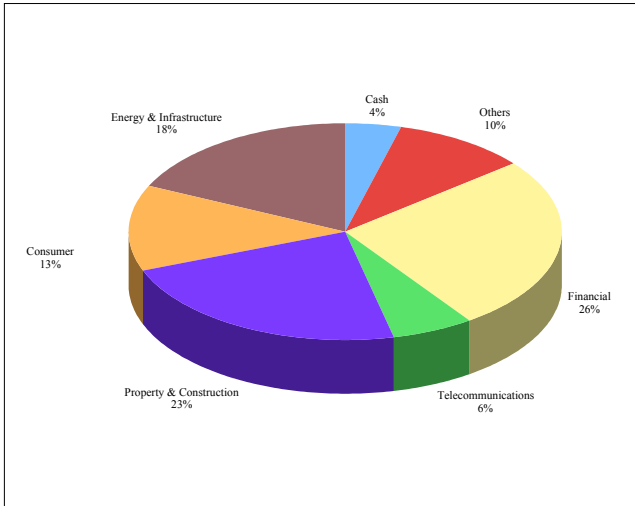




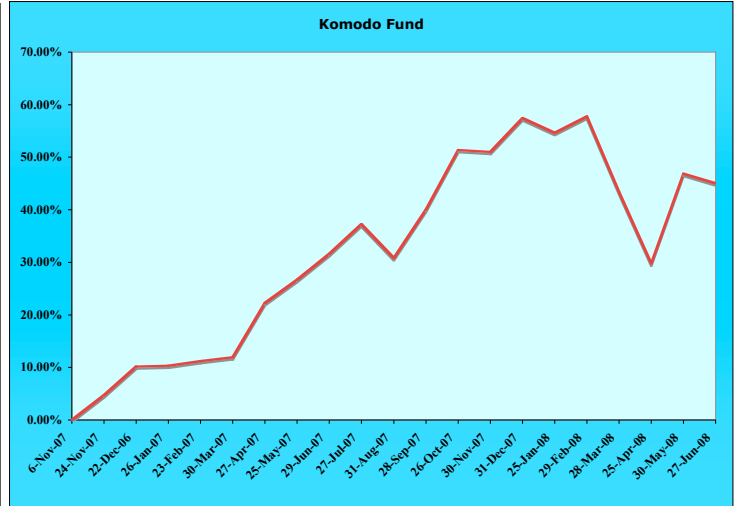
Manager's Comments

During June, Komodo Fund fell 1.24% in USD, versus the IDX drop of 3.55%. Year to date, the fund is down 7.87% versus the IDX which is down 13.41% in USD. This month, the market was somewhat less volatile than in May, and also less volatile than much of the region. With the fuel subsidy reduction implemented, much of the market focus has been on the key area of inflation. The June CPI number, which may be near the peak, was lower than expected at 11.05% yoy, although this was partly due to a change in base year used, as well as some component reclassification and reweighting. The IDR remained stable for most of the month, without excessive intervention from Bank Indonesia, and strengthened slightly before month end. Foreign exchange reserves had only fallen slightly to \$57.46bn by the end of May. As expected, Bank Indonesia raised benchmark rates by 25bps to 8.5% and is expected to continue with another 50-100bps before the end of the year. The government successfully tapped the international debt market again raising \$2.2bn after increasing their planned sale from \$1.5bn following strong demand, especially from US investors. Foreign Direct Investment flows continued strongly, showing an increase of 164% yoy for the period January to May. Contrary to some analysts' expectations, many of the key indicators of consumption demand including, retail same store sales, car and motorbike sales remained very strong in June. For example, June domestic car sales, despite being subject to the full impact of the fuel subsidy reduction, rose 36% year on year and 5.5% month on month. Underlining one of our key investment themes for the fund, the car sales growth in regions outside Java, which have been beneficiaries of the hard and soft commodity boom, was many times that of Java. Other than coal and mining, no other sectors outperformed the market in June. A few individual stocks, in particular some of those subject to corporate actions in the banking and telecom sectors were able to outperform significantly. Notwithstanding the support from some commodity stocks in June, we remain of the opinion that the peak inflationary effects will be less than many are expecting and that earnings will remain resilient. Our next subscription date is Friday 25th July.

Sector Breakdown



Performance Chart (Net of all fees)



Fund Performance (Net of all fees)

Year		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2008	NAV	15.4651	15.7779	14.3362	12.9789	14.6878	14.5049							-7.87
	Monthly Change	(1.77%)	2.02%	(9.14%)	(9.47%)	13.17%	(1.25%)							
2007	NAV	11.0306	11.1212	11.1933	12.2284	12.6694	13.1618	13.7258	13.0801	14.0064	15.1356	15.1012	15.7431	42.91
	Monthly Change	0.13%	0.82%	0.65%	9.25%	3.61%	3.89%	4.28%	(4.70%)	7.08%	8.06%	(0.23%)	4.25%	
2006	NAV											10.4711	11.0159	10.16
	Monthly Change											4.71%	5.20%	

Return since Inception	:	45.05%	- Months with Gains	:	70.00%
Sharpe Ratio (RFR 4%)	:	1.07%	- Largest Monthly Gain	:	13.17%
Volatility (Std Dev Annlstd)	:	19.64%	- Largest Monthly Loss	:	(9.47%)
Annualised Return	:	24.99%			

Note: The NAV data is based on Series 1 2008. For subsequent subscriptions the NAV may vary.

Fund Facts

Geography/Strategy: Greater Indonesia Absolute-Return
 Management Company: HB Capital Partners
 Administrator / Custodian: Horwath First Trust Fund Services / Deutsche Bank AG
 Minimum Investment: USD 100,000
 Subscriptions: Monthly
 Redemptions: Quarterly (with one month notice)
 Management / Performance Fees: 1% of NAV / 20%
 High Water Mark: Yes
 Auditor: Ernst & Young Singapore
 ISIN Code / Valor Number: KYG531261017 / 2898606

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