

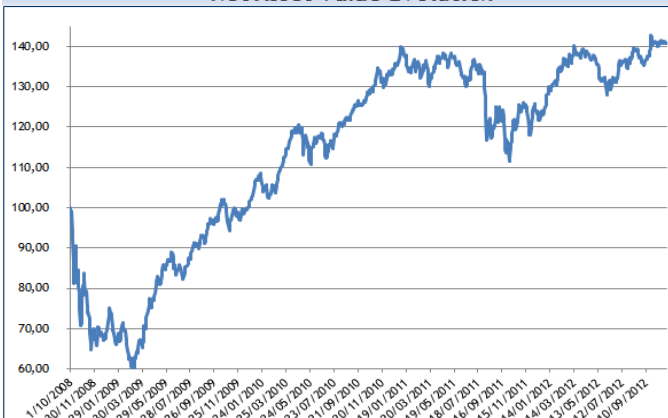


For more information about this rating : [www.morningstar.be](http://www.morningstar.be)

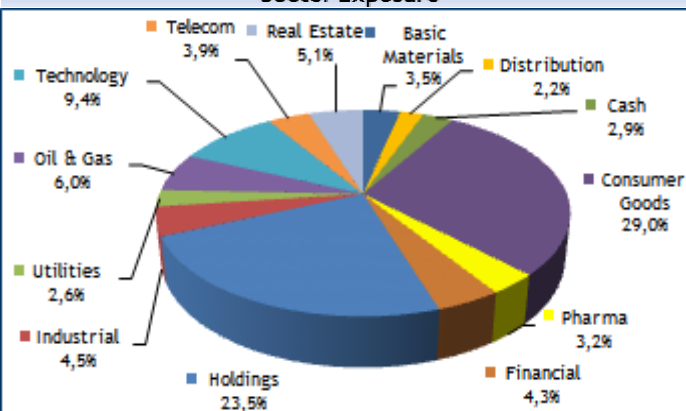
# Value Square Fund Equity World

Monthly Fact Sheet October 2012

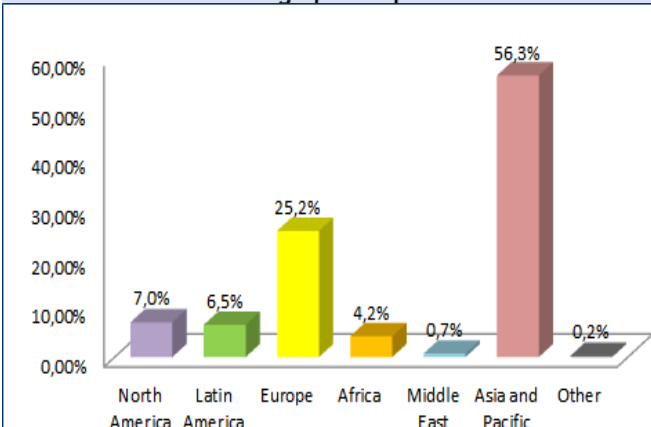
## Net Asset Value Evolution



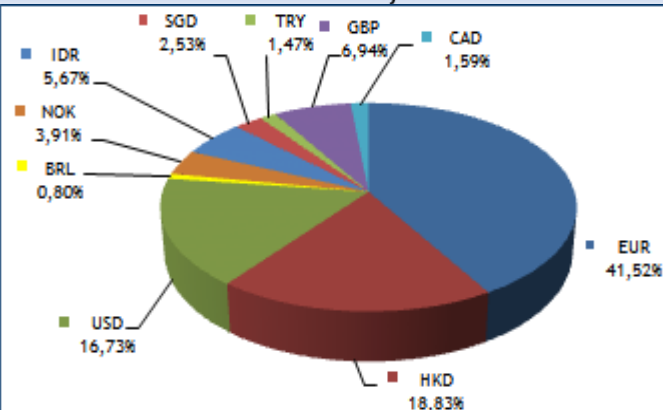
## Sector Exposure



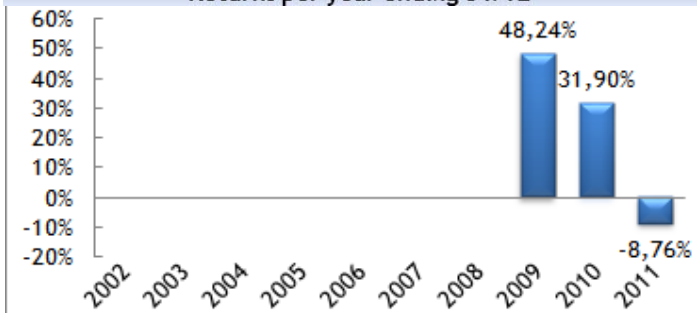
## Geographic Exposure



## 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	12,86 %	13,35%			8,74 %
I-class	EUR	12,85 %	13,41%			8,79 %
S-class	SGD					N:A

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	31/10/2012
C	100	69.63	103.22	136.15	124.22	140.83
I	/		103.25	136.34	124.48	141.08
S						98.46

## 5 Important Positions

Jardine Group	8.15 %
First Pacific	5.80 %
Caisses Rég. Crédit Agricole	4.30 %
McLeod Russel	3.50 %
Asian Citrus	3.34 %

## 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:	120.55 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 - October 2012

During October the markets were heavily focused on the US elections. The winner does not have an easy task as the debt ceiling will soon be breached again and the fiscal cliff is looming. Unless democrats and republicans reach an agreement automatic spending cuts amounting to about 4,6% of GDP will take effect on January 1<sup>st</sup> 2013. This deal was reached last summer when the US lost its AAA rating by S&P. Mitt Romney said during one of the debates that if the US did not take urgent action it would soon be in similar position as Greece. A correct analysis but the main difference being that the US is incredible resilient and fast acting should financial Armageddon happen. The US has a huge advantage in energy now that it is developing enormous amounts of natural gas which helps industrial companies to be competitive again. The US is not the only country which will elect new leaders during November. We are currently in Beijing and on the 8<sup>th</sup> of November the 18<sup>th</sup> Party Congress of the Chinese communist party started to 'elect' a new Chinese president and prime minister. Overall Chinese markets have been weak but some cyclical stocks (e.g. Xingda) have already rebounded by 50% off their lows counting on a rebound of economic growth.

The third quarter numbers which have come out have not been bad for the companies we are invested in. Singaporean based OSIM published strong results and the stock price rose to above 1,65 SGD. We bought OSIM earlier this year between 1,15 SGD and 1,20 SGD. The large undervaluation is gone but it is pure-play Asian consumption story and we are currently evaluating our intrinsic value. The Belgian company Solvay also published a strong set of numbers and the new CEO is rapidly building a strong track record of delivering or beating results. In October we also visited some of our holdings in Jakarta (e.g. Gozco Plantations, Kawasan Jababeka and Bumi Serpong Damai). These last two companies are active in real estate and are performing well. Jababeka continues to struggle to get its powerplant online and an earlier deadline to have it up and running by October was again breached. In Manila we saw the CEO of First Pacific, Manny Panglinan. First Pacific continues to be one of our largest positions. The assets are 70% Philippine based and 30% in Indonesia. Within 3 to 5 years the CEO thinks it will be more balanced 50% Philippines and 50% rest of Asia. The company is actively considering investments in Thailand, Vietnam and Indonesia. Just like our largest holding Jardine, First Pacific is looking to become a pan-ASEAN player. Apart from the CEO of First Pacific we also saw the senior management of its most important investments (PLDT, Philex Mining, Indofood and Metro-Pacific). First Pacific still trades at a 45% discount which is excessive.

The net asset value per share of Value Square Fund Equity World reached 140,83 EUR at the end of October. The past three years we have seen an increase of 45,64% or 13,35% per year. This is better than the MSCI World Index (in EUR) over the same period which is up 33,99% or 10,25% per year. The cash portion of the fund increased to 2,9% due to new investors coming in. We increased our position in e.g. Prince Frog and Christian Dior. We also noticed that a well-respected investor like Aberdeen increased its stake in MP Evans to almost 15%. It's always positive to see that somebody takes a large stake in a company we also strongly believe in.