

BAC Best Asset Class Update: July 2010

Review of the portfolio of the fund BAC Mining Regions Managed Vol.

- The listed part of the portfolio lost 3% in July, bringing the YTD performance of the listed part of the portfolio to + 1%.
- The fund has been mostly affected by the drop of gold equities.
- The 3 non-listed positions now represent 20.2% of the portfolio, valued at cost.
- In a recent study (July 27), Macquarie forecasts Anoroaq to double in the coming 12 months.

The top 5 listed positions, representing 54.2% of the listed assets, are as follows on 30 July 2010:

		% of listed portfolio	July 2010 change	YTD
1	Anoroaq Resources	19.0 %	+5.8 %	+31.0 %
2	Platinum Group Metals	13.3 %	+3.3 %	-15.6 %
3	Anglo Platinum	7.7 %	-4.7 %	-9.9 %
4	ASA	7.2 %	-2.8 %	+1.4 %
5	Anglogold Ashanti	7.0 %	-8.4 %	-2.0 %

News related to PGMs

The platinum price found a support around USD 1500 (slightly higher than the breakeven price for producers) and started to rise from there. On July 23, Goldman Sachs published a study forecasting a price of USD 2800 by 2012: Cost inflation and a growing deficit in supply-demand should support this price development. A double dip or sustained slowdown would delay the deficit.

Reopening of the fund

KPMG received a mandate from CACEIS Fastnet (Suisse) SA, the fund's administrator, to find a buyer for 2/3 of the position of Tharisa Minerals. Based on KPMG valuations, this sale would then allow the administrator to fix a date for the reopening.

Conclusions

Considering the mixed message delivered at the moment by the global economy, we are cautiously optimistic for the second half of 2010. We expect the price of both PGMs, as well as precious metals equities to revisit their year to date highs before year end.

The winner in July has been the image of South Africa after the great success of the soccer world cup. This should lead to a substantial increase of foreign investments, beginning with President Zuma's upcoming visit to China.

Yours faithfully,

Bernard Lorioi

CEO of Best Asset Class AG and advisor of the BAC funds

DISCLAIMER: BAC Mining Regions Managed Vol. is a Swiss contractual fund belonging to the category "other funds". The prospectus, the simplified prospectus, the annual and semi-annual report can be obtained free of charges by the fund management company, CACEIS Fastnet (Suisse) SA, at chemin de Précoissy 7-9, 1260 Nyon and by the custodian bank, Cornèr Banca SA, at via Canova 16, 6901 Lugano. The past performance gives no guarantee for future performance. Performance data do not take account of the commissions and costs incurred on issues and redemptions of units.