



SEPTEMBER

MONTHLY REPORT

Parvest Convertible Bond Asia

November 2011



Performance overview

Performance (gross of fees) (%)	November	Last 3M	YTD	Last 12M	Last 24M*	Last 36M*	Last 60M*	Since inc,**
Parvest Convertible Bond Asia	-2.69	-8.22	-13.15	-11.32	-0.58	14.93	5.18	8.63
UBS Convertible Asia ex Japan > 0305	-2.49	-5.14	-7.37	-5.06	4.04	17.90	5.65	6.03
Excess return	-0.19	-3.08	-5.78	-6.26	-4.62	-2.97	-0.47	2.60

Performance History (%)	2010	2009	2008	2007	2006
Parvest Convertible Bond Asia (full year)	11.74	41.07	-31.42	33.43	15.90
UBS Convertible Asia ex Japan > 0305 (full year)	15.61	38.61	-31.89	27.48	17.11
Excess return (full year)	-3.87	2.46	0.47	5.95	-1.21

Risk indicators (annualised)	Last 36W	Last 12M	Last 24M	Last 36M	Last 60M	Since inc,**
Fund volatility (%)	10.87	10.06	11.29	12.80	16.22	14.45
Benchmark volatility (%)	9.56	8.65	10.01	11.34	16.26	12.57
Tracking error (%)	2.68	2.72	2.66	2.97	3.88	9.37
Information ratio	-2.15	-2.03	-1.73	-1.00	-0.12	0.28

all figures gross of fees (in USD)

* annualised performance

** inception date: 10/01/95 (annualised)

Past performance or achievements are not indicative of current or future performance.

Market review

- Confidence among US consumers and producers improved in November, but actual consumer spending and durable goods orders were less positive. Job growth remained modest, but a sharp drop in the labour force led to lower registered unemployment. House prices remained under downward pressure. Some leading indicators in the eurozone stabilised, but at low levels. Falling retail sales, industrial production and new orders, and rising unemployment indicated that the eurozone was on the brink of a recession. In emerging markets, most attention went to leading indicators in China, which fell significantly, although real data held up better
- After October's strong gains, equities lost ground in November. Global equities fell by 3.2% in US dollar terms, but since the dollar gained ground against the euro, the decline in euros was only 0.2%. In euro terms, developed equities (0.3%) outperformed emerging equities (-3.9%) and the US (2.3%) outperformed Japan (-1.6%) and Europe (-1.8%). A looming recession and a deepening sovereign debt crisis weighed on European and global equities. US equities failed to benefit from better-than-expected economic data, partly due to the failure of the deficit reduction committee to agree on measures to address the big fiscal shortfall



- US bonds benefited from the weak equity performance: yields fell by 11bp to 2.07%. As investors feared that Germany could face higher costs to save the euro, yields on German bunds rose by 17bp. Risk spreads on sovereign bonds increased, most notably for Italy and Spain, but also for Belgium and France. Hopes for a far-reaching deal at the 9-10 December EU summit caused spreads to ease at the end of the month. Inflation stabilised in the eurozone, but fell in the US and China. The ECB surprised with a 25bp rate cut at the first policy meeting led by new president Draghi. The US Federal Reserve is weighing the options for another round of quantitative easing, while the Bank of England actually went ahead with further measures. China's central bank cut the reserve ratio for the biggest banks by 50bp to 21% to support economic growth
- Primary markets were more active than in October with USD 4.9 bn in new issues, against USD 13.1 billion one year ago. After two new issues in Europe in October, there were none there in November
- The Asian convertible bond market fell in November though less so than equities (UBS Convertible Asia ex Japan index lost 2.5% while the MSCI Asia ex Japan equity index lost 8.1%).

Fund performance

- We lost 2.69% (in gross terms) in November and detracted 19bp relative to our benchmark
- The fund survived in a very volatile market thanks to its defensive positioning and a comfortable cash cushion. According to our performance attribution we had positive effects from Olam International, Hynix Semiconductor and China Power .We have negative effects from Jaiprakash Power Ventures, Tata Power and Capitaland Ltd, and Shiv-Vani Oil

Portfolio activity

- We further cut down positions on risky names: China Hui Yuan Juice 4% 2014. However, we picked up some tech names such as Epistar Corp 0% Jan 2014 (manufacturer of LED chip and back lighting) on the back of expectation of cyclical bottom, and Beijing Enterprises 2.25% June 2014 (utilities conglomerate in China's state-own enterprises sector) for defensive positioning.
- We increased our position to benchmark weight in Soho China 3.75 July 2014 on the back of the end in sight of Beijing's monetary tightening. In addition, we had small overweight in Intime Department Store 1.75% October 2013 and Olam International 6% October 2016 (stable food / commodity trader) in an attempt to capture technical rebounds as both are a balanced play and with solid fundamentals.
- United Laboratories International, a Chinese pharmaceutical company that manufactures and sells antibiotic finished products, the bulk drugs (penicillin and amoxicillin) and intermediates used to produce them, issued 7.5% 2016 CNY790million convertible bonds. The use of proceeds from the issue is to refinance debt and for capex. As we are negative on the Chinese pharmaceutical sector and the company itself is not of particular interest, the fund did not participate in the deal

Outlook & positioning

- In the fund, we remain cautious and will wait for a suitable opportunity to redeploy our cash
- Although we are still in the early stages of a cyclical downturn in property in China, from a long term perspective, we believe the urbanisation of China is far from complete and demand for housing is bound to resume in the future.

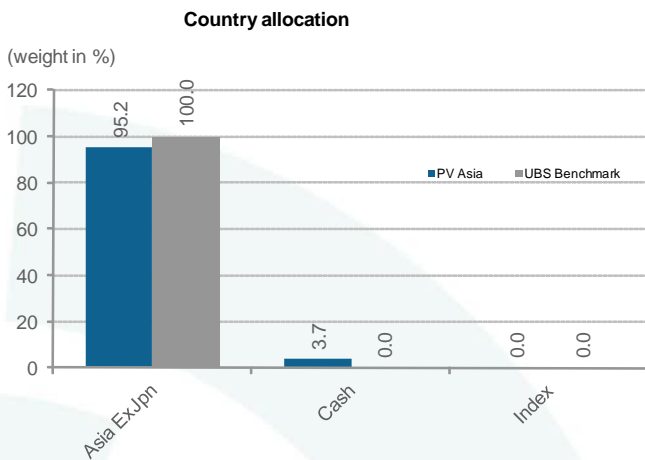
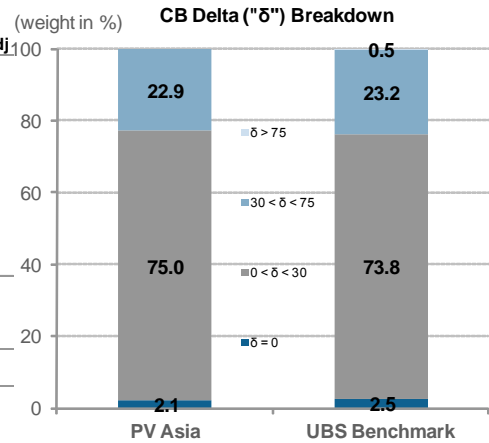
Top 10 Holdings at month end (Sorted by absolute weight)

Holdings	Currency	Rating	Country	Sector	Delta	Port. Wgt	Bench Wgt	Over Wgt
China Unicom 0.75% 2015	USD	BBB	Hong-Kong	Telecom	66.96	7.13	6.98	0.15
China Petroleum 0% 2014	HKD	A	Hong-Kong	Energy	11.82	6.42	5.62	0.80
Beijing Enterprise 2.25% 2014 HKD	HKD	N/R	Hong-Kong	Capital Goods	45.64	5.23	1.06	4.17
Tata Power 1.75% 2014	USD	BB	India	Utilities	9.72	4.76	0.97	3.79
Hon Hai 0% 2013	USD	A	Taiwan	IT Hardware	16.47	4.64	3.20	1.44
AU Optronics 0% 2015	USD	N/R	Taiwan	IT Hardware	3.83	3.92	2.04	1.88
Tata Motors 0% 2012	USD	BB	India	Auto	5.36	3.79	1.96	1.84
Hynix 2.65% 2015	USD	B	Korea	Semiconduct.	18.51	3.32	1.60	1.72
Fufeng Group 4.5% 2015	CNY	BB	China	Chemical	14.36	3.10	-	3.10
China Agri-Industries 1% 2015	HKD	N/R	Hong-Kong	Agricultural	12.16	3.08	1.61	1.47

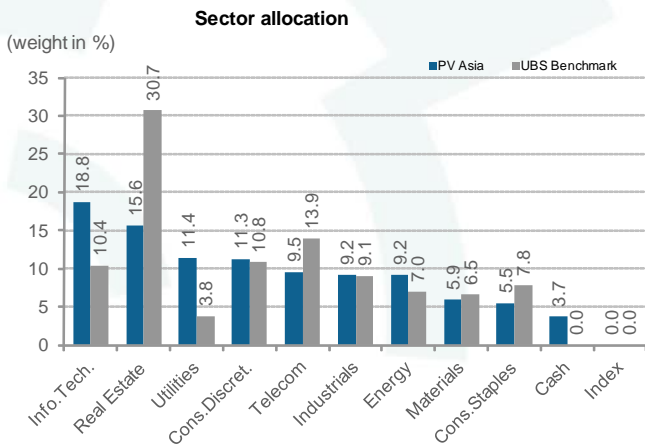
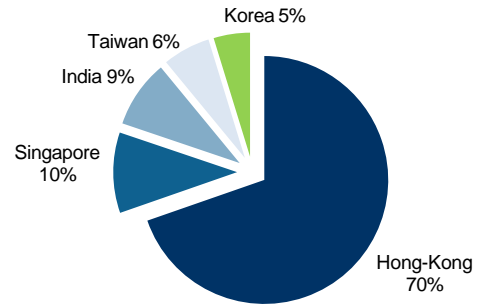


Parvest Convertible Bond Asia - A visual Approach at month end

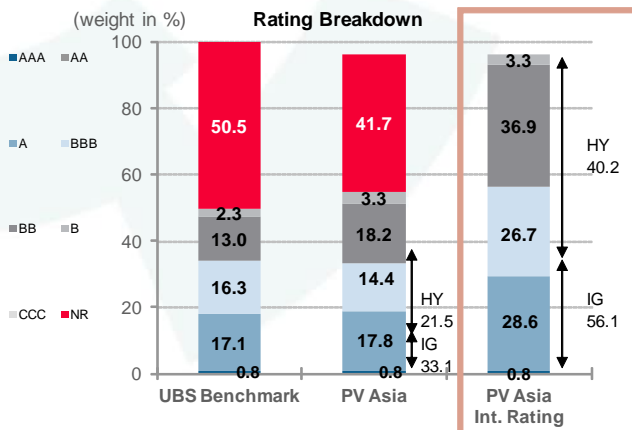
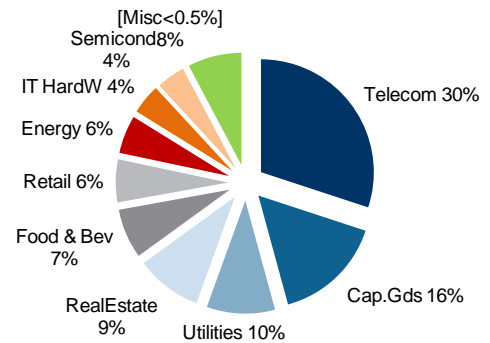
as of 30 November 2011	Portf	Bench	Instrument exp.	Portf	Delta adj
Nb of Securities (#)	50	70	Convertible Bonds	96.3	14.3
Equity sensitivity (%)	14.3	14.9	Equity & Derivatives	0.0	0.0
Avg CB Price (% Nom)	103.1	106.8	Bonds	0.0	0.0
Premium (%)	91.3	71.3	Futures	0.0	0.0
Avg Bond Floor (% Nom)	98.8	102.7	Cash	3.7	0.0
Avg Duration (Years)	1.99	1.85		Portf	Bench
Avg Maturity	16-févr-14	14-janv-14	Avg Current Yield (%)	1.70	1.63
Avg Credit Spread (bp)	386	373	Avg Yield to Workout (%)	1.04	0.50
Avg Rating (from rated CBs)	BBB-	BBB	Avg Rating (Internal)	BB+	-



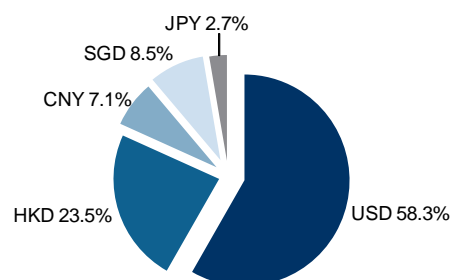
PV Asia in details (delta weighted):
Misc list = 4 countries



PV Asia in details (delta weighted):
Misc list = 5 sectors



PV Asia Currency exposure (delta weighted)





For more information, please contact:

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Performance details

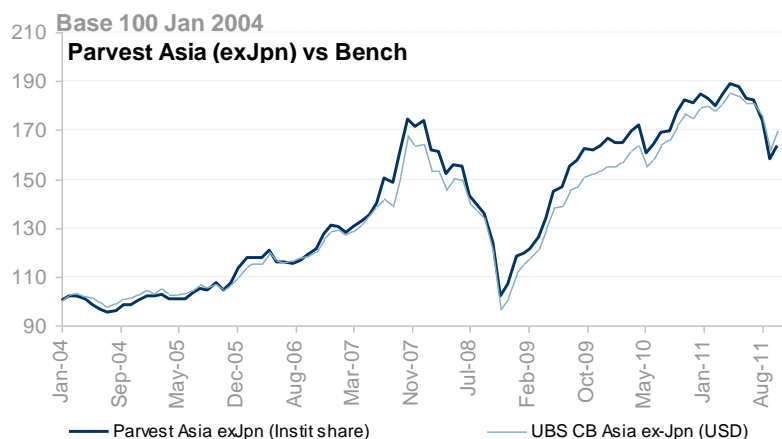
Cap: LU0095613583

Dist: LU0095613823

Instit: LU0102025151

Total AUM of the fund at month end: EUR 146 mln

Total AUM of the strategy: EUR 236 mln



Performance (net of fees C share) (%)	November	Last 3M	YTD	Last 12M	Last 24M*	Last 36M*	Last 60M*	Since inc,**
Parvest Convertible Bond Asia	-2.81	-8.58	-14.38	-12.68	-2.09	13.20	3.63	7.04
UBS Convertible Asia ex Japan > 0305	-2.49	-5.14	-7.37	-5.06	4.04	17.90	5.65	6.03
Excess return	-0.32	-3.44	-7.00	-7.63	-6.12	-4.70	-2.03	1.01

Performance History (%)	2010	2009	2008	2007	2006
Parvest Convertible Bond Asia (full year)	10.07	38.99	-32.41	31.48	14.23
UBS Convertible Asia ex Japan > 0305 (full year)	15.61	38.61	-31.89	27.48	17.11
Excess return (full year)	-5.54	0.38	-0.52	4.00	-2.88

Risk indicators (annualised)	Last 36W	Last 12M	Last 24M	Last 36M	Last 60M	Since inc,**
Fund volatility (%)	10.87	10.06	11.28	12.79	16.20	14.43
Benchmark volatility (%)	9.56	8.65	10.01	11.34	16.26	12.57
Tracking error (%)	2.68	2.72	2.66	2.97	3.88	9.36
Information ratio	-2.66	-2.52	-2.30	-1.58	-0.52	0.11

management fees: 1%

Performance (net of fees I share) (%)	November	Last 3M	YTD	Last 12M	Last 24M*	Last 36M*	Last 60M*	Since inc,**
Parvest Convertible Bond Asia	-2.75	-8.41	-13.80	-12.03	-1.36	14.16	4.58	7.82
UBS Convertible Asia ex Japan > 0305	-2.49	-5.14	-7.37	-5.06	4.04	17.90	5.65	6.03
Excess return	-0.26	-3.27	-6.42	-6.98	-5.39	-3.74	-1.07	1.79

Performance History (%)	2010	2009	2008	2007	2006
Parvest Convertible Bond Asia (full year)	10.88	40.43	-31.72	32.85	15.40
UBS Convertible Asia ex Japan > 0305 (full year)	15.61	38.61	-31.89	27.48	17.11
Excess return (full year)	-4.73	1.82	0.17	5.37	-1.71

Risk indicators (annualised)	Last 36W	Last 12M	Last 24M	Last 36M	Last 60M	Since inc,**
Fund volatility (%)	10.87	10.06	11.29	12.82	16.22	14.44
Benchmark volatility (%)	9.56	8.65	10.01	11.34	16.26	12.57
Tracking error (%)	2.68	2.72	2.66	2.97	3.88	9.36
Information ratio	-2.41	-2.29	-2.02	-1.26	-0.28	0.19

management fees: 0,55%
all figures net of fees (in USD)

* annualised performance

** inception date: 10/01/95 (annualised)

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disclaimer

On 1 September 2010, Parvest Convertible Bond Asia Fund was renamed Parvest Convertible Bond Asia Fund.

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