ARVEST

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Investor Info
ARVEST Global Stars Fund

The actively managed global equity fund

Performance from 04.10.00 to 30.09.13 in CHF

General market environment

The US Federal Reserve surprised the markets with the announcement that it would not reduce its volume of bond purchases in September, as the state of the real economy had not yet improved enough for a change in direction of its monetary policy. However, this should not have surprised our regular readers of this Investor Info, as we clearly anticipated this in our last issue and also for the same reasons as given by the Fed.

Conditions in the real economy are reflected in part in the country's capacity utilization, which has not yet reached the level seen prior to the financial crisis (see chart on the right). An increase in inflation is rather unlikely without an increase in capacity utilization, which is why the Fed saw no need to tighten its monetary policy. However, postponing does not mean cancelling. Sooner or later, the Fed will have to again taper the expansive monetary policy. It is still too early to tell whether this will happen this or next year. However, it is clear this will have an impact at the global level. Any release of US economic data in the immediate future will be assessed in terms of its impact on monetary policy. Most of all, the emerging economies are likely to suffer from the associated volatility, as the worldwide monetary flows are being deferred to their

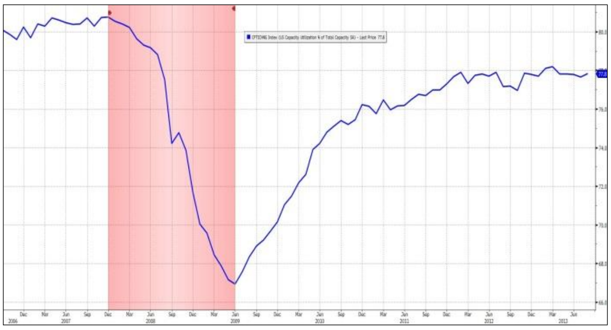

Chart: US Capacity Utilization since 2006

disadvantage more strongly than before.

In contrast to the USA, Europe is still at an early stage of a very slow normalization of the economic situation. The most recent improved economic indicators give reason to hope that economic activity will also gradually gather momentum again in the periphery countries.

Review of the Fund

In the past quarter several transactions were executed at ARVEST Global Stars Fund in order to optimally position the investment fund in line with the market opportunities identified by us.

At the geographical level the investment focus continued to be shifted towards Europe and Asia (ex. Japan). The exposure to both regions combined now accounts for a high ratio of 61%, which represents an increase of 6% compared to the prior quarter. At the same time exposure to the North American (new: 10% or -2% qoq) and Japan (new: 12% or -5% qoq) regions was reduced. The reduction for Japan was not made because we consider the Japanese market to be overvalued. Instead, opportunities arose to reduce the exposure to companies that mainly generate its sales domestically (Sankyo: profit + 18.5%, Shiseido: loss of -2%, holding period of over 3 years in each case). For a long time the ARVEST Investment Committee has been favouring mainly export-oriented global players from Japan that benefit from a depreciation in the yen.

From a sector perspective there was primarily a shift in favour of the Energy (+3%) and Materials (+3%) sectors, whereas exposure to the Consumer Discretionary (-2%) and Information Technology (-5%) sectors declined. The first two and currently more favourable sectors rank among the late-cycle sectors and should visibly benefit in particular from a global economic upturn.

ARVEST Global Stars ended the last quarter with a positive performance of +5.3%, Over the same period the performance of the S&P 1200 as the benchmark index was somewhat worse at +2.6%. Since its launch in October 2000, the fund has turned in a relative outperformance of +80.2% and an absolute performance of +43.6%.

Outlook

The ARVEST Invest Committee is still convinced that the equity markets are currently still more attractive than the bond markets. Even without a tightening of US monetary policy market interest rates have already increased markedly, which had an adverse impact on the bond markets. It is highly probable that this trend will continue, which, however, does not exclude short-term counter-movements. On the equity side an assessment must be made as to which markets offer a higher potential over the long-term. Our analyses continue to show that the long-term yield potential for European and Asian stock markets is higher than that for US stock markets. In view of the upcoming tapering by the US Federal Reserve it is recommended to consider long-term investments especially in those emerging markets that do not have any significant foreign trade imbalances.

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

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

1.	Toyota Motor Corp.	5.5%
2.	Gazprom	5.3%
3.	Shanghai Electric Group	4.6%
4.	GD Electric Power	4.6%
5.	Lukoil Oil Company	4.5%
6.	Total	4.3%
7.	Vallourec	4.0%
8.	Nestle	3.9%
9.	China Mobile	3.7%
10.	Roche	3.6%
Total 10 largest positions		**44.0%**

Key figures - ARVEST Global Stars Fund

Inventory value per share:	CHF 1,330.43 (30.09.13)
Fund volume:	CHF 32.7 Mio. (30.09.13)
Securities number.:	1,125,057
Fund domicile:	Switzerland
Fund management:	ARVEST Funds AG
Depositary 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 commisson:	None
Sales:	Only in Switzerland

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