



# P&C Global Thematic Investors Fund

(Monthly Fact Sheet as at 31st January 2011)

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Website: [www.Global-Thematic.com](http://www.Global-Thematic.com)

## Brief Fund Details

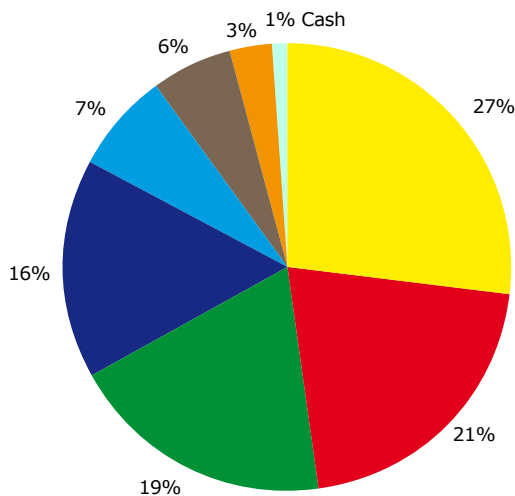
**Fund's objectives:** : to maximise total returns in excess of the returns available from EUR deposit through investment in equities and funds exposed to global investment themes as described in the GTI Newsletter.

**Investment vehicles:** equities (<100%), closed-ended and open-ended funds (<100%).

**Investment restrictions:** cash <25%, any one fund or adviser <20%, any one security <10%, derivatives (only for short-term market hedging) <25%, normally no currency hedging.

- Subscription price as at 31st January 2011:
  - NAV EUR 985.93
  - Estimated USD equivalent (for USD investors): USD 1,351.71
- Minimum investment: EUR 100,000
- Domicile of fund: Cayman Islands
- Investment Manager: GTI Fund Investment Ltd, Cayman Islands
- Investment Adviser: P&C Global Wealth Managers SA, Switzerland
- Advisers: Iain Little and Bruce Albrecht
- Custodian: RBC Dexia Investor Services Bank SA, Luxembourg
- Administrator: RBC Dexia Investor Services Bank SA, Luxembourg
- Auditor: BDO Tortuga, Cayman Islands
- Sales fee: Up to 3% permitted
- Dealings: Monthly (last business day of month)
- Inv Management Fees: 1.50%
- Performance Fees: 12% absolute returns (HWM)

## Asset Allocation of the GTI Fund



Cash	Supply inelasticity	Energy & Alt Energy
Internet Hub/Glob Out	Developing China	Water Shortages
Emerging Middle Class	Ageing Population	

## Portfolio Commentary

### Executive Summary

In January the fund's EUR NAV fell by -3.9% to **EUR 985.93**. The MSCI Emerging Markets Index by -4.9% and the MSCI World Index in EUR fell by -0.6%. Since "Crisis End" 2008 –just over a 2 year period- outperformance over the World equity index by our global themes is +15.0% (+71.9% v +56.9%) after all costs.

The USD equivalent NAV fell by a lesser -1.8% to **USD 1351.71** (as the USD weakened versus the EUR by about 2%).

	January 2011	YTD 2011	31/12/08 to 31/01/11 (25 Mths)
<b>P&amp;C GTI Fund (EUR)</b>	<b>-3.9%</b>	<b>-3.9%</b>	<b>+71.9%</b>
MSCI World (EUR)	-0.6%	-0.6%	+56.9%
MSCI Emerging Markets (EUR)	-4.9%	-4.9%	+100.1%
<b>P&amp;C GTI Fund (USD)</b>	<b>-1.8%</b>	<b>-1.8%</b>	<b>+69.6%</b>
MSCI World (USD)	+1.6%	+1.6%	+54.7%
MSCI Emerging Markets (USD)	-2.8%	-2.8%	+97.3%

### Only Rotation

Last month we wrote that "something unforeseen in 2011 will crop up to unsettle equity markets". Well, in January we got it: a rotation out of emerging markets and into major markets, as sudden as it was severe. In addition, 2 seemingly unrelated events served to complicate this normal stock market year-end rotation: much media coverage given to rising food prices –said to be a dampener to profits of consumer businesses in Asia in particular- and events in the Maghreb and Egypt.

Since the majority of the fund is invested in growth market dominant businesses –many of them consumer-related (the "Emerging Middle Class" theme being the largest)- we were adversely hit. There were some interesting casualties, most of which confirm our view that this rotation will be only of a short or –at maximum- a medium-term nature and we expect a "snap back" later this year (as we write, this may even be happening, rather earlier than we expected),

-3.3% of our -3.9% drawdown came from 9 positions, all emerging market related, all excellent performers in both 2009 and 2010, and all with an unblemished, or even improving, profits outlook for 2011 and beyond: (see table at top of page 2)

### Top 4 Fund Holdings (28%)

1. Imara African Opps	10%	10%
2. Investec Global Energy	7%	7%
3. EFG MEDA	6%	6%
4. Arisaig Asia Consumer Fund	5%	5%

### Asset Allocation 31/1/11

GTI funds (12 positions)	55%
GTI equities (33 positions)	44%
Cash	1%

Holding	Theme	Activity	Performance Contribution
Gold Fund	"Supply Inelasticity"	Gold and mining companies	(-0.7%)
Wumart	"Developing China"	Dominant Beijing supermarket	(-0.5%)
Hsu Fu Chi	"Developing China"	Leading candy manufacturer	(-0.5%)
Arisaig Asian Consumer Fund	"Developing China"	Dominant Asian Consumer stocks	(-0.4%)
Impala Platinum	"Supply Inelasticity"	Leader platinum	(-0.3%)
BlackRock World Mining Trust	"Supply Inelasticity"	Diversified mining companies fund	(-0.3%)
Ambev	"Emerging Middle Class"	Dominant beer in Brazil / LatAm	(-0.2%)
New India Investment Trust	"Emerging Middle Class"	Indian fund	(-0.2%)
Jollibee Foods Corp	"Emerging Middle Class"	Dominant fast foods in Philippines	(-0.2%)
		<b>Total</b>	<b>(-3.3%)</b>

So we are not unduly concerned, particularly as rotations are normal, stabilising events in stock markets, and, from a behavioural standpoint, predictable; asset allocators seek to shore up winning parts of their portfolios at the start of the year, often for spurious reasons. But -much more importantly- our businesses are thriving. For example:

- our "Developing China" theme adviser reported that senior management of supermarket Wumart, where >+20% growth is expected, whispered that higher food prices actually helped them. For a variety of Asian consumer stocks, higher input costs are being passed on to the consumer, with little impact on margins.
- our "Supply Inelasticity" theme adviser reported that the forward cash flow from the leading half dozen mining companies worldwide was sufficient to buy the entire mining sector! Rio Tinto and BHP Billiton have reported cracking results, with more to come in 2011 and beyond. In Rio's case, cash flow was up +70% to USD 24bn and underlying earnings +122%, so his claim is at least believable.
- our "Energy and Alternative" theme adviser reported that oil and energy companies -after a dull 2010- are likely to beat market forecast handsomely in 2011 and this will encourage much greater fund flows into the energy sector.

In short, the current market fascination with out-performing "scarcity" assets (miners, fertilizer companies, agriculture plays, energy stocks) will play to our GTI strengths (*some 37% of the portfolio is invested there*).

#### What We Did

We added more stock names to end January 44% in stocks. We added leading "Global Outsourcing" theme play, Adecco, and fortified our "Ageing Population" theme via a purchase of Nichii Gakkan, greying Japan's leading nursing care company. In our "Water and Ecology" theme we bought Itron (the world's leader in smart metering for utilities) and Gamesa (world leader in wind turbines). All stock ideas come from our selected GTI specialist advisers and our own research.

The fund now only holds 12 funds but 37 stocks, which means that **GTI is NOT a fund of funds anymore.**

#### Top 10 Equities (22%)

1. Hsu Fu Chi
2. Potash Corp
3. Wumart
4. Lianhua Supermkt
5. Shell
6. Rio Tinto
7. BHP Billiton
8. Gazprom
9. Impala Plat
10. AmBev

#### What We Do

The Fund is a long only fund, investing globally. It's an optimist's fund. We're trying to capture the long term global growth of the GTI themes. GTI is expressly designed for investors who want to benefit from that growth. GTI has absolutely no direct exposure to Sub Prime slime, no first world banks, no derivatives, no structured finance, no gearing. *Long term equity investors who buy into our fund at these levels should be well rewarded over time and will pay no performance fees until we have attained the High Water Mark some 12% above the current share price.*

**Our Q4 2010 "GTI Letter To Shareholders" will be posted to our GTI web site ([www.global-thematic.com](http://www.global-thematic.com)) in the next few days. Ask for a copy if you want one.**

#### Month End Price in EUR (all prices unaudited and for indication only)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year (%)
2006							1000.00	999.48	985.32	1045.36	1033.72	1052.71	+5.3%
								-0.05%	-1.42%	+6.09%	-1.11%	+1.84%	
2007	1059.72	1044.40	1053.78	1089.56	1123.05	1120.68	1113.00	1072.54	1108.91	1145.54	1075.49	1097.73	+4.3%
	+0.67%	-1.45%	+0.90%	+3.40%	+3.07%	-0.21%	-0.68%	-3.63%	+3.39%	+3.30%	-6.11%	+2.07%	
2008	998.28	1026.40	946.73	1013.30	1020.43	943.75	908.65	918.04	822.48	663.13	628.94	573.44	-47.8%
	-9.06%	+2.82%	-7.76%	+7.03	+0.72%	-7.51%	-3.72%	+1.03%	-10.41%	-19.4%	-5.16%	-8.82%	
2009	609.81	560.22	577.93	639.00	698.10	703.30	737.54	731.76	757.52	743.10	747.43	808.04	+40.9%
	+6.34%	-8.13%	+3.16%	+10.57%	+9.25%	+0.75%	+4.87%	-0.78%	+3.52%	-1.90%	+0.58%	+8.11%	
2010	+808.48	+818.36	886.39	918.91	903.40	899.50	884.43	906.58	929.08	947.07	994.53	1026.89	+27.1%
	+0.05%	+1.22%	+8.31%	+3.67	-1.69%	-0.4%	-1.7%	+2.5%	+2.5%	+1.9%	+5.0%	+3.3%	
2011	985.93												-3.9%
	-3.9%												