



***Gigantomachy,
Ragnarok or
Das Rheingold?***

*Some themes are timeless.
Art, politics and commerce are
symbiotic; each describing the other in
a formula that transcends scientific
description.*

Where are we today?

The uncoiled gears of
decolonization, unfavorable
demographic and economic trend
line statistics in the West, the
reemergence of the East
and the demands of transnational
enterprises remind us of the
literary sagas which describe, in
essence, *change*.

We wrestle in comprehending and
describing the economic and
financial landscape as we assess
the continual global tug-of-war
among competing players. In
delivering cogent strategies to our
clients it demands some reference
to a long view.

In each of the referenced sagas,
change is painful. The
accommodations, where possible,
result in a new landscape. In some
instances, the old is destroyed *but*,
the framework remains.

What is our view?

Our market, Central/West Africa, is
a growing and major economic
battleground for the foreseeable
future. A critical natural resource
play; over the intermediate term
we see a growing extraction sector
followed by an increase in both
consumer demand and regional
growth in supply chain
participation. Our focus is on
energy, telecom and infrastructure
opportunities and private equity
participation.

June 30, 2009 - Sept. 30, 2010

S&P500: 1141.20 (+10.7%)	SSE: 2655.66 (+10.7%)
Euro: 1.3634 (+11.5%)	Yen: 83.5 (+6.19%)
US 30 Yr.: 3.67% (+8.25%)	RMB: 6.69 (+1.42%)
US 10 Yr.: 2.49% (+15.6%)	Gold: \$1,309.50 (+4.8%)
	Copper: \$3.65 (+23.3%)
	Crude (WTI): \$79.97 (+6.13%)

Politics

Rising expectations, dissatisfaction with current economic policies, an increasingly restive, youthful population..whats' a politician to do? Spend! As the election season approaches..stimulate! We see increasing numbers of public works and investment projects being fast tracked. Generally, favorable national balance sheets and a continuous demand for resources is providing a short term backstop to the issue of an inefficient economic and political infrastructure. We see substantial opportunities, across the board. We paraphrase the story of the old American western, "How the East was won!"

Economy

The CEMAC (*Monetary and Economic Community of Central Africa*) region is anchored by the CFA franc, a unique economic/currency union consisting of primarily French speaking African countries (Equatorial Guinea being the exception). Energy is the principal export of the region. The fixed legal tie to the French Franc(which was superceded by the Euro; 1 EU =655.957 CFA) is creating increasingly problematic issues with regard to foreign exchange management and general economic growth. The CFA is not convertible, outside of the CEMAC region. As payments in their main exports are denominated in dollars, FX management policy creates issues among the member States to varying degrees. As global currency alignment issues remain in the forefront, we continue to monitor CEMAC FX policy focus.

Investment

We maintain a focus on three principal markets sectors:

Energy - Continuing development of principally offshore assets with above average success rates offer several opportunities.

Exploration - Growing Development - Growing Production - Growing National Oil Companies (NOC's) are increasing their local capability across the knowledge spectrum. Enhancing local talent pools, developing local enterprise capability and increased attention to supply chain management to expand participation in the profit stream is a major objective for a number of our clients.

Telecommunications - Technological advances, reduced costs and ease of entry are giving National Telecom companies a second chance to participate in the global wireless revolution. Missteps in the first round of cellular licensing are being reviewed by our customer base as the advent of 4G presents an opportunity to recapture and retain a larger share of the telecom fee base.

Population - Growing Telecom Usage - Growing Fiber Capacity - Growing Infrastructure - A growing, sophisticated population accelerates the demand on governments, at all levels, to provide basic services. With healthy balance sheets, sustainable income sources and a pent-up demand for clean drinking water, sanitation, power, transportation, education and health care; our market offers above average opportunities for the global business sector.

Population - Growing National Income - Growing

