OCTOBER 2011

AdvanceEmergingCapital

Advance Frontier Markets Fund

STANDARD & POOR'S AA FUND MANAGEMENT RATING

Investment Objective

To provide shareholders with long term capital growth by investing in the Frontier Markets of Africa, the Middle East, Eastern Europe, Asia and Latin America.

Investment Philosophy & Process

The team at Advance Emerging Capital believes that frontier markets offer investors the likelihood of superior long term investment returns relative to those achievable from developed markets. In addition, we believe that pricing anomalies are generally more widely available in emerging and frontier markets. We believe that the people best placed to take advantage of these anomalies are locally based managers with extensive experience of their specific markets. We view discounts on closed end funds as an opportunity to add further

Our aim is to construct a portfolio of funds that gives investors access to the most attractive frontier markets through the most attractive vehicles available.

Fund Manager and Location

Dr. Slim Feriani
London

Investment Strategy

To invest predominantly in a diversified portfolio of funds and other investment products which derive their value from Frontier Markets.

Performance (USD)

Data as at 31 Oct 2011

	1M	3M	6M	1Y	2Y	3Y	Since Start*
NAV	0.4%	-10.7%	-13.5%	-9.6%	1.7%	13.0%	-23.7%
Price	7.0%	-6.5%	-10.3%	-6.3%	2.8%	19.2%	-32.0%
MSCI Frontier Index TR**	2.2%	-7.8%	-14.3%	-12.1%	-2.4%	-7.8%	-38.7%

	YTD	2010	2009	2008	2007*
NAV	-13.6%	20.7%	24.7%	-45.9%	8.4%
Price	-13.8%	28.5%	33.4%	-56.2%	5.0%
MSCI Frontier Index TR**	-15.3%	23.8%	11.6%	-54.1%	14.3%

* Inception 15 June 2007

** The MSCI Frontier Index is shown for reference purposes only. It does not constitute a benchmark for the fund's performance, nor does the investment team refer to it when deciding the fund's asset allocation

Volatility (Since Inception)

AFMF NAV	17.9%	S&P 500	19.9%
MSCI Frontier	24.9%	FTSE All Share	24.1%
MSCI Emerging	30.5%		

Top 10 Investments (Percentage of NAV)

	Fund Name	Details *(Asset Class, Investment Manager, Style, Structure)*	Percentage
1	Qatar Investment Fund PLC	*(Qatari equities, Epicure Managers Qatar Ltd, value / GARP, AIM closed-end Fund)*	5.9%
2	Alpha Mena Fund	*(Middle East & North Africa equities, Algebra Capital, value / GARP, Bahrain OEIC)*	5.7%
3	Tau Capital	*(Kazakh listed and private equity, Compass AM, value, AIM closed-end fund)*	5.6%
4	Blakeney Investors	*(Middle East & African equities, Blakeney AM, value, Luxembourg SICAV)*	5.1%
5	Africa Emerging Markets Fund	*(African equities, Emerging Market Management, value, Dublin OEIC)*	4.9%
6	Worldwide Opps - CEF Class S2	*(Fund of distressed GEM property funds, Terra Partners, deep value / discount trading, Cayman OEIC)*	4.8%
7	Tarpon All Equities Fund	*(Brazilian listed and private equity, Tarpon Investimentos, deep value, Cayman feeder into Delaware LLC)*	4.8%
8	Africa Opportunity Fund	*(African equities & debt, Africa Opportunities Partners, value/arbitrage, AIM closed-end Fund)*	4.4%
9	MSCI Frontier Markets ETF	*(Frontier Markets equities, RBS Holdings, index tracker, Luxembourg SICAV)*	4.3%
10	Advance Copernico Argentina	*(Argentine equities, Copernico Capital Partners (Bermuda) Ltd, Value, Cayman OEIC)*	4.1%
Total			**49.5%**

Asset Allocation

AFRICA	Fund 29.0%	ASIA	Fund 26.8%	MIDDLE EAST	Fund 22.2%	EASTERN EUROPE	Fund 2.8%
Botswana	0.5%	Bangladesh	0.3%	Bahrain	0.7%	Croatia	0.6%
Egypt	2.1%	China	5.3%	Jordan	0.3%	Romania	0.8%
Kenya	1.3%	India	2.0%	Kuwait	3.1%	Other Eastern Europe	1.4%
Mauritius	1.5%	Indonesia	1.9%	Lebanon	0.6%		
Morocco	0.2%	Kazakhstan	5.8%	Oman	0.8%	**LATIN AMERICA**	**8.6%**
Nigeria	8.3%	Macau	3.0%	Qatar	9.6%	Argentina	4.2%
Senegal	1.6%	Pakistan	1.8%	Saudi Arabia	3.9%	Brazil	4.4%
South Africa	1.8%	Thailand	2.8%	UAE	2.8%	Colombia	0.0%
Tunisia	1.2%	Vietnam	6.5%	Other Middle East	0.4%	Peru	0.0%
Zambia	3.2%	Other Asia	0.4%			Other Latin America	0.0%
Zimbabwe	2.5%			**Indirect Cash**	**4.5%**		
Other Africa	4.8%	**Non-specified**	**1.6%**	**Portfolio Cash**	**4.5%**	**TOTAL**	**100%**

Fund Details

Structure	Closed-end Investment Company
Geographic Remit	Global Frontier Markets
Launch Date	15 June 2007
Bloomberg Ticker	AFMF LN Equity
ISIN Code:	GG00B1W59J17
Shares Outstanding	169,460,000 (ords)
Management Fee	1.25% (of market cap)
Performance Fee	12% (12% hurdle)
Year end / AGM	June / November
Suitable for ISAs and SIPPs	Yes

Net Asset Value / Price Information

NAV per share	£0.4596	Discount	-8.1%
Share Price	£0.4225	Fund Size	£77.9mn

Investment Manager

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