



The actively managed global equity fund

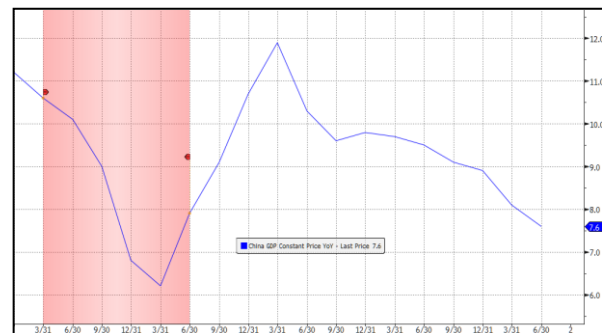
Performance from 10/04/2000 to 09/28/2012 in CHF



General market environment

Despite signs of an upward trend in the market last quarter, performance was quite volatile overall in light of conditions in the real economy. The world economy, led by Europe, continued to slide in the past quarter. This cooling cannot be attributed to the phase-dependent performance of a traditional economic cycle. Rather, it is associated with concerns among investors and consumers, who typically exercise restraint in times of uncertainty. In the Southern European economic zone, on the other hand, consumers are seeing no other choice but to limit spending due to falling wages. Despite positive numbers from Northern Europe, Europe as a whole finds itself in a contraction phase, which is also being reflected in consumer confidence and business climate indicators. The ECB's decision to purchase unlimited amounts of government bonds from crisis-stricken European countries

will help lower those countries' refinancing costs. It will not, however, hinder a recession. The USA is also in a period of industrial economic weakness. Nevertheless, consumption and job market indicators do not point to a significant worsening of the situation, making a recession here less likely than in Europe. There are also increased signs that the US real estate market



Graph: China GDP YoY over the last 5 years.

continues to stabilize. China, too (see graph), is not expected to escape the global economic cooling, as doing so would require a stronger focus on the domestic market.

Fund review

Ratchaburi Electricity is Thailand's largest energy producer. The company was partially privatized in March 2000, with the state-run Electricity Generating Authority of Thailand (EGAT) retaining 45% of shares and thus dominant control. The company has been part of the ARVEST investment universe for many years now. I was able to sell the shares that I

purchased in October 2011 due to the defensive character of the company (the energy market in Thailand is regulated) and attractive dividend yields after nine months for a total return (price gain + dividends + currency gain) of over 20%.

In the past quarter, I acquired shares in **Newcrest Mining**. Newcrest Mining is the largest Australian gold mining company with its headquarter in Melbourne and around 5,100 employees. I invested in this fundamentally healthy company not only because of my interest in its mines with relatively low quarrying costs but also because, based on various valuation benchmarks, the stock was relatively very affordable. Since purchasing the shares in July, the share price has risen around 30%.

In addition, we made a switch in our Japan exposure. Due to uncertain long-term growth forecasts, shares in the construction firm **Obayashi** were sold, while shares in Japanese glass maker **Asahi Glass** were acquired.

In the last quarter, the value of the fund grew 4.2%. The benchmark index, the S&P 1200, performed somewhat better during the same period at 5.2%. ARVEST Global Stars has outperformed the index by 71.1% since its launch.

Outlook

The macroeconomic data from the last several months are not striking much confidence in the performance of the economy. However, for some time now the focus has been on the monetary policy decisions of the central banks, especially the ECB. If the ECB is successful in containing the crisis in Europe over the long term, the economic climate could improve noticeably worldwide. This would increase the chances that the world economy will maintain at least a moderate level of growth. The ARVEST

Investment Committee is largely optimistic. For this reason, a decision was made to allocate fund assets increasingly toward anticyclical stock purchases.

On behalf of the Investment Committee
Beyzade Han, MBA
Fund Manager

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

1.	Novartis	4.3%
2.	Toyota Motor Corp	4.0%
3.	Lukoil Oil Company.	3.7%
4.	Nong Shim	3.4%
5.	Walgreen	3.3%
6.	GD Electric Power	3.3%
7.	China Mobile	3.1%
8.	Total	3.0%
9.	Vallourec	3.0%
10.	Gazprom	3.0%
Total 10 largest positions		34.1%

Key figures - Arvest Global Stars Fund

Inventory value per share:	CHF 1,192.34 (28/09/12)
Fund volume:	CHF 40.4 million (28/09/12)
Securities number:	1,125,057
Fund domicile:	Switzerland
Fund management:	ARVEST Funds AG
Depository bank:	ARVEST Privatbank AG
Accounting currency:	CHF (Swiss francs)
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:	max. 5%
Auxiliary costs:	0.5% for issue and repurchase (in favour of the fund)
Repurchase commission:	None
Sales:	Sales only in Switzerland

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