



# Alken European Opportunities

Report as at 30<sup>th</sup> November 2009

## Investment Objective

Alken European Opportunities Fund aims to provide capital gains and enable investors to benefit from growth in the European equity market.

## Investment Universe

The Fund will invest mainly in equity and equity-related securities issued by companies that are headquartered in Europe, have a majority of their assets or other interests in Europe, or conduct the majority of their activity in Europe or from Europe.

## Investment Process

Alken European Opportunities Fund's investment philosophy concentrates on 5 major issues :

- ❖ Undervalued companies when compared with the intrinsic value;
- ❖ High profitability and growth potential;
- ❖ Management with a good track record, humble, focused and motivated;
- ❖ Focused investments on stocks with the most potential;
- ❖ Avoidance of market excesses

Risk management is an integral part of the investment process. The performance and risk profile of the fund are reviewed continuously.

## Fund Manager's Report

As at 30<sup>th</sup> November, the fund has outperformed the DJ Stoxx 600 returns index by 12.35% since inception (3<sup>rd</sup> January, 2006). The fund is up 32.21% YTD and in November the fund is down -1.39% vs. +1.20% for its benchmark.

November saw a continuation of the patterns seen in October with a directionless and volatile market. We also noticed a reduction in volumes as the year draws to a close. The fund suffered mainly due to its exposure to Volkswagen Prefs (-16.5%) and UBS (-9.9%). The VW shares were still reeling from the Qatar placement and we are confident that this technical effect is now reducing considerably. Instead, the market should start to focus again on improving fundamentals with order books close to full, driving potentially good Q4 results. The fall in the UBS share price is a reflection of the general profit taking seen in the banks sector which began in October. It is also worth mentioning Software AG, which was up 18% in November. The company released good Q3 results and disclosed strong synergy numbers on their IDS Scheer acquisition. Operationally, the company is on track with strong potential on 2010 budgets and the stock remains one of the cheapest in the sector, trading on 12x pre-synergy earnings. Looking ahead, 2010 is looking more uncertain than previously thought. We do believe that the re-stocking in Europe will take place in the coming months and still expect EPS upgrades in the first two quarters of the year. However, following the Dubai debt overdose disaster, sovereign risk is back and growth in developed markets could be dampened by a potential slowdown in emerging markets. We continue to focus on our stock picks and on quality companies with good earnings visibility. We added Roche to the portfolio. Roche is the only pharmaceutical company with no major patent expiries until 2018, combined with a strong product pipeline which is not taken into account by the share price.

Nicolas Walewski  
Alken Asset Management  
9<sup>th</sup> December 2009

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## Key Information

NAV (30.11.2009)	Share type R: € 98.15 Share type U: € 76.23
Fund Size	€ 1,825,480,342.09
ISIN	Share type R: LU 0235 308 482 Share type U: LU 0347 565 383
Bloomberg	Share type R: VANEOPR LX Share type U: VANEOPU LX
Telekurs	002331080000
Launch date	05/01/2006
Benchmark	DJ Stoxx 600 €
Fund Manager	Alken Asset Management
Custodian	Pictet et Cie (Europe) S. A.
Fund Type, Registration	SICAV - Ucits III, Luxembourg
Dealing	Daily until 16.00 (CET)
Distribution	Share type R: None. Share type U: UK distributing.
Management Fee	1.50%
Performance Fee	10%, relative to benchmark

## Characteristics

	Index	Fund
Return (mom)	1.20%	-1.39%
Return (ytd)	24.61%	32.21%
Return (since inception 03.01.2006)	-14.20%	-1.85%
Standard Deviation	26.57%	28.51%
Tracking Error	-	9.96%
Beta	1.00	1.01
Number of Holdings	600	82

## Major Holdings

SOFTWARE AG	4.25%
VOLKSWAGEN-PFD	3.95%
RYANAIR HLDGS	3.66%
ROCHE HLDGS	3.49%
PEUGEOT SA	3.31%

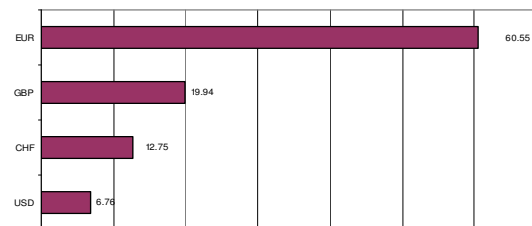
## Market Capitalisation

Large Cap (> 5 bn)	55.64%
Mid Cap (2 bn - 5 bn)	20.00%
Small Cap (0.2 bn - 2 bn)	21.03%
Micro Cap (< 0.2 bn)	2.62%
Cash	0.71%
<b>Total</b>	<b>100.00 %</b>

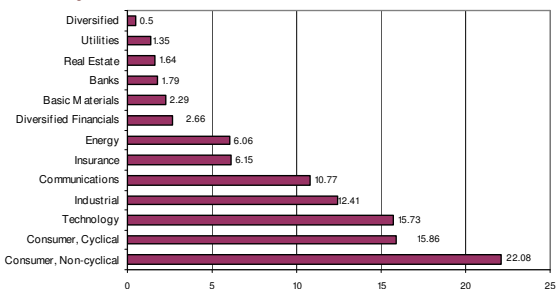
## Performance



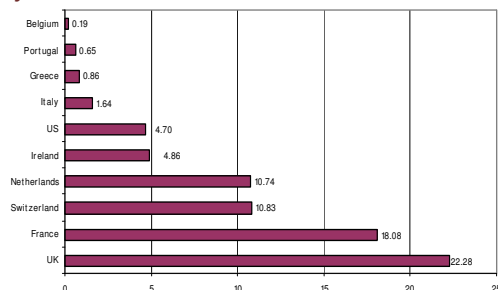
## Currency breakdown in %



## Industry Breakdown in %



## Country Breakdown in %



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