

Griffin Eastern European Value Fund

Sub-fund of Griffin Umbrella Fund plc

All data as at 30 July 2010, in €



July 2010

NAV per share: €409.74

SAUREN
FONDSMANAGER-RATING



Fund management - Lead manager Robert Holmes



Robert Holmes has been a manager for the Griffin Eastern European Value Fund, a sub-fund of Cayman-domiciled Griffin International Umbrella Fund, since joining Griffin Capital Management in November 2006. The Fund became part of Griffin Umbrella Fund plc on 27 November 2009. Robert has over 15 years' experience in Eastern European markets. **Jürgen Kirsch** founded Griffin Capital Management in October 1997 following a career as a senior fund manager at Mercury Asset Management in London.

Investment aim The Fund aims to generate long term capital growth through long and short exposure in Eastern European stocks, bonds and equity related securities, with a lower volatility than the markets.

Investment style The portfolio is actively managed between four sub-strategies: core equity, short term trading, yield and hedging strategies. The Fund is part of the Griffin Umbrella Fund plc and is managed in accordance with UCITS III regulations allowing it to use derivative instruments. In order to include these in our sector and country breakdowns, we use delta-adjusted figures, which reflect the exposure including the derivative instruments held by the Fund.

Robert's commentary on the Fund for the month of July

A positive response to second quarter earnings and the supposedly benign result of the European bank stress tests overshadowed the gathering evidence of a global second half slowdown and generated a surprisingly strong market in July. Over the period the Fund maintained its highly defensive positioning and regrettably did not participate in this rally and was therefore unchanged on the month.

The performance of the Fund is naturally determined by the relative performance of our long positions against our short exposure or hedges. In July we had the worst of both sides of the balance sheet where our hedges rallied aggressively whilst the long positions underperformed resulting in a very frustrating lack of performance.

With regards to stock selection, we shifted our weighting within the oil sector from **Lukoil** to **Rosneft** believing the valuation differential had become too wide and the negative shadow of increasing tax rates on new fields had been fully priced in. Our utility holdings have underperformed recently as concerns have grown that further liberalization would flounder due to strong lobbying from industrial users and the inflationary impact of further price rises. However we believe this fear is exaggerated; additionally the summer heatwave has boosted domestic electricity prices back to peak levels whilst company valuations have become more attractive so we may buy back into this sector in the coming weeks. On the hedging side we held on to our 'systemic' CDS hedges as well as our option hedges. In Turkey the banking sector produced strong second quarter results with continuing improvements in asset quality and loan growth. We also benefited from a recovery in our telecom holdings particularly **TurkTelecom**. On the economic front data continues to be encouraging. Russian retail demand increased in June by 5.8% (YoY) while capital investment by Russian

companies rose by 7.4% (YoY), both of which are likely to sustainable being financed by domestic sources such as company profits and salaries. In Turkey June IP grew by 10.2% (YoY) which is slower than the first quarter figure of 21% but still very respectable and underscores our belief that Turkey represents one of the best re-rating stories in emerging markets over the medium to long term.

Near term, however, the positive regional story will find it difficult to swim against the global economic tide. Leading indicators are now clearly signaling a slowdown in the second half of the year and the main remaining debate is about its magnitude and the potential policy responses. We will continue to take a very cautious stance whilst this adjustment takes place through the rest of the summer. However, we do still remain optimistic in the medium to longer term. Valuations in our core markets are far from demanding and both the quality and the magnitude of growth are good. Additionally any policy responses that may arise from the slowdown, particularly in the US, will likely be targeted towards encouraging investment and asset price inflation, both of which will be reflected in the markets of our region. At some point later this year there will be the opportunity to take a more positive view and significantly larger exposure; in the meantime our focus remains on capital preservation and on good quality secular growth opportunities.

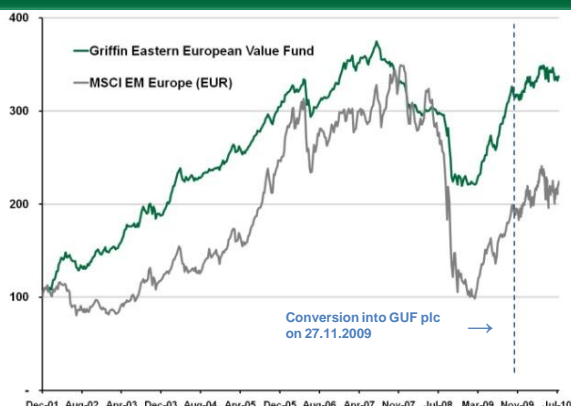
Top 10 sector exposure (%) (delta-adjusted)

Sector	Gross	Long	Short	Net
Financials - Banks	7.9	7.9	0.0	7.9
Energy	6.6	6.6	0.0	6.6
Telecoms	4.7	4.7	0.0	4.7
Real Estate	4.5	4.5	0.0	4.5
Utilities	4.1	4.1	0.0	4.1
Natural Resources	3.5	3.5	0.0	3.5
Capital Goods	2.4	2.4	0.0	2.4
Financials - Diversified	1.7	0.3	-1.3	-1.0
Financials - Insurance	1.1	1.1	0.0	1.1
Others	4.0	4.0	0.0	4.0
Index Hedge	8.4	0.0	-8.4	-8.4
Fixed Income	9.9	9.9	0.0	9.9
TOTAL (exclusive Fixed Income)	48.6	38.9	-9.7	29.2
TOTAL (inclusive Fixed Income)	58.6	48.8	-9.7	39.1

Top 10 country exposure (%) (delta-adjusted)

Country	Gross	Long	Short	Net
Russia	16.9	16.6	-0.3	16.2
Turkey	14.4	13.4	-1.0	12.4
Croatia	2.5	2.5	0.0	2.5
Austria	2.0	2.0	0.0	2.0
Poland	2.0	2.0	0.0	2.0
Ukraine	1.0	1.0	0.0	1.0
Kazakhstan	0.9	0.9	0.0	0.9
United Kingdom	0.5	0.5	0.0	0.5
Bulgaria	0.1	0.1	0.0	0.1
Others	0.0	0.0	0.0	0.0
Index Hedge	8.4	0.0	-8.4	-8.4
Fixed Income	9.9	9.9	0.0	9.9
TOTAL (exclusive Fixed Income)	48.6	38.9	-9.7	29.2
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Performance – since 31 December 2001



Source: Bloomberg and Griffin Capital Management's internal calculations, performance 31.12.2001-30.06.2010, in Euro (price index).

Risk characteristics (based on EUR returns for Fund and Index)

	Fund	MXMU Index
1 Year Rolling		
Return(%)	23.0	35.7
Volatility(%)	10.0	25.5
Sharpe Ratio	2.0	1.3
3 Year Rolling		
Return(%)	-9.1	-29.3
Volatility(%)	13.1	42.1
Sharpe Ratio	-0.5	-0.3
5 Year Rolling		
Return(%)	20.9	14.6
Volatility(%)	11.6	35.7
Sharpe Ratio	0.0	0.0

Important note: Past performance is not a reliable indicator of future returns. Please note that the historical performance figures of the Fund shown on this page prior to 27 November 2009 represent Griffin Eastern European Value Fund when it was a sub-fund of Cayman-domiciled Griffin International Umbrella Fund. Griffin Eastern European Value Fund as a sub-fund of Griffin International Umbrella Fund is closed and all assets were transferred into a sub fund of Griffin Umbrella Fund plc ("GUF plc"), an Irish domiciled UCITS III umbrella fund on 27 November 2009. Therefore from 27 November 2009 the figures represent the performance of the Fund as a sub-fund of GUF plc. Standard deviation and annualised return figures are based on weekly data.

Performance – monthly returns (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2010	3.5	-2.6	5.0	1.5	-1.3	-1.7	0.0						4.2
2009	-2.7	0.2	3.7	7.0	7.5	-1.2	4.8	7.2	5.6	1.9	-1.3	3.7	42.0
2008	-7.0	-1.0	-1.7	-0.7	1.4	1.1	-1.7	-0.8	-4.8	-18.9	1.0	-1.3	-30.9
2007	1.1	1.3	-2.1	1.4	-1.9	4.0	1.9	-4.2	-1.1	-0.7	-5.8	0.4	-5.9
2006	3.5	2.3	-2.1	2.4	-6.6	-2.5	2.5	2.6	0.2	2.9	1.5	6.7	13.3
2005	1.3	4.5	-1.4	-1.6	2.0	3.9	3.8	1.5	4.8	-3.6	4.8	3.3	25.4
2004	6.9	6.1	7.6	-1.6	0.1	1.8	-1.8	1.9	1.5	0.7	1.1	3.4	30.8
2003	1.5	2.4	-0.4	5.1	11.0	-1.0	2.0	7.8	-1.7	-0.4	0.1	-0.4	28.4

Top 5 long positions (%) (delta-adjusted)

Position	Net
Gazprom	3.5
Koza Altin Isletmeleri	2.9
Sberbank	2.6
Jupiter Adria	2.5
OGK-4	2.2

Portfolio overview

	July	June
Delta adjusted net equity exposure (% of NAV)	29.2	30.8
Fixed income exposure (% of NAV)	9.9	9.9
Number of long positions	38	43
Number of short exposure positions	11	7
Futures & Options (% of NAV)	-1	-6

The futures and options as a % of NAV above excludes currency options and futures.

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Performance summary (%)

	%
1 month	0.0
3 months	-2.9
YTD	4.2
Since launch	237.1
Since launch annualised	15.1

Fund Return	2005/06	2006/07	2007/08	2008/09	2009/10
	9.9	21.0	-19.5	-8.2	23.0

The above tables show the performance of the Fund since the change to a long/short strategy on 31 December 2001. In order to calculate standard deviation and annualised return figures for the Fund we have used weekly data.

Fund facts

Launch date	28.11.1997*
Conversion date into UCITS III	27.11.2009
Fund size	€81.9m
Base currency	Euro
Minimum investment	€5,000 (initial) €500 (subsequent)
Savings Plan	Only through investment platforms
Dividends	Re-invested
Management fee	2% per annum
Initial charge	Up to 5%
Performance fee	20% of increase over highest of any previous quarter end NAV
Dealing	Daily
Dealing deadline	17:00 Irish time, subscriptions: T-2, redemptions: T-7
WKN	A0YFBW
ISIN	IE00B53RWD94
Sedol	B53RWD9
Euroclear	47030277
NAV publications	Börsen-Zeitung, Handelsblatt, Financial Times, Der Standard, Reuters, Bloomberg, www.fundinfo.com
Registration for public distribution	Austria, Germany, Sweden, Switzerland

*The Fund was a sub fund of Cayman-domiciled Griffin International Umbrella Fund and used a long/short strategy since 31 December 2001. On 27 November 2009 all assets were transferred into a sub-fund of Griffin Umbrella Fund plc, an Irish domiciled UCITS III umbrella fund.

Glossary

Delta adjusted – A delta adjusted figure translates the derivative contract into the expected exposure of the underlying security.

Derivatives are financial instruments enabling investors to gain exposure to equities, commodities or other instruments without having to trade the physical assets or shares. Derivatives include CFDs, Futures, Options and synthetic assets.

Long position – Buying of a security with the expectation of a rise in value

Net and gross exposure is the exposure level of the Fund to the market, net exposure is calculated by subtracting the short exposure from the long exposure. For

example, if the Fund is 100% long and 20% short, then the net exposure is 80%. Gross exposure is calculated by combining the value of both long and short positions e.g. If the Fund is 100% long and 20% short, then the gross exposure is 120%.

Short Exposure – Fund Managers can gain access to short exposure through the use of derivatives for efficient portfolio management, which can refer to trades in currencies, sectors, indices or individual stock positions.

Further information/dealing

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Distribution Partner

Please note that the Fund Administrator PNC Global Investment Servicing has been acquired by The Bank of New York Mellon Corporation with effect of 1 July 2010

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