

BG Long Term Value

"FCP Actions des pays de la Communauté Européenne" / UCITS III
Newsletter - January 2012

BOUSSARD &
GAVAUDAN

MORNINGSTAR®



LIPPER
FUND AWARDS 2010
FRANCE

LIPPER
FUND AWARDS 2011
FRANCE

I Unit	R Unit	Z Unit	Net assets
1,562.04 €	1,547.72 €	1,531.49 €	€42.8M

Objective

BG Long Term Value aims at outperforming the Dow Jones Eurostoxx 50® Total Return index through in depth analysis of the fundamentals and industrial dynamics of the companies in which we invest combined with a thorough knowledge of market instruments. The investment horizon is 5 years.

Manager's comments

European equities markets ended January up with the Eurostoxx 50® (total return) finishing at 4.6%. Markets rose in January due to better than expected macroeconomic data and the publication of consistently encouraging earnings results from corporates. The consequences of the ECB Long Term Refinancing Operations (LTROs) also supported the performance of equities markets. January witnessed a significant sector rotation whereby last year's winners reversed some of their outperformance. The rally on financial and cyclical sectors contributed to the performance of European equities markets (+9.5% on DAX, +4.4% on CAC 40, +2% on FTSE 100 and +4.9% on FTSEMIB).

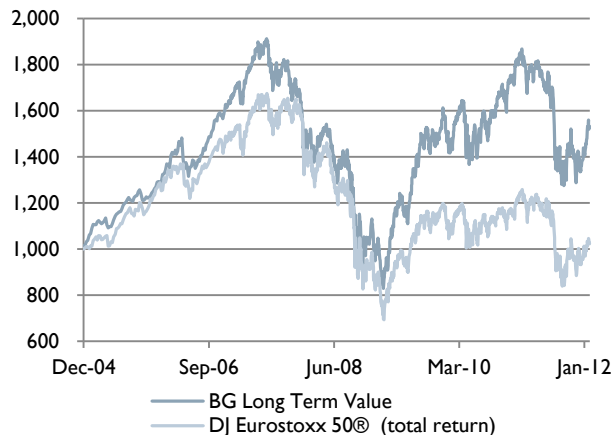
Over the month, the Euro appreciated against the Dollar (0.9%) and the barrel price (WTI) decreased by 0.4%.

Volatilities on stock markets decreased: the VDAX index moved down to 22.5% from 28.6% and the VStoxx® to 26.3% from 32.2%. Credit spreads tightened with the iTraxx Crossover finishing at 621bps (133bps of tightening).

"Automobiles", "basic resources" and "banks" outperformed (respectively +20.9%, +14.1% and +9.8%) whilst "telecommunications" and "retail" underperformed this month (respectively -2.6% and -3.8%). Financials, slightly overweight vs. Eurostoxx 50®, contributed to the fund's outperformance: KBC Groep (+49%), ING (+25.1%), Société Générale (+18.4%) and Allianz (+13.7%). The portfolio also benefited from positions in cyclicals: Renault (+21.5%), Accor (+18.6%) and Fiat Industrial (+13.1%).

In a high dispersion market, the fund benefited from a number of positions implemented in the book a few months ago. BG Long Term Value (I Unit) ended January at 9.2% vs. 4.6% for the Eurostoxx 50® (total return), outperforming its benchmark by 4.6 points.

Net asset value performance (Z Unit)



Cumulative performance in %

Period	I month	I year	3 years	5 years	ITD
I Unit	9.2%	-	-	-	-14.9%(*)
R Unit	9.1%	-	-	-	-15.7%(*)
Z Unit	9.1%	-14.8%	54.0%	-8.9%	53.1%
Benchmark	4.6%	-15.2%	19.8%	-31.8%	2.7%

Historical performance in %

Year	2012	2011	2010	2009	2008	2007	2006
I Unit	9.2%	-22.1%(*)	-	-	-	-	-
R Unit	9.1%	-22.7%(*)	-	-	-	-	-
Z Unit	9.1%	-18.5%	13.2%	43.9%	-37.5%	4.0%	28.2%
Benchmark	4.6%	-14.1%	-2.8%	25.7%	-42.4%	9.6%	17.2%

Annualised risk indicators (Z Unit)

Portfolio volatility	25.9%
Benchmark volatility	28.7%
Tracking error	7.3%

Largest positions

	Instrument type	
1. GFI Informatique	Equity	5.1%
2. BP	Equity	4.4%
3. Puma	Equity	4.1%
4. Reed Elsevier	Equity	3.9%
5. BG Group	Equity	3.7%
Total		21.2%

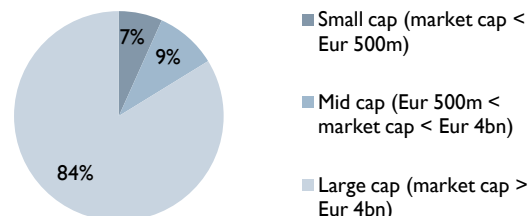
Number of positions in the portfolio 41

(*) Unit I and R were created on 1 March 2011. Unit Z (ISIN : FR0010137646)

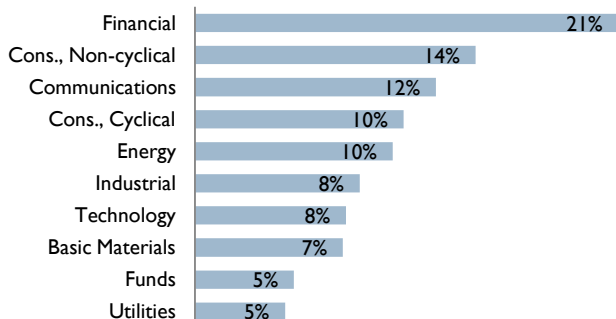
Instrument type breakdown



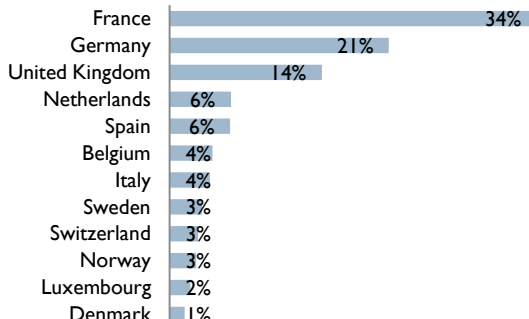
Market cap breakdown



Business sector breakdown



Country breakdown



Unit	I: "Institutional"	R: "Retail"
ISIN Code	FR0011001023	FR0011001049
Bloomberg Ticker	FBGGLT1 FP Equity	FBGGLTR FP Equity
Allocation of income	All fund income is reinvested	
Management fee	1%, maximum rate	2%, maximum rate
Performance fee	15% of the outperformance between the Eurostoxx 50® total return and the Stoxx 600® total return, if the performance is positive	
Subscription fee	3%, maximum rate, not due to the fund	
Redemption fee	Nil	
Minimum initial subscription	1 000 000 euros	1 unit

Group investment team

Emmanuel Boussard is the co-founding partner and CIO of BGG since 2002. He has nineteen years of experience. Previously he worked in equity derivatives trading first at Bankers Trust in New York and then at Goldman Sachs both in London and Paris. His responsibilities included European Equity Derivatives proprietary trading and French stock option book.

Emmanuel Gavaudan is the co-founding partner of BGG since 2002. He has twenty-three years of experience. He spent over thirteen years at Goldman Sachs in London and Zurich. He served first as a portfolio manager for high net worth individuals, family offices, trusts and foundations and subsequently went to Zurich as General Manager of Goldman Sachs & Co Bank. He returned to London in 2000 as a Partner Managing Director in the Investment Management Division.

Charles-Edouard Joseph is the head of the fundamental analysis team. He has fourteen years of experience. He worked five years in M&A in the Investment Banking Division of Goldman Sachs in London and Paris. He joined BGG in 2003.

Etienne Becker is co-CIO of investments of BGG. He is the head trader for European volatility and equity based strategies. He has fifteen years of experience. Previously he worked as a trader at UBS Warburg and Goldman Sachs International in London. He joined BGG in 2004.

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