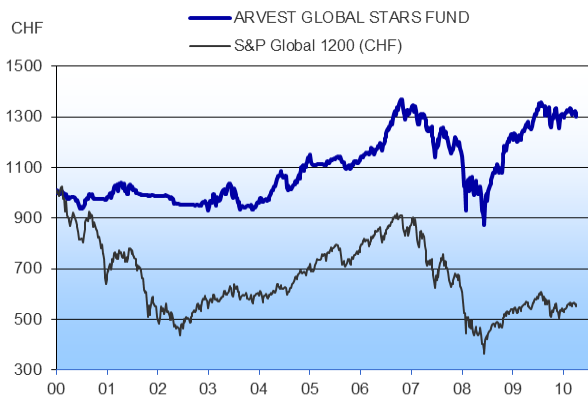




The global stock fund with active management

Performance from 10/03/00 to 12/31/10 in CHF



General market environment



After market prices plummeted in 2008, 2009 brought recovery, albeit while failing to compensate for the previous year's price losses. These two years were an excellent representation of both

the pessimism and the euphoria of market participants. 2010, however, showed just how sharply and quickly attitudes can change, regardless of changes in the real economy. Although the world stock index (in CHF) decreased only 1.8% over the entire year, price fluctuations throughout the year were staggering, reaching 17% and abruptly changing course time and again.

2010 was a good example of how strongly market developments are influenced by

political decisions. In return, the markets often set the tone for political decision-making. Successful asset management takes into account the interrelation between the market and government policy. Asset management can therefore not be simply reduced to analyzing individual securities. Rather, the overall picture must be looked at in order to make successful individual investment decisions. This will remain true in the future.

A look back

Based on our dynamic investment strategy, changes in the rate of investment of ARVEST Global Stars offer important clues as to the fund managers' assessment of the market over the course of the year. As in 2009, in 2010 the fund's rate of investment ranged between 80% and 88%. Despite market valuations predicting the long-term below-average performance of the stock markets, our assessment of the global economic cycle was positive.

Based on our particularly constructive estimation with regard to the Asian economic region, the geographic focus of the fund was shifted toward Asia (including Japan) over the course of the year, with the weight of Asian investments in the portfolio rising from around 38% at the beginning of 2010 to over 49% by

the end of the year. This strategic adjustment took place primarily at the expense of American investments, the weight of which dropped from 25% to around 18%.

One of the major challenges faced by the fund management was the sharp appreciation of the CHF during the past year. The negative effects of this appreciation on the fund were considerably reduced through currency hedges. All in all, we again saw that returns in excess of the market are still possible, especially with reduced market risk.

ARVEST Global Stars ended the past year with another positive performance of 3.7%, thus relatively outperforming its benchmark, the S&P 1200 (in CHF) by 5.5%. Since its launch in 2000, the fund has shown a relative outperformance of 75.4%. Morningstar has rated the fund continual as excellent, awarding it the maximum five stars.

Outlook and strategy

In the view of the ARVEST Investment Committee, the probability of a double-dip scenario decreased even further. The stabilization of the economy felt in 2010 is expected to continue in 2011 overall, with the major economic regions facing different challenges. Growth in the developed world should be rather weak due to the continued fragile financial sector, increased unemployment and the need for an overhaul of numerous government budgets. In individual cases, some countries may dip back into recession.

On the other hand, in boom countries inflation is likely to become a problem due to strong economic growth. Raising interest rates to combat inflation will not be possible without additional risks. These risks are monitored by the ARVEST Investment Committee and are taken into consideration in its investment decisions.

This year, I, along with the ARVEST Investment Committee, will continue our efforts to generate added value for you without unnecessary risks.

Beyzade Han, Fund Manager

The ten largest share positions (in % of the total fund volume)

1. Nong Shim	4.0%
2. Novartis	3.9%
3. Toyota	3.8%
4. Coca Cola	3.6%
5. Ratchaburi	3.4%
6. Total	3.3%
7. Walgreen	3.3%
8. Nokia	3.1%
9. Hoya	3.0%
10. Chaoda Modern	2.9%
Total 10 largest positions	34.3%

Key figures - Arvest Global Stars Fund

Inventory value per share:	CHF 1'244.22 (31.12.10)
Fund volume:	CHF 42.9 Mio. (31.12.10)
Securities number:	1'125'057
Fund domicile:	Switzerland
Fund management:	ARVEST Funds AG
Depositary bank:	ARVEST Privatbank AG
Accounting currency:	CHF (Schweizer Franken)
Issue/repurchase:	On any bank working day
Management fees:	1.2% p.a.
Profit sharing:	10% of the annual net asset growth. Any losses must first be compensated before any further profit sharing can take place..
Escrow fees:	0.15% p.a.
Issue commission:	2%
Auxiliary costs:	1 % for issue and repurchase (in favour of the fund)
Repurchase commission:	None
Sales:	Sales only in Switzerland

ARVEST Funds AG

Churerstrasse 82 CH-8808 Pfäffikon SZ
 Tel. +41 (0)55 415 65 90 Fax +41 (0)55 415 65 99
 funds@arvest.ch www.arvest.ch