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Performance: Pharos` funds posted strong returns in May, Russia Fund up 11%, Gas Investment Fund up 11.3%, BlueBay issues profit warning after declining hedge fund performance fees, Infiniti study shows emerging managers outperform established managers by 4% annually

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During the month of May, the Pharos Russia Fund was up 11.0%, the Pharos Small Cap Fund was up 6.3% and the Pharos Gas Investment Fund was up 11.3%; these returns are net of all fees. Twelve month annualized volatility for the three funds ending in May was 20.0%, 15.2% and 24.9%, respectively, as compared to 27.7% for the MSCI Russia Index over the same period.

Russia was the best performing emerging market during May while average daily volumes were in excess of \$6 billion. Oil stocks led the rally as Vladimir Putin's first serious initiative as the new Prime Minister was to propose a reduction of taxes on the sector; the subsequent spike in oil prices has added to the sector's momentum. The initial proposals have already been approved by the government and will reduce the tax burden on oil companies by approximately \$4.5bn.

Performance information and daily market comments are available on Pharos` webpage at www.pharosfund.com