

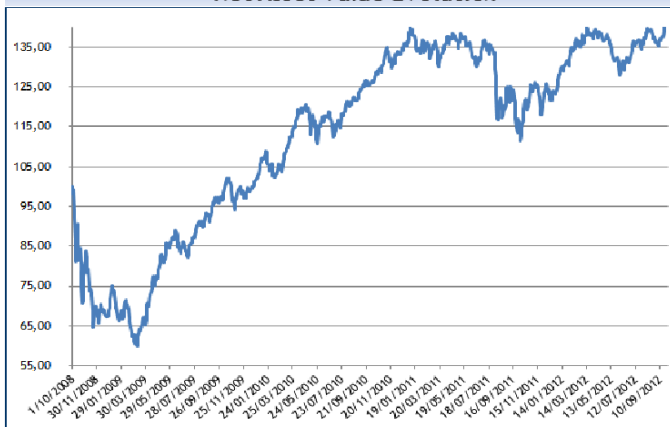


For more information about this rating : [www.morningstar.be](http://www.morningstar.be)

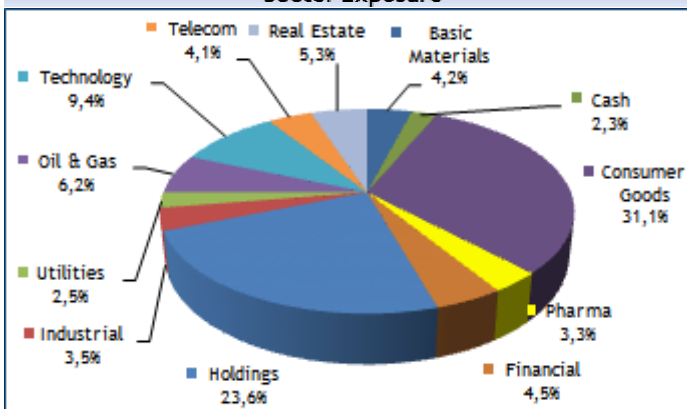
# Value Square Fund Equity World

Monthly Fact Sheet September 2012

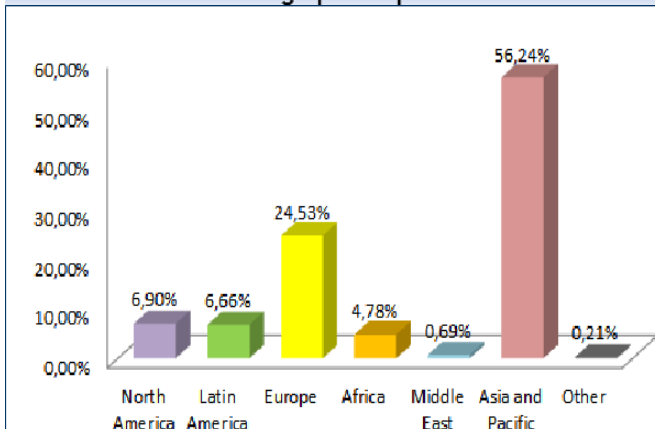
## Net Asset Value Evolution



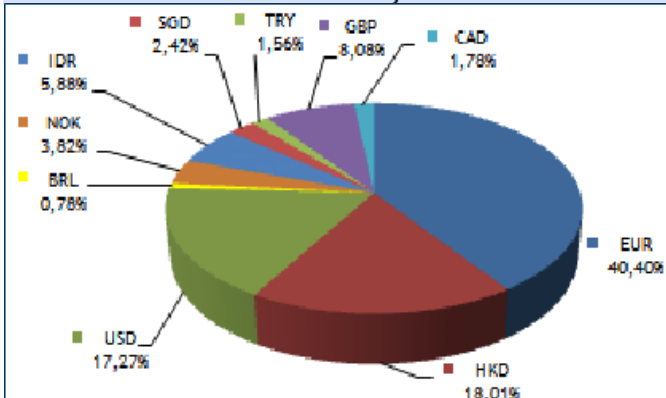
## Sector Exposure



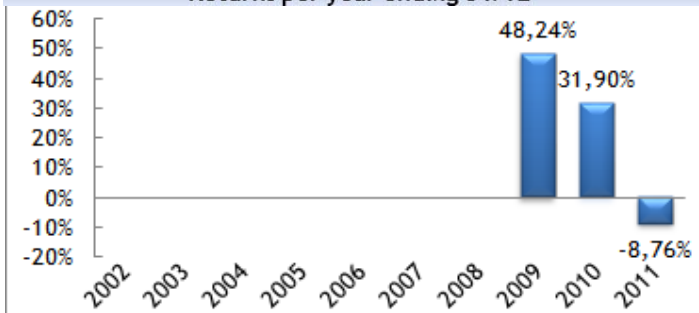
## Geographic Exposure



## Currency



## Returns per year ending 31/12



## Annualised return per 28/09/2012

	Currency	1 year	3 years	5 years	10 years	Since start
C-class	EUR	21,07 %	13,06%			8,96 %
I-class	EUR	21,03 %	13,11 %			9,00 %
S-class	SGD					0,00%

Past results are not indicative of future returns. The above mentioned returns do

## Net Asset Value

Class	Start	31/12/2008	31/12/2009	31/12/2010	30/12/2011	28/09/2012
C	100	69.63	103.22	136.15	124.22	140.88
I	/		103.25	136.34	124.48	141.08
S						98.25

## 5 Important Positions

Jardine Group	7.86 %
First Pacific	5.82 %
Caisses Rég. Crédit Agricole	4.52 %
McLeod Russel	3.95 %
Anglo Eastern Plantations	3.75 %

## Basic Facts and Figures

Compartment of	Value Square Fund— UCITS under Belgian law
Risk(scale SRRI):	1 - 2 - 3 - 4 - 5 - <b>6</b> - 7
Start date:	1/10/2008
Currency:	EUR
ISIN-code C-shares:	BE0948331591
ISIN-code I-shares:	BE0948332607 (only for institutional investors)
ISIN-code S-shares:	BE6229615818
Size of the fund:	116.86 million EUR
Investment horizon:	minimum 5 years is recommended
Entry fee:	maximum 3% (negotiable)
Exit fee:	0.5 % for benefit of fund
Taxation:	Exit not subject to Ecofin/Belgian tax ICB
Stock exchange duty:	0% entry, 1% exit (max. 1500 €)
Management fee:	1 % on annual basis
Performance fee:	10 % on the excess return above 6% /year
Subscription/Redemption:	Daily before 11 A.M.
Settlement date:	Trade date + 3 working days (in Belgium)
Distributors:	Value Square, Binck Bank, ...
Financial agent:	RBC Dexia Investor Services, Brussels
Share px publication:	De Tijd, De Standaard
Authorised in:	Belgium, the Netherlands

# Value Square Fund Equity World

Prospectus and KID, as well as the most recent (semi-)annual reports can be obtained without costs at Value Square, Derbystraat 319, 9051 Gent, Belgium Tel.: +32 9 241 57 57, [info@value-square.be](mailto:info@value-square.be)

## Investment Strategy

The assets of this fund are predominantly invested in shares of listed companies with no geographical limitation and in any securities giving access to the capital of these companies. The shares are selected on the basis of fundamental analysis and a bottom-up approach with the emphasis on the principles of value investing. The aim of the fund is to achieve as high a return as possible in absolute terms rather than the improvement of stock market indices and simultaneously limit risks. In circumstances where the manager estimates the downward risks higher than the potential return, the portion invested in shares can be reduced in favour of investments in liquidities and money market instruments. The fund will at all times invest at least 50% in shares. Volatility can be high, due to the composition of the portfolio.

## Comments by the Portfolio Managers: Patrick Millecam and Nic Van Broekhoven

### Monthly Fact Sheet - September 2012

September was a good month for equities in Japan, the United States and Europe as the BOJ, FED and ECB decided to do another round of money printing or as they like to call it "quantitative easing". Only China remains behind and the Shanghai CSI 300 index is one of the worst performing in the world. The overall sentiment on Chinese companies is very negative. Five years ago many investors only focused on the positives of China and now they only see doom and gloom. As always the truth is somewhere in between and we continue to look for value shares in Hong Kong. In October and November we will be visiting companies in Cyprus, Turkey, Singapore, Hong Kong, Indonesia and the Philippines. In Beijing and Shanghai we are visiting some companies in which we are already invested and we will also try to better understand the transfer of political power which is currently underway in Beijing. It is the first time since 2002 that about 75% of important policy makers are to be replaced and/or redirected to other positions by the Chinese government. The most eye-catching change will be the resignation of President Hu Jintao and prime minister Wen Jiabao. The new president will (in all likelihood) be Xi Jinping and the new prime minister Li Keqiang. According to political commentators in China the new "guard" is reform minded and will continue to process to transform the economy from an infrastructure to consumption led economy. This process is a marathon (meaning this will take a decade or longer) and not a few quarters. It also doesn't happen in a straight line.

In the European and American media all Chinese figures are often dismissed as unreliable and their accuracy is contested. The talking points are electricity consumption, ghost cities and high unemployment. What is often forgotten is the continued rise in household consumption. Even in a slower growth environment household consumption is up 10,3% year-on-year. According to us still a sign that consumption is growing. However many of the Hong Kong listed names are seeing a much slower growth, or even negative growth as they are many times focused on Tier 1 and Tier 2 cities. These cities are primarily based on the East Coast of China and were the historical power engine home to most export-oriented companies. The rest of China (85% of its territory) continues to grow faster as Tier 3 and Tier 4 cities are showing rapid growth. China is therefore not a black/white story but a gigantic country that just like other big regions in the past (US and Europe) will gain importance over time. Today Mr. Market is negative on China and its "puking" out Chinese shares, but only five years ago Mr Market was ecstatic and bid up Chinese companies.

Value Square Fund Equity World closed the month of September at 140.88uro. Over the past three years one share of the fund increased by 44,5%, or 13.1% per year. This performance is better than the MSCI World Index (in EUR) over the same period which saw a return of 32% or 9.7% per year. The cash in the fund has decreased to 2% as we have increased our position in Casino and Christian Dior. Both are French companies but with worldwide sales. Operating in France is not much fun these days as the government of Francois Holland would prefer to control all aspects of the economy: such as freezing gasprices (e.g. GDF Suez), prevent heavily loss-making companies firing people (e.g. Peugeot) and taxing entrepreneurs who earn more than 1 million at a tax rate of 75%. The CEO of L'Oréal said in an interview with the Financial Times that this would prevent it to base its top managers in France. It remains just a question of time before the first French multinational (Total, Sanofi, LVMH, etc) relocates its headquarters to Switzerland (even if this is just symbolic).