest, Romania)	12.81%

Source: Company, Liberum Capital

Fund Information and Capital Structure

Launch date	23/03/2006
End date	
Exchange	London/AIM
Domicile	Guernsey
Shares Outstanding	19.39m
Free Float	63.5%
Gearing %	32.6%
Loan amount	USD 17.5 m
Loan coupon	235 bps above the US$ London interbank euro-currency deposit rate
Loan maturity	18/12/2012
Covenants	LTV of the properties (Turkish portfolio) from December 2008 can not exceed 50%. ICR can not be less than 1.2x on quarterly payments from June 18 2008 to December 18 2008 and 1.35x on quarterly payments from March 18th 2009

Source: Bloomberg, Company, Liberum Capital

Management Contract

Elysium is entitled to receive an annual fee of 1.75% of the GAV calculated quarterly. The management fee is payable quarterly in advance. Elysium is also entitled to a performance fee of 20% the increase of the annual adjusted NAV per share if annual adjusted NAV per share exceeds placing price (100 pence) increased at a rate of 7% pa on a compounding basis and the adjusted NAV per share at the end of the relevant performance period is higher than the previously recorded adjusted NAV per share in relation to the performance fee last earned.

Source: Company

Wind-up Provision/Discount Management

The fund has no wind up date. Shareholders will vote on the continuation of the fund at the AGM scheduled to be held following the company's 7th anniversary taking place in 2013. If the resolution to wind up the company is not passed, a similar resolution will be proposed every fifth AGM thereafter.

Source: Company

Electra Private Equity (ELTA, 935.5p, BUY)

Fund Details

Last Published NAV	1553.00
Last NAV Date	30/04/2009
Premium/Discount	-39.76%
Average 52-Week % Prem	-43.23%
Liberum Est NAV	1556.24
Liberum Est Prem/Disc	-39.89%
Market Cap (GBp m)	333.95
Total Assets (GBP m)	598.29
Net Yield (historic)	-

Fund Information

Sector
Private Equity
Geographic Focus
Global
Benchmark index
LPX50 Val Weight TR
Fund manager
Electra Partners Ltd/United Kingdom
Investment manager
Hugh Mumford
Website
www.electraequity.co.uk

Investment objective

Electra Private Equity PLC is a closed-end fund incorporated in the United Kingdom. The aim of the Fund is to maximise total return to shareholders with the emphasis being on capital growth. The Fund invests in a wide variety of private equity situations

Dividend policy

The Directors do not recommend dividends payment on a regular basis.

Source: Bloomberg, Company, Liberum Capital

Electra is well placed to ride out a tough economy. This mid-market focused fund has net cash and cash equivalents of 13% of NAV and a credit facility of £250m to take advantage of what should be a good vintage for investments as well as strategic bolt-on acquisitions and follow-on investments to strengthen existing portfolio companies. Electra is relatively fully invested on a net basis so the fund should also perform well in any stable and sustainable recovery without much cash drag. In addition to its unlisted portfolio, Electra has investments in quoted companies and funds which make up approximately 12% of NAV. We estimate the discount of the unlisted portfolio to be 56% and our current estimated NAV for the Company is 1556p per share. The shares have rallied over the past few weeks but remain good value - currently trading at a 40% discount to our estimate.

Electra recently published results for the six months to 31/03/09. Over the period its NAV fell by 16.1% to 1512p per share, this NAV performance was better than many of its peers in what has been a difficult trading environment. Electra also issued an unaudited NAV per share of 1553p for 30/04/09, which reflected moves in its listed investments and currency fluctuations. Our live estimate reflects further positive performance in the listed portfolio. All but two of the valuation adjustments made were based on public market comparable multiples. The largest write-down was a decrease of £27.9m in Vasanta, a UK office supplies business. This 95% provision was made as the removal of Vasanta's credit insurance led to an increase in debt levels. Baxi, the boiler manufacturer, was also written-down following an increase in pension liabilities. Candover was the biggest loser in the listed portfolio over the period, the shares dropping from 1965p to just 82p. They currently trade at 294p. On the positive side there were realisations of £18m, notably e-Telecare in the Philippines which realised £7.4m, and increases in valuation of £12m as certain investments that were previously written-off were re-instated.

Compelling portfolio The current weighted average debt/EBITDA ratio on direct investments is 3.9x – well below the high ratios which characterised deals in 2006/2007. Investments of note include a new credit opportunities fund that takes advantage of distressed sellers of senior debt in private equity owned businesses, a theme we currently favour. Recent purchase, MPS, is a leading abattoir machinery manufacturing business with strong prospects given growth in global meat consumption driven by China and the Far East. The fund's largest investment, Allflex, is also set to benefit from increases in meat consumption and the importance of meat traceability. It is the global leader in manufacture and distribution of animal tagging and identification. Animal identification schemes are now mandatory in Australia and Canada and it is likely other countries will follow suit.

With around 25% of its market cap in cash, low gearing at the underlying company level and access to credit, Electra is very well placed to take advantage of further opportunities in the secondary market, key sectors such a credit and, in time, new deals which should produce strong returns. Management sees 2010 as a key year for investment. Considering its sound balance sheet, diverse existing portfolio and a robust approach to valuation we believe the current 41% discount is the wrong price. Buy.

Price/NAV/Benchmark Performance

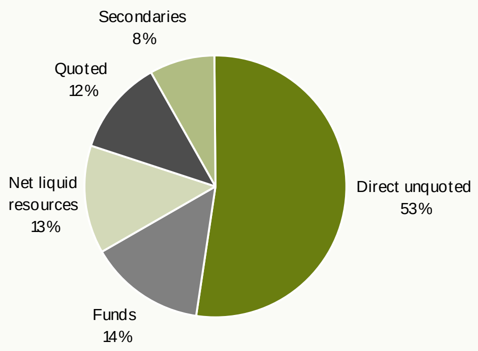
Source: Bloomberg, Company

Performance (%)

	1 Month	3 Months	12 Months
Price (GBp)	825.00	809.00	1607.00
Premium/Discount	-45.44%	-54.94%	-16.59%
Price performance	15.64%	17.92%	-40.64%
NAV performance	2.71%	-10.85%	-18.68%
LPX50 Val Weight TR	15.03%	42.09%	-55.18%
FTSE All-Share	9.51%	13.68%	-29.21%
Relative to LPX50 Val Weight TR	0.61%	-24.16%	14.54%
Relative to FTSE All-Share	6.12%	4.24%	-11.42%
		Date of high	Date of low
52-Week price range	1646 to 530	29/05/2008	06/01/2009
52-Week prem range	-13.81 to -68.79	29/05/2008	23/12/2008

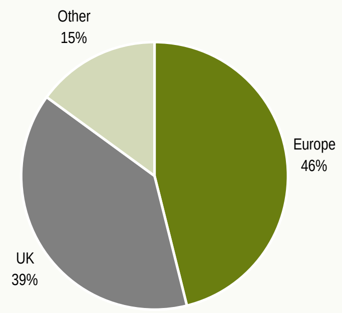
Source: Bloomberg, Company

Breakdown by Assets as at 18/05/09



Source: Company, Liberum Capital

Breakdown by Geography as at 31/03/09



Source: Company

Largest Unlisted Holdings

Allflex	10.40%
Promontoria	5.91%
London & Stamford Property	4.36%
Lil-Lets Group	3.89%
Labco	3.58%
Nuaire	3.25%
MPS (part of Steadfast Fund)	3.20%
Vent-Axia (mezz debt)	2.87%
Credit Opps Fund	2.58%
Capital Safety Group	1.92%
	41.97%

Source: Company, Liberum Capital

Fund Information and Capital Structure

Launch date	30/05/1976
End date	-
Exchange	London
Domicile	BRITAIN
Shares Outstanding (m)	35.34
Free Float	93.76%
Cash (Net Debt) as % of share price	25.11%
Over Commitments % of NAV	4.73%
Listed Securities as % of NAV	14.12%
Implied Discount of Unlisted	-56.35%

Source: Bloomberg, Company, Liberum Capital

Management Contract

Annual management fee of 1.5% gross value of Electra's investment portfolio including cash, payable quarterly. On direct investment (made between 01/04/06 to 30/09/09 - the first 3 year pool), performance fee is in the form of carried interest of 18% of net profits subject to a performance hurdle of 8% p.a. compounded annually and the Company receiving back the aggregate amounts advanced to finance investment in that pool. On fund investments, the managers will only be entitled to receive a carried interest of 9% of net profits similar above terms. Investment pools are expected to run on 3 year cycles and will be treated as separate pools. On direct investments owned by the Company from 01/04/06, the performance fee is in the form of carried interest of 10% of net profits subject to a performance hurdle of 15% p.a. compounded annually and the Company receiving back aggregate cash equal to the opening value of the existing portfolio.

Source: Company

Wind-up Provision/Discount Management

At the EGM held on 12/10/06, the Company adopted a new investment strategy whereby it returns to full investment of its capital resources in private equity, complemented by ongoing share buy-backs and the active management of its capital position. The fund renewed its authority to repurchase up to 14.99% of its own issued share capital at the AGM held on 03/02/09. This authority will expire at the AGM in 2010.

Source: Company

Trading Emissions (TRE, 82.5p, BUY)

Fund Details

Last Published NAV	183.97
Last NAV Date	31/12/2008
Premium/Discount	-55.16%
Average 52-Week % Prem	-48.26%
Liberum Est NAV	170.31
Liberum Est Prem/Disc	-51.56%
Market Cap (GBp m)	223.19
Total Assets (GBP m)	520.81
Net Yield (historic)	1.82%

Fund Information

Sector
Renewables
Geographic Focus
Global
Benchmark index
-
Fund manager
EEA Fund Management
Investment manager
Simon Shaw
Website
www.tradingemissionsplc.com

Investment objective

Trading Emissions PLC invests in environmental and emissions assets, certain classes of energy instruments, and associated financial products.

Dividend policy

The Company expects to pay total dividends in 2009 of 4p to 5p

Source: Bloomberg, Company, Liberum Capital

Trading Emissions is a highly successful business historically overlooked by the market. TRE's current share price presents investors with an opportunity to buy into a cash generative portfolio spanning carbon credits (CERs), which we conservatively value at 82.65p per share, and infrastructure and private equity assets, valued at 39.44p per share as at 31/12/08. Cash in the portfolio at 27/03/09 was 74.9p per share or 77% of TRE's market cap so downside is limited. We estimate a conservative sum of the parts live NAV of 170.31p putting the shares at a 52% discount. The Company paid a maiden dividend per share of 1.5p in May and expects to pay a total dividend for the year of between 4p & 5p per share – a 5.5% yield at current prices.

Carbon Credits TRE's primary source of CERs is from its infrastructure projects which are diversified across technologies, sectors and geographies. It acquires CERs at very attractive rates (average acquisition price is €7.74/CER) and can crystallise gains by selling them in the secondary market to those who need to offset their carbon emissions. As at 27/03/09 the Company had a risk adjusted portfolio of 56.4m CERs of which 5.3m were delivered. These delivered CERs have no further risk and we mark them directly to market prices, applying a delivery cost of 10%. A further 23.1m CERs have been registered. This means the projects that produce them have been accepted and approved by the U.N. Framework for Climate Change (UNFCC) but they may be subject to delivery risk should, for example, a project be delayed or suffer lower efficiencies than expected. We apply discounts for the registered portfolio and we discount completely the unregistered portion of the portfolio. There should be significant upside even if the CER price stays around current levels based on our conservative modelling.

CERs currently trade around €12 having hit highs in July 2008 of €23-24. TRE's manager is bullish on CERs over the medium term, forecasting a return to €15 levels in 2010/11 and at least double current levels post 2012 as carbon reduction requirements are increased. TRE is well placed to hold the CERs rather than selling at sub-optimal prices. They have also been successful in hedging the downside, having sold forward 14% of the pre-2012 portfolio at €21.18/CER. Trading strategies which, while not altering the overall CER position, have also generated cash and enhanced the make up of the portfolio.

TRE's private equity assets are a good diversifier with significant upside and track record. Its largest single investment is Bionasa, a biodiesel plant in Brazil. TRE invested £30m and the plant goes into commission shortly. It is likely to be revalued in June. TRE has already benefited from a successful exit from its investment in Econergy International which produced a total annualised return of 41%.

TRE is managed by EEA Fund Management, who pioneered carbon trading and advised Climate Exchange plc, the operator of the European and Chicago Climate Exchanges. With a share price trading close to cash, the CER portfolio and private equity assets, which we estimate to currently be in excess of 120p per share, effectively come for free. If you need another reason to take a look now, the fund is due to wind-up at the end of 2012 unless it passes a continuation vote (likely to be in 2011) so the fund's destiny is in the hands of its investors. It is well worth taking the time to look at this Company now.

Price/NAV/Benchmark Performance

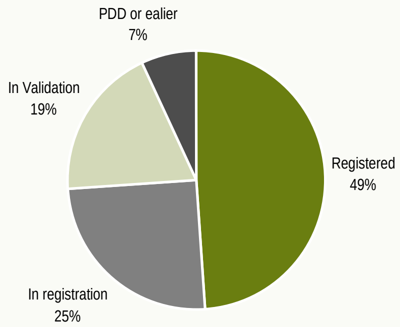
Source: Bloomberg, Company

Performance (%)

	1 Month	3 Months	12 Months
Price (GBp)	80.00	71.75	133.50
Premium/Discount	-56.51%	-60.73%	-27.61%
Price performance	3.13%	14.98%	-38.20%
NAV performance	0.00%	0.00%	-0.24%
FTSE 100 INDEX	8.45%	10.78%	-29.59%
Relative to FTSE 100 INDEX	-5.33%	4.20%	-8.61%
		Date of high	Date of low
52-Week price range	161.5 to 60	01/07/2008	02/03/2009
52-Week prem range	-20.96 to -64.4	00/01/1900	00/01/1900

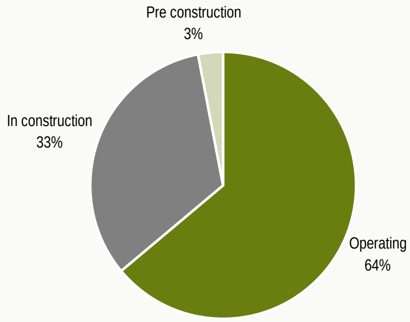
Source: Bloomberg, Company

Breakdown of Risk Adjusted CER Portfolio as at 31/12/08



Source: Company

Breakdown of CER Portfolio by Project as at 31/12/08



Source: Company

Largest Portfolio Holdings

Registered CER portfolio	21.81%
Delivered CER portfolio	10.82%
Private equity investment	23.16%
Cash (net of borrowings and margin cover)	37.15%
	92.94%

Source: Company, Liberum Capital

Fund Information and Capital Structure

Launch date	-
End date	41274
Exchange	London
Domicile	ISLE OF MAN
Shares Outstanding (m)	270.53
Free Float	99.30%
Cash (Net Debt) as % of NAV	37.15%
Cash (Net Debt) as % of share price	76.69%
Implied Discount of Unlisted	-51.56%

Source: Bloomberg, Company, Liberum Capital

Management Contract

ESI will receive an aggregate annual management fee payable quarterly equating to 1.5% p.a. of the gross asset value of the Company's investment portfolio. In addition, ESI will be entitled to a performance fee payable annually, equating to 20% of adjusted net profits p.a. (being the cash value of the portfolio less the cash value of the portfolio immediately following Admission, all costs and expenses of fund raising, all liabilities of the Company and a sum equal to a rate of return of 10%), and provided that the cash value of the portfolio in any year exceeds the cash value of the portfolio for any previous year.

Source: Company

Wind-up Provision/Discount Management

The Board will convene a general meeting in 2012 where a resolution will be proposed that the Company continue as presently constituted. At the AGM held on 31/12/07, the Directors were authorised to repurchase up to 10% of the Company's issued Ordinary Shares.

Source: Company

Vietnam Infrastructure (VNI, $0.26, BUY)

Fund Details

Last Published NAV	0.63
Last NAV Date	31/03/2009
Premium/Discount	-58.52%
Average 52-Week % Prem	-43.39%
Liberum Est NAV	0.67
Liberum Est Prem/Disc	-60.80%
Market Cap (USD m)	105.07
Total Assets (USD m)	251.00
Net Yield (historic)	41.02%

Fund Information

Sector
Infrastructure
Geographic Focus
Vietnam
Benchmark index
Asian Infrastructure Index
Fund manager
VinaCapital Investment Management Ltd
Investment manager
-
Website
www.vinacapital.com

Investment objective

Vietnam Infrastructure Limited is a closed-end company incorporated in the Cayman Islands. The objective of the Fund is to provide shareholders with capital appreciation by investing in a diversified portfolio of entities owning infrastructure projects and assets in Vietnam and surrounding Asian countries.

Dividend policy

The principal investment objective of the Company is to provide shareholders with capital appreciation. The Company intends to reinvest realised returns from investments into new investments. The Directors reserve the right, but do not intend and are not required, to provide returns to shareholders by making dividend distributions.

Source: Bloomberg, Company, Liberum Capital

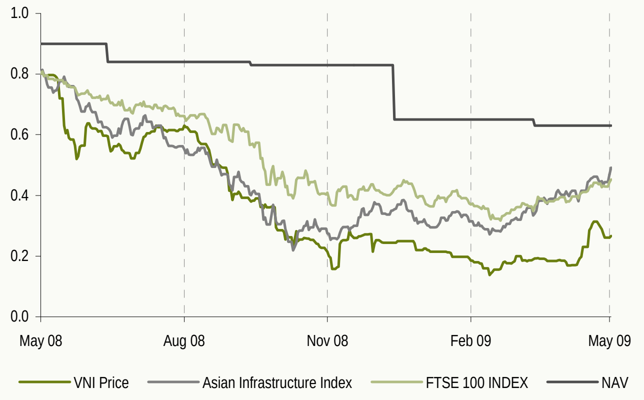
Vietnam Infrastructure, managed by VinaCapital, the largest investment group in Vietnam, is significantly undervalued by the market. NAV as at 31/03/09 was $0.63 and we estimate a live NAV of $0.67 putting the fund at a 61% discount. The Company holds $0.31 per share of cash (47% of NAV) or 1.2x its current share price. With quoted securities, we estimate, of $0.14 per share there is clear mark to market visibility of over 67% of NAV. VNI's unlisted portfolio represented $0.07 per share of NAV as at 31/03/09. VNI has no debt at the fund level and underlying assets are conservatively geared. The fund aims to benefit from the Vietnamese infrastructure boom through a diversified portfolio of infrastructure projects as the country's population continues to expand and urbanise. Vietnam itself has strong growth potential (expected GDP growth of 4-5% in 2009) and low market saturation. VNI intends to pay a dividend of 7-8% of NAV after the third year of the fund's life (2010) at which point the bulk of the portfolio will have moved into the operating phase.

VNI focuses on strategic demand-led sectors. **Transport & Industrial parks (21.5% of NAV):** Due to higher costs in China, global manufacturers are moving to other Asian bases, in particular Vietnam. The Vietnamese government is encouraging private investment to upgrade transport infrastructure and industrial parks in order to improve competitiveness and become the pre-eminent global manufacturing centre. **Telecom (13.6% of NAV):** Vietnam's wireless networks provide opportunity for strong growth. Mobile penetration was 66.3% in September 2008 (up from 41% in December 2007). This compares to rates in excess of 95% in neighbouring Thailand and Malaysia and 140% in Singapore. VNI is Vietnam's largest investor in mobile network towers through its significant stakes in five JV companies. Total towers under contract through these JVs were 2,800 at the end of 2008. This number is expected to double by the end of 2009. The towers have an unlevered net cash yield of 20%. **Energy (8.6% of NAV):** VNI is set to profit from the growing demand for electricity, driven by population urbanisation. It has a mix of fossil fuel and renewable energy electricity investments and construction projects as well as oil investments. The Company avoided the large deals of 2007 when prices were overly inflated and we believe VNI has significant upside potential.

This is also illustrated in its **listed and OTC portfolio (20% of est. NAV).** Vietnam's stock market fell significantly in the global sell-off and now offers better value with a p/e ratio of 9x and price to book of 1.2x so VNI's listed portfolio should perform strongly in a market recovery. There is also significant upside potential from the OTC securities as they move to full listings. We highlight the recent listing of Binh Chanh Construction Investment (BCI VN) in March on the Ho Chi Minh Exchange, in which VNI has a 2.5% stake, the shares having risen by 75% since 31/03/09. VNI expects further full listings over the next six months.

VNI's focus going forward is to acquire operating, or near-operating, assets with debt in place to minimise development risk. VNI seeks a minimum 10% yield from assets, underpinning the move to an income yielding fund when cash flows stabilize. If you are looking at emerging market growth, VNI offers a leading investment team, visibility over 67% of NAV including 1.2x m/cap in cash, and a focus on growth sectors plugged into a growing economy. At a 61% discount to est. NAV VNI offers significant value and is a Buy.

Price/NAV/Benchmark Performance



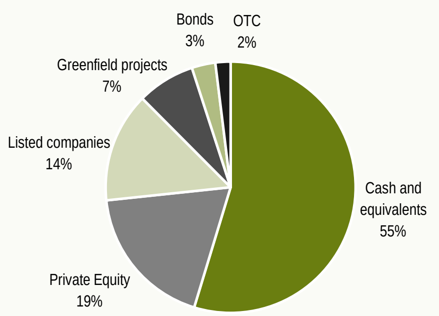
Source: Bloomberg, Company

Performance (%)

	1 Month	3 Months	12 Months
Price (USD)	0.19	0.19	0.51
Premium/Discount	-70.63%	-69.62%	-10.83%
Price performance	41.24%	41.24%	-48.56%
NAV performance	0.00%	-3.08%	-30.00%
Asian Infrastructure Index	16.74%	49.16%	-41.49%
FTSE 100 INDEX	8.64%	10.97%	-29.47%
Relative to Asian Infrastructure Index	24.50%	-7.92%	-7.07%
Relative to FTSE 100 INDEX	32.60%	30.27%	-19.09%
		Date of high	Date of low
52-Week price range	0.51 to 0.1	19/05/2008	21/11/2008
52-Week prem range	-20 to -69.44	30/05/2008	31/03/2009

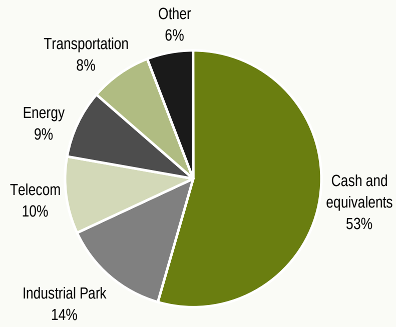
Source: Bloomberg, Company

Breakdown by Assets as at 31/03/09



Source: Company

Breakdown by Sector as at 31/03/09



Source: Company

Largest Portfolio Holdings

Tan Tao Industrial Park JSC	9.24%
Pha Lai Thermal Power JSC	7.59%
Long An S.E.A. Industrial Park and Service Area	6.80%
Vietnam Aircraft Leasing Co.	5.39%
Mobile Infrastructure Development Co (MIDC)	3.78%
	32.80%

Source: Company

Fund Information and Capital Structure

Launch date	04/07/2007
End date	-
Exchange	London
Domicile	CAYMAN ISLANDS
Shares Outstanding (m)	402.10
Free Float	100.00%
Cash (Net Debt) as % of NAV	48.04%
Cash (Net Debt) as % of share price	117.61%
Listed Securities as % of NAV	20.02%
Implied Discount of Unlisted	-185.17%

Source: Bloomberg, Company, Liberum Capital

Management Contract

Investment Manager is entitled to a management fee of 2% of NAV p.a. payable monthly, as well as a performance fee in the event that NAV is equal to or greater than the higher of the NAV increased by a compounded annual Hurdle Rate of 8% or a High Water Mark. In the event that this condition is satisfied a performance fee would be equivalent to 20% of the increased NAV to be paid as follows: 0% of the increased NAV at or below the 8% Hurdle Rate; 100% of the increased ANV above the Hurdle but below a compounded annual rate of 10% (the Catch-up); and 20% of all increased NAV above the Catch-up.

Source: Company

Wind-up Provision/Discount Management

The Company does not have a fixed life, but the Board intends to convene an EGM in 2017 where a special resolution will be proposed that the Company continue as presently constituted. If the resolution is passed, the Board intends that a similar resolution will be proposed at an EGM to be convened each 5th subsequent year thereafter. If the resolution is not passed, the Directors will be required to formulate proposals to shareholders to reorganise, unitise or reconstruct the Company or for the Company to be wound up. The Company is authorised to repurchase up to 20% of the issued share capital of the Company.

Source: Company

AutoQ

AutoQ is Liberum Capital's unique proprietary quantitative research platform that uses price technicals and other signals derived purely from market data as its core input to help identify investment opportunities. **AutoQ** is innovative and fully independent of analyst forecast since all recommendations are based on automated models and known market information.

AutoQ provides analysis centred around two techniques. The first uses a neural network approach to provide 5, 20 and 60 day price forecasts for a range of assets. The second identifies technical signals that are 'firing' each day and have a proven track record over the last 2 years for that asset. Assets covered comprise over 4000 equity securities together with equity markets, indices, sectors & industries, currencies and commodities. Additionally, the methodology can similarly be applied to analyse asset pairs or price relatives. For a chosen equity universe **AutoQ** provides long, short and same sector pairs trade ideas. Coupled with other analyses of market data, the information can be used for quantitative screening, ideas generation or as an input into systematic trading strategies.

The key features of **AutoQ** are:

The forecasting models are developed using **neural network technology**. Neural networks are modelled on the structure of the human brain and can learn relationships between input patterns and output patterns by example. For asset forecasts, we use historical technical indicators and prices to generate a set of patterns that the neural network can then learn specifically for that asset. We can then present the current values of the asset's technical signals to the neural network and the resulting output pattern from the neural network is the predicted asset return. While the approach may be considered "black box", the indicators selected are based on our prior practical experience of using technical signals for trading models and that we believe are relevant to the asset and the different investment horizons.

Our **signal trigger** algorithms validate the historic performance of long and short technical signals on a given asset and only identify those signals which are firing today that have an excellent historical track record. We only show signals that have over a 75% hit rate on their calls over the last two years of trading.

Our 'Best Ideas' are those which have both forecasts and signal triggers in agreement. Therefore, our 'Best Long Ideas' are those with positive forecasts (i.e. the 5,20 and 60 day price forecasts are all positive) and where one or more long signal triggers are firing. Similarly, the 'Best Short Ideas' are those with negative 5, 20 and 60 day price forecasts and one or more short signal triggers firing. On the **AutoQ** website, when you have selected your equity universe of interest, use the 'Best Ideas' link to go directly to our best ideas.

Within **AutoQ** there are over 150 different technical signals that are used by the algorithm in predicting price forecasts and determining signal triggers. Broadly these cover trend based signals, reversal signals, oscillators, breadth indicators as well a price momentum signals.

To obtain a login to **AutoQ**, please speak to your Liberum Capital sales representative. To login to **AutoQ**, please login at www.liberumcapital.com

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