



VIENNA

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BALKAN EMERGING FRONTIERS FUND

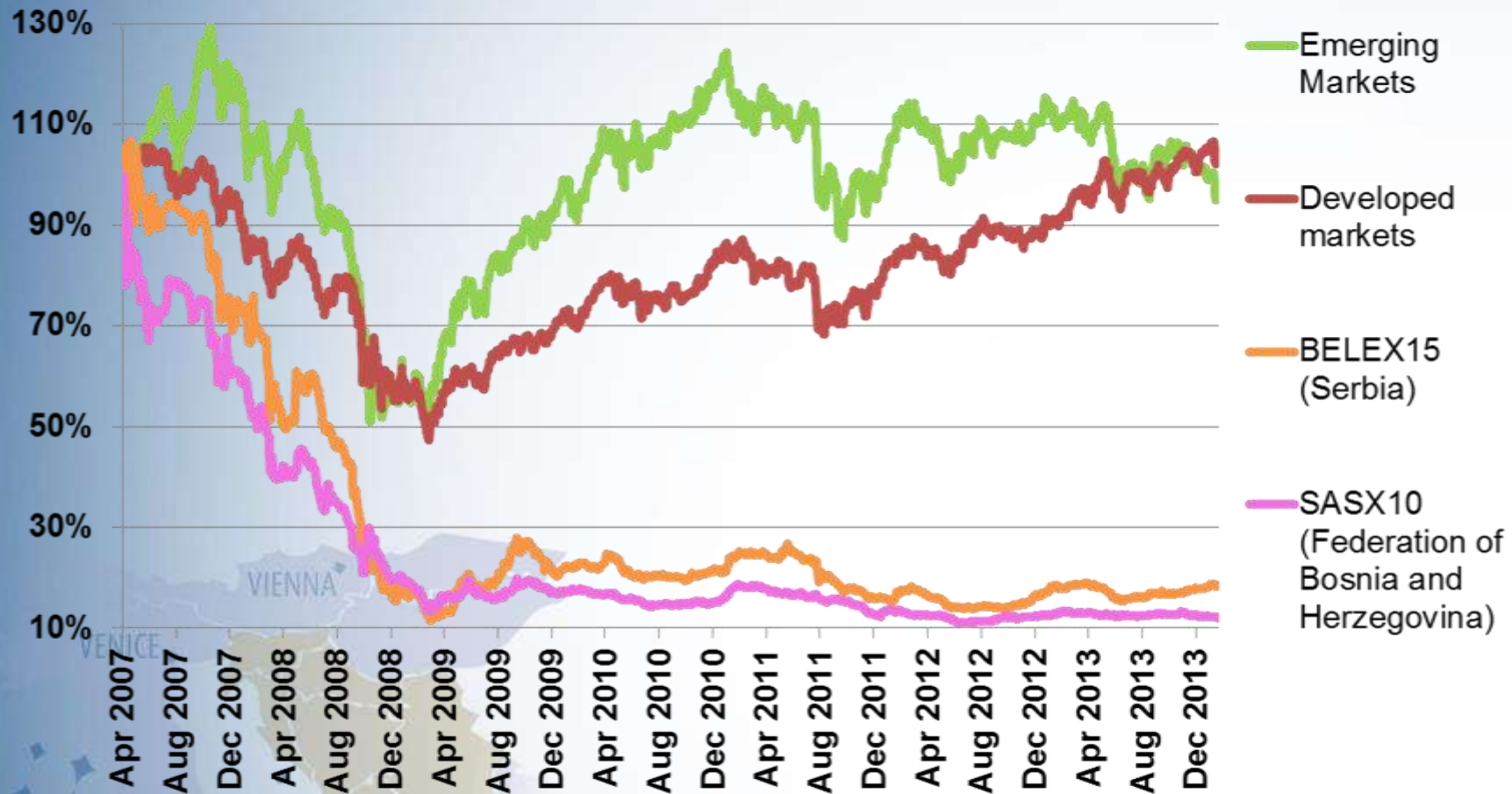


UNIQUE OPPORTUNITY IN THE HEART OF EUROPE.

Why to invest in Western Balkans region?

- **Most prospective region** in Europe
- **Huge** short term as well as mid to long term **potential**
- Short term: Indices **lagging behind most** in the world – only **10 - 15% of 2007's highs**
- Mid to long term: On different stages of **EU and NATO accession – convergence** of economies and valuations – **last catch up story in Europe**

Stock indices from Western Balkan countries are still lagging behind global stock indices



Source: Regional Stock Exchanges

Western Balkans - Last catch up story in Europe

- Slovenia is already **EU, NATO, Eurozone** and **OECD** member



- **Croatia** is already **EU** and **NATO** member



- Other countries on different stages of **EU and NATO accession**



Convergence of economies and valuations to EU

- Bosnia and Herzegovina, Serbia, Montenegro and Macedonia are starting to **develop infrastructure** – with **huge** impact on **growth** and creation of **wealth**
- **Privatization** and **M&A** cycles are **accelerating**
- **Rich in coal and minerals**; only 30% of their **huge hydro potential** exploited until now
- Domestic **savings** will **increase** and **more and more foreign capital** will flow in

Why to invest with BEF Fund?

- **All countries** experiencing the **process which other new EU member states** have **already** gone through
- Stock markets still **very inefficient** – **plenty** of investment **opportunities** available
- IM active in the region for **18 years** – almost from the start of privatization – **excellent contacts**
- **Experience** and **local presence** - we receive, evaluate and **exploit information** very **fast** and **efficient**; mitigation of risks

Fund Objective & Investment Strategy

- Investing exclusively in public securities
- Providing **net returns** that **exceeds** developed, emerging, frontier & local **indices**
- **Bottom-up** investment approach
- We are **exploiting** pricing **inefficiencies**
- Primary risk mitigation: **diversification**. Position **limits** for countries, industries and companies
- Allocation % to individual countries dependent on **macro factors**

Do not miss the opportunity!

- **Last undiscovered** investment region in the **heart of Europe**. Very close to **Venice** and **Vienna** (only 1 and 2 hours drive by car from the region).
- **High BETA!** When the capital will start to flow back to the region, we will be able to see **huge increases of stock price indices**.
- **The time to enter and build positions is now!**

BEF Fund – Cumulative performance



Disclaimer

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BEF Fund

Balkan Emerging Frontiers Fund segregated portfolio of JP SPC 5

www.bef-fund.com

Investment Manager: Euroasian Investments Incorporated

Phone/Fax: **+41 22 518 02 39**

Email: investment.manager@bef-fund.com



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segregated portfolio of JP SPC 5

Investment Manager Phone/Fax: +41 22 518 02 39

Email: investment.manager@bef-fund.com

Deposit bank: Deutsche bank

Auditor: BDO

Legal Counsel to JP SPC 5: Ogier

Administrator: JP fund Administration (CI) Limited,
associated firm of JP Fund Services SA, Geneva, Switzerland

Tel: +1 (345) 943 22 52, Fax: +1 (345) 946 22 52, Email: info@jpfa.ky