# Monthly Report

## NOVEMBER 2011

Labrusca Global´s NAV rose by 1,20 percent in November. The period was one of strong focus on macroeconomic developments. The equity markets continued with a positive performance through mid-month, to then fall hard, to finally finish the month strongly on increased USD liquidity provided by the world's central banks. We will not comment here on whether current state of affairs are the result of bad policy, if planned refinancing of mature market debt is effective policy or morally correct, or if continuous stimulation from central banks is a sustainable path. We will just restate that the current investment environment, with managed negative short-term real interest rates and strong market involvement by various policy makers, will be one of short-term and probably medium-term macro driven volatility. Therefore, equity investing based on the merits of the fundamentals of the individual company case as opposed to trading, is only advisable with a long-term investment horizon.

"The good thing with volatility," an old banker joke goes, "is that if you are wrong, you are not so wrong for so long." As price driven investors, we took advantage of the strong upward movements in the beginning of the period to scale down in some of our positions which approached our price targets, and on weaker market days we added to existing positions. We also adjusted some positions considering the economic environment. Net exposure was at month-end 68 percent. Geographically, the fund's Asia exposure has increased at the expense of Developed Europe. On a sector level, our exposure to Energy, Technology and Industrials have risen, while decreasing in Financials and Consumer sectors.

Headwaters, which is currently in negotiations to sell both their coal-cleaning facilities and their ethanol plant for a substantial sum vis-à-vis the company's market capitalization, rose by 45 percent in November and was the strongest contributor to NAV. Osaka Securities and Tyco International were the other top contributors. Our select few Mediterranean positions, Hellenic Exchanges, Fourlis and Vestel Elektronik were the weakest contributors in the period.

We sold down our positions in Hellenic Exchanges, Vestel Elektronic, Fourlis, Bank Asya, Headwaters, Visteon, Aegon, Tyco International and Parmalat. Meaningful capital was deployed into Marathon Oil, Vimpelcom, and newcomer Asahi Glass.

On November 22nd, Osaka Securities agreed to be acquired by the Tokyo Stock Exchange, in a regulatory driven merger structure of first bidding 480,000 yen per share for up to 66,7 percent of Osaka, and eventually the balance in Tokyo Stock Exchange stock through a reverse listing. This was a 23 percent premium to Osaka's average price since the talks were announced March 10. Our position in Osaka, currently 3,2 percent, was initiated in the middle of March 2011 during the post-tsunami Japanese stock market sell off; considering the short time duration of the position in the financial sector from March through November of 2011, we find the return most satisfactory.

After a strong performance in the last few months of roughly 35 percent, we continued to scale down the position in Activision early in the month. The majority shareholder Vivendi sold a USD 427 million stake in Activision (going from 63% to 60% ownership) on November 15th which produced a correction in the share price. During the month the company announced record sales of the game MW3 and Call of Duty Elite drew more than 1 million premium membership subscriptions after six days. In the next quarter, the company will release Diablo III. As the price fell after the Vivendi sale, we increased the position back to approximately 3 percent.

Earlier in the year we established a limited position in the call-center operator Transcom, a position we almost completely liquidated in October and early November. At initiation, the company was in the middle of a restructuring process, with the French operation in primary focus, to be able to return closer to historical margins. However, in June the company announced a major restructuring program, larger than our initial expectations. Also, an unexpected tax issue and related charge was announced early in October. A SEK 500 million rights issue, guaranteed by their largest owner Swedish based investment company Kinnevik, and a refinancing agreement with the banks together with decent underlying operating results were subsequently announced.

Early in the month we also cut down the position in the Greek retailer Fourlis. The company's operations currently primarily include seven IKEA stores in Greece, Bulgaria and Cyprus, as well as the Intersport franchise. The company has gained significant market share in the last few years and the last opening of IKEA Sofia has been exceeding expectations. However, we have weighted the facts of a depressed equity valuation of EUR 109 million in relation to normalized earnings power and significant property holdings of EUR 245 million on the balance sheet against the uncertainty around retail spending in the region, and concluded that a lower position size was warranted.

Our investment thesis in the auto parts supplier Visteon was further confirmed when the company announced an agreement to sell its global interior business to its existing JV Yanfeng (YFV). The potential transaction will deconsolidate the existing interiors business and possibly set up for a sale of the total YFV in the next year. We have trimmed the position into strength, down to a 3 percent position.

Hewlett-Packard reported results slightly above expectations and, in what in the business is called kitchen- sinking, "reset the expectations" for 2012 by guiding substantially below the previous CEO's guidance and the business' earnings power. This was not really surprising to us as it had been called for by various sell-side analysts. What is more important was that business units such as printing reported poor results, whereas PC's was quite strong. We believe that the current share price materially underestimates the value of HP and the position is currently 4,8 percent of the fund.

Going forward, the turbulence of the past has already affected business fundamentals and financing availability. The question remains, in combination with future developments, to what degree and how permanent versus today's lower price for individual equities. We strongly believe that in the case of Labrusca Global´s equity portfolio, that the overall discount between current market pricing and fundamental fair value is substantial.

# PORTFOLIO

As of 30.11.2011

| Security | Sector | Country | Currency | Market Value EUR | Portfolio weight |
|---|---|---|---|---|---|
| Tyco Intl | Industrial | USA | USD | 8 989 828 | 6,3% |
| Hewlett-Packard Co | Technology | USA | USD | 6 835 914 | 4,8% |
| Fila Korea Co Ltd | Consumer, Cyclical | South Korea | KRW | 6 066 323 | 4,2% |
| Kaz Munai Gas GDR | Energy | Kazakhstan | USD | 5 545 984 | 3,9% |
| VimpelCom ADR | Communications | Russia | USD | 5 090 690 | 3,5% |
| Osaka Securities | Financial | Japan | JPY | 4 604 987 | 3,2% |
| Visteon Corp | Consumer, Cyclical | USA | USD | 4 503 061 | 3,1% |
| Marathon Oil Corp | Energy | USA | USD | 4 445 349 | 3,1% |
| Activision Blizzard | Technology | USA | USD | 4 219 663 | 2,9% |
| Vestel Elektronik Sanayi | Consumer, Cyclical | Turkey | TRY | 4 178 819 | 2,9% |
| Bunge | Industrial | USA | USD | 3 946 880 | 2,7% |
| Cisco Systems | Technology | USA | USD | 3 560 365 | 2,5% |
| Pan American Silver | Basic Materials | USA | USD | 3 478 804 | 2,4% |
| Wilh Wilhelmsen Holding B | Industrial | Norway | NOK | 3 478 021 | 2,4% |
| Toyota Industries | Consumer, Cyclical | Japan | JPY | 3 475 194 | 2,4% |
| OMV | Energy | Austria | EUR | 3 451 085 | 2,4% |
| Amdocs | Communications | USA | USD | 3 399 941 | 2,4% |
| Aegon NV | Financial | Netherlands | EUR | 3 182 170 | 2,2% |
| Marathon Petroleum Corp | Energy | USA | USD | 3 152 949 | 2,2% |
| Ajinomoto Co Inc | Consumer, Non-cyclical | Japan | JPY | 3 045 455 | 2,1% |
| XL Group | Financial | USA | USD | 2 974 550 | 2,1% |
| Headwaters | Energy | USA | USD | 2 869 758 | 2,0% |
| LG Corp Pref | Industrial | South Korea | KRW | 2 434 126 | 1,7% |
| PT Bakrie Sumatera Plantations | Consumer, Non-cyclical | Indonesia | IDR | 2 341 395 | 1,6% |
| Television Broadcasts | Communications | China | HKD | 1 942 218 | 1,4% |
| Fourlis Holding | Consumer, Cyclical | Greece | EUR | 1 859 671 | 1,3% |
| Asahi Glass Co Ltd | Industrial | Japan | JPY | 1 849 100 | 1,3% |
| Asya Katilim Bankasi | Financial | Turkey | TRY | 1 588 697 | 1,1% |
| Jenoptik AG | Industrial | Germany | EUR | 1 483 819 | 1,0% |
| Parmalat | Consumer, Non-cyclical | Italy | EUR | 1 424 858 | 1,0% |
| Vestas Wind Systems | Industrial | Denmark | DKK | 1 422 859 | 1,0% |
| Wilh Wilhelmsen Holding A | Industrial | Norway | NOK | 1 344 895 | 0,9% |
| Eniro | Communications | Sweden | SEK | 1 175 197 | 0,8% |
| Gallant Venture | Financial | Singapore | SGD | 933 795 | 0,6% |
| Brazil Fast Food | Consumer, Cyclical | Brazil | USD | 908 072 | 0,6% |
| Daekyo Co Pref | Communications | South Korea | KRW | 645 540 | 0,4% |
| KCC | Basic Materials | South Korea | KRW | 537 580 | 0,4% |
| Daekyo Co | Communications | South Korea | KRW | 444 066 | 0,3% |
| Hellenic Exchanges | Financial | Greece | EUR | 353 188 | 0,2% |
| Other Positions (3)* | | | | 740 573 | 0,5% |
| Health Care Basket (5) | | | | 5 875 235 | 4,1% |
| Total Long Equities | | | | 123 800 670 | 86,2% |
| | | | | | |
| Bonds (2) | | | | 3 008 281 | 2,1% |
| Long Exposure | | | | 126 808 951 | 88,3% |
| | | | | | |
| Short Positions (10) | | | | -28 903 454 | -20,1% |
| Net Exposure | | | | 97 905 497 | 68,1% |
| Gross Exposure | | | | 155 712 405 | 108,4% |
| | | | | | |
| Cash | | | | 16 867 091 | 11,7% |
| **TOTAL PORTFOLIO** | | | | **143 676 042** | **100%** |

*) Other Positions (3) are investments we do not disclose until fully established. This procedure is in place to ensure our clients best possible investment execution.

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# FUND PRICING

As of 30.11.2011

Labrusca Global (EUR IC) vs 3M EURIBOR


Fund Pricing 30.11.2011

**Institutional Class (IC):**

| | |
|---|---|
| EUR: | 93,67 |
| SEK: | 88,56 |
| NOK: | 92,77 |
| USD: | 104,40 |

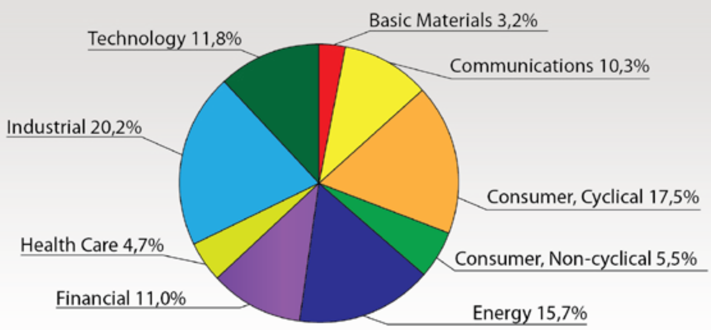
**Retail Class (RC):**

| | |
|---|---|
| EUR: | 92,91 |
| SEK: | 87,88 |
| NOK: | 92,00 |

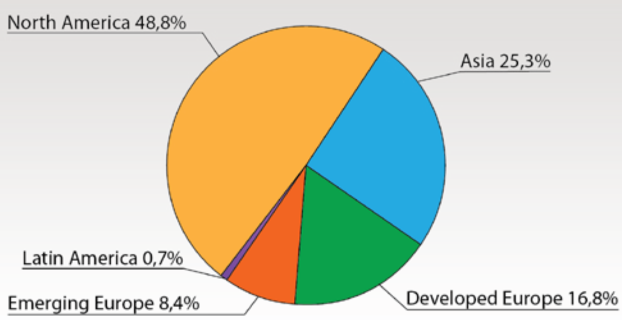
# PORTFOLIO STRUCTURE

Invested Portfolio as of 30.11.2011

Sector Distribution




Geographical Distribution





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