

# Marketplus

Monthly market outlook

December 2010/January 2011



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# Bad news cocktail

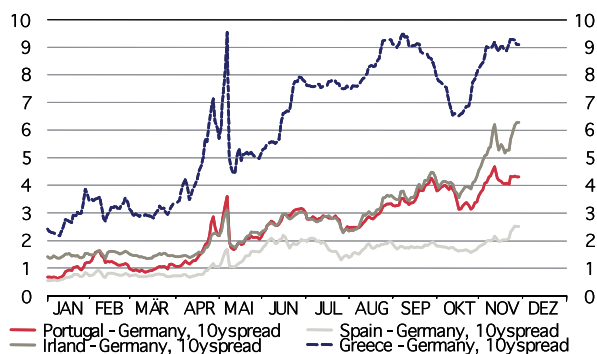
A cocktail of geopolitical concerns in Korea, debt problems in Ireland and a tighter monetary policy in China led to stock market setbacks in November. But since the global economy also appears to be in slightly better shape than previously thought, we are using the financial market turbulences to selectively build up equity positions. In the short term, we anticipate positive corporate earnings surprises; however, as the downside risks in H1 2011 remain substantial, we retain our cautious approach overall. In our private client portfolios, we are slightly underweight equities, commodities and real estate assets.

## Review

### China, Ireland and North Korea

The list of hazards that dogged the financial markets in the second half of the month of November could be easily increased. After the US Federal Reserve Bank's policy captured investor's attention in August, the Euro debt crisis has recently returned to investors' radar screens. Although Ireland's bailout package was quickly secured, spreads in the Euroland reveal that the markets are wary of the measures that have been taken. Not only Ireland, but also Portugal and Spain, are in the line of fire.

### Euroland: Spreads on 10-year bonds



Source: Datastream

Inflation fears are on the rise in China, which has prompted the central bank to introduce additional monetary policy measures to dampen growth. The Chinese stock exchanges have corrected sharply as a consequence. Tensions on the Korean peninsula have contributed their share to the setbacks on the Asian markets.

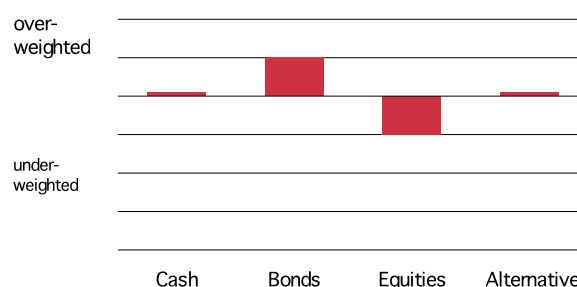
## Macro outlook

### Stronger-than-expected economy

Contrary to our expectations, the global economy has recovered from the summer depression in recent months. The business climate indices have increased in all the economic regions and indicate robust growth rates for Q4 2010. The outlook for H1 2011 remains cautious, however, based on our expectation of a clear slowdown in growth. The increase in money supply by the US Federal Reserve has not altered the basic macro outlook, although it

has helped to lighten the mood a little in the short term. That said, we think this effect will soon wear off, and fears of a recession may start to dog the markets again in Q1 2011.

### Asset allocation: Risky assets slightly underweighted



Source: Sarasin

## Equity strategy

### Consolidation is not complete

The consolidation on the equity markets is likely to last a little while longer because investor sentiment was too optimistic in November. Despite the support of cheap money, the global economic development remains the driving force behind the equity markets. Since we anticipate a significant slowdown in growth in Q1 2011, we consider upside potential to be very limited. We reaffirm our defensive strategy with respect to the regional and the sector equity allocation. Despite the modest economic prospects for 2011, corporate earnings could spring some positive surprises in Q4 2010. Our indicators show that robust order intake in the USA (ISM New Orders) normally leads to upward revisions of global earnings estimates. For the first time in a long while, the US market recently witnessed outflows from bond funds and inflows into equity funds. This trend could lift the performance of equities in the coming months.

**Bond strategy**

**Avoid European periphery**

Long-term interest rates in most economic regions have risen in recent weeks on the back of robust economic data. However, this increase is likely to be short-lived because inflation in the USA and Europe is decreasing and growth should soon slow. Spreads within the Euroland have widened noticeably, but it is too early to profit from higher interest rates on the EMU periphery. We continue to recommend investmentgrade corporate bonds. Convertible bonds also provide an interesting alternative to other investments.

**Currencies**

**US dollar recovery should continue**

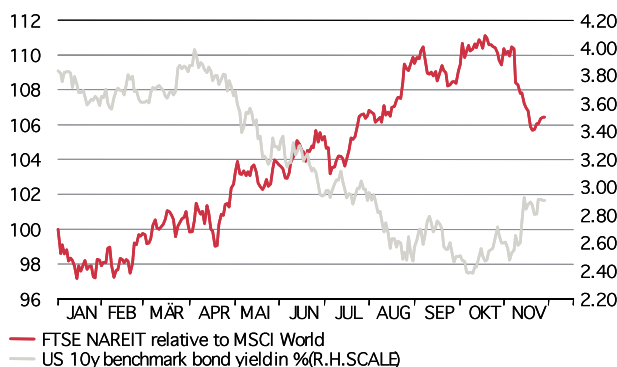
Stronger economic data in the USA, together with the flare-up in the euro crisis, mean that the US dollar has lost a great deal of ground against the euro. The recovery of the US dollar is likely to continue for the time being because safe havens are in demand in times of financial market turbulence. The Swiss franc remains a strong currency and should gain further ground against the euro, due to its role as a safe haven in Europe.

**Alternative assets**

**Exercise caution**

As long as the Chinese government tightens its grip on the economic growth throttle, commodities are likely to remain under pressure. The expected rise in risk aversion could also lead to a liquidation of speculative positions. Base metals and energy, in particular, carry a significant downside risk. Investors should also expect further setbacks for real estate assets. The latest interest rate hike has led to a reversal in the relative performance of real estate assets.

**Longterm interest rates and real estate assets (REITs)**



Source: Datastream

**Asset allocation**

**Slightly smaller underweighting**

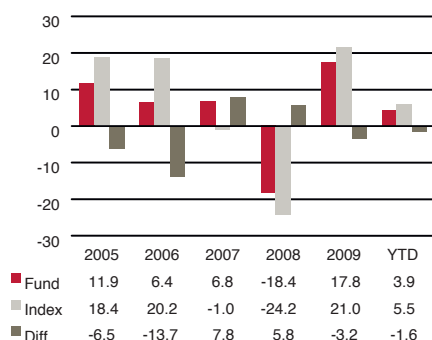
In the near term, the global economy appears robust, corporate earnings are increasing and the US Federal Reserve is doing everything it can to dispel deflation fears. Since the downside risks are lower than they were a couple of months ago, we are gradually reducing our equity underweighting. We will use any weak market phases to selectively build up equity positions. We remain overweight in bonds because these are well supported by the expected slowdown in growth. In aggregate, we see only limited upside potential for risky assets in the coming months and, as a consequence, we continue to underweight the asset classes of equities, commodities and real estate.

## LODH Obliflex Convertible (CHF) P Schroder ISF Euro Corporate

### Investment Strategy

The LODH Obliflex - Convertible (CHF) P invests in convertible bonds, equity warrants and convertible preferred shares denominated in various currencies. The fund is actively managed based on the primary analysis of economies and markets carried out by Lombard Odier Darier Hentsch. They manage the exchangerate risks also actively.

### Performance (See notes on page 15)



Source: Datastream

### Portfolio Split

The portfolio contains between 50-100 issues. The fund is typically invested around the globe, with a focus on Europe and Asia, but also USA and Japan. Not more than 10% of the fund may be invested in securities of any one issuer. 90% of the fund's volume is always hedged back to CHF.

### Current Fund Data and Information

Share price	21.98
Fund size in millions	1 289
Domicile	Luxemburg
Asset Management	LODH
ISIN	LU0437702334
Swiss Sec.No.	10 301 403
Currency	CHF
EU Tax Directive Status	In Scope - Tax
Launch date	31.12.1993
Management Fee, p.a. (%)	1.00
Total Expense Ratio, p.a. (%)	1.32
Dividend payment date	-
Payment last year	None
Reference Index	UBS CB GI Foc CHF

Source: Bloomberg, as per 30. November 2010

**Legal Representatives in Switzerland** Lombard Odier Darier Hentsch & Cie, Rue de la Corraterie 11, CH-1204 Geneva

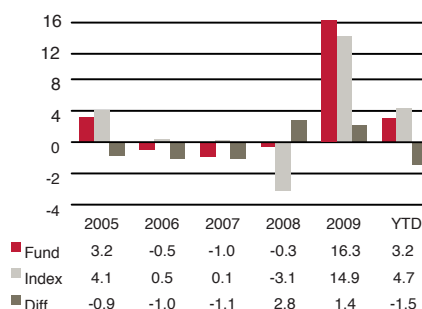
**Paying Agent** Lombard Odier Darier Hentsch & Cie, Rue de la Corraterie 11, CH-1204 Geneva

**Prospectus** Lombard Odier Darier Hentsch & Cie, Rue de la Corraterie 11, CH-1204 Geneva

### Investment Strategy

The Schroder ISF EUR Corporate Fund invests mainly in Euro denominated assets. It is actively managed and aims to outperform its benchmark by 0.75% (gross) over a market cycle. Active duration plays, credit analysis and currency plays are the most important sources for the fund's performance. The Manager also uses interest rate futures, interest rate swaps, credit default swaps and currency forwards to hedge out possible risks.

### Performance (See notes on page 15)



Source: Datastream

### Portfolio Split

The portfolio contains 50-150 issues. At least 80% of the fund's volume is invested in investment grade corporate bonds, denominated in Euros. A maximum of 20% may be invested in High Yield or Emerging Markets Debt or in Convertibles. Derivatives are used to hedge and obtain active risks in the fund.

### Current Fund Data and Information

Share price	16.17
Fund size in millions	5 781
Domicile	Lux
Asset Management	Schroder
ISIN	LU0113257694
Swiss Sec.No.	1 121 567
Currency	EUR
EU Tax Directive Status	In Scope - Tax
Launch date	30.06.2000
Management Fee, p.a. (%)	0.75
Total Expense Ratio, p.a. (%)	1.28
Dividend payment date	-
Payment last year	None
Reference Index	ML EMU Corporate

Source: Bloomberg

**Legal Representatives in Switzerland** Schroder & Co. Bank AG, Central 2, CH-8021 Zurich

**Paying Agent** Schroder & Co. Bank AG, Central 2, CH-8021 Zurich

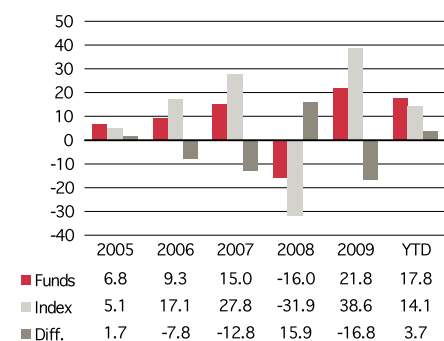
**Prospectus** Schroder & Co. Bank AG, Central 2, CH-8021 Zurich

## UBS (CH) Bond Fund - Convert Asia P

### Investment Strategy

The fund invests chiefly in convertible bonds of companies domiciled in Asia, including Japan. It is actively managed and combines the upside potential of equities with the defensive characteristics of bonds. Foreign currency investments are actively managed and not systematically hedged against USD. Investment target is to exploit the risk/return potential of the Asian convertible bond markets.

### Performance (See notes on page 15)



Source: Datastream

### Portfolio Split

There is no information available about the Portfolio Split of the fund.

### Current Fund Data and Information

Share price	204.38
Fund size in millions	102
Domicile	Switzerland
Mgmt. Company / Portfolio Mgmt.	UBS
ISIN	CH0002791587
Swiss Sec. No.	279 158
Currency	USD
EU Tax Directive Status	in scope tax
Launch date	31.12.1993
Management Fee, p.a. (%)	1.80
TER, p.a. (%)	1.8
Dividend payment date	-
Payment 2009	none
Reference index	UBS-Asia Convertible Bond (USD)

Source: Datastream, Lipper

**Legal Representatives in Switzerland** UBS Fund Management (Switzerland) AG, P.O. Box, CH4002 Basel

**Paying Agent** UBS AG, P.O. Box, CH4002 Basel

**The prospectus, simplified prospectus as well as the annual and semiannual reports are available free of charge from:**

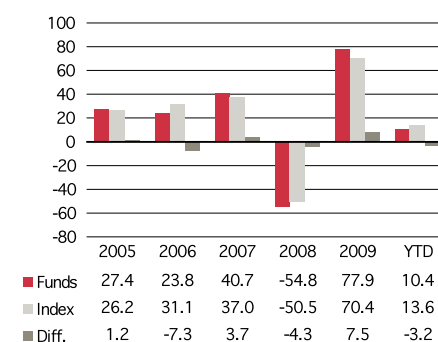
UBS Fund Management (Switzerland) AG, P.O. Box, CH4002 Basel

## UBS (CH) Equity Fund - Emerging Asia P

### Investment Strategy

This actively managed equity fund is based on compelling active stock selection. The fund comprises an equity portfolio investing in emerging Asian companies. It exploits a disciplined investment philosophy and globally integrated state-of-the-art fundamental research. The portfolio structure can deviate substantially from the benchmark in order to increase outperformance potential.

### Performance (See notes on page 15)



Source: Datastream

### Portfolio Split

The fund is diversified across sectors and countries.

### Current Fund Data and Information

Share price	80.72
Fund size in millions	520
Domicile	Switzerland
Mgmt. Company / Portfolio Mgmt.	UBS
ISIN	CH0000966991
Swiss Sec. No.	96 699
Currency	USD
EU Tax Directive Status	in scope tax
Launch date	02.01.1995
Management Fee, p.a. (%)	2.34
TER, p.a. (%)	2.34
Dividend payment date	-
Payment 2009	none
Reference index	MSCI EM Far East TR USD

Source: Datastream, Lipper

**Legal Representatives in Switzerland** UBS Fund Management (Switzerland) AG, P.O. Box, CH-4002 Basel

**Paying Agent** UBS AG, P.O. Box, CH-4002 Basel

**The prospectus, simplified prospectus as well as the annual and semi-annual reports are available free of charge from:**

UBS Fund Management (Switzerland) AG, P.O. Box, CH-4002 Basel

## Equity Funds

## Switzerland

Fund/Index	Currency	Price	YTD Perf.	3Y Perf. ann.	ISIN	Distribution	Domicile	EU Tax Directive
DWS Aktien Schweiz	CHF	39.05	6.49%	-8.48%	DE000DWS0D27	Annual	DE	n.a.
SMI	CHF		-3.10%	-7.25%				

## Switzerland Small and Mid Caps

Fund/Index	Currency	Price	YTD Perf.	3Y Perf. ann.	ISIN	Distribution	Domicile	EU Tax Directive
Pictet (CH) - Swiss Mid-Small Cap P	CHF	3 258.01	13.49%	-0.67%	CH0003299580	Annual	CH	OUT
SPI S&M Caps	CHF		15.15%	-3.18%				

## Germany

Fund/Index	Currency	Price	YTD Perf.	3Y Perf. ann.	ISIN	Distribution	Domicile	EU Tax Directive
DWS Deutschland	EUR	106.15	19.69%	2.43%	DE0008490962	Annual	DE	OUT
MSCI Germany	EUR		9.35%	-6.44%				

## Germany Small &amp; Mid Caps

Fund/Index	Currency	Price	YTD Perf.	3Y Perf. ann.	ISIN	Distribution	Domicile	EU Tax Directive
UBS Equity Fund Small Caps Germany	EUR	269.70	31.16%	2.67%	DE0009751651	Annual	DE	OUT
MSCI Small Cap Germany	EUR		20.62%	-0.01%				

## Europe

Fund/Index	Currency	Price	YTD Perf.	3Y Perf. ann..	ISIN	Distribution	Domicile	EU Tax Directive
Carmignac Grande Europe	EUR	137.45	12.24%	-4.66%	LU0099161993	None	LU	n.a.
DJ Stoxx 600	EUR		3.52%	-6.94%				

## Europe Large Caps

Fund/Index	Currency	Price	YTD Perf.	3Y Perf. ann.	ISIN	Distribution	Domicile	EU Tax Directive
Henderson Pan European EF	EUR	16.05	10.39%	-2.47%	LU0138821268	None	LU	OUT
FTSE World Europe	EUR		2.69%	-6.50%				

## Europe Small Caps

Fund/Index	Currency	Price	YTD Perf.	3Y Perf. ann.	ISIN	Distribution	Domicile	EU Tax Directive
Gartmore Pan European Smaller Comp.	EUR	5.78	22.91%	1.11%	LU0135928611	None	LU	OUT
MSCI Europe Small Companies	EUR		16.59%	-5.63%				

## France

Fund/Index	Currency	Price	YTD Perf.	3Y Perf. ann.	ISIN	Distribution	Domicile	EU Tax Directive
Fidelity Funds - France A Euro	EUR	34.10	0.33%	-8.26%	LU0048579410	Annual	LU	OUT
MSCI France	EUR		-4.83%	-8.36%				

See notes on page 15

## Italy

Fund/Index	Currency	Price	YTD Perf.	3Y Perf. ann.	ISIN	Distribution	Domicile	EU Tax Directive
Fidelity Funds - Italy A Euro	EUR	24.37	-5.80%	-13.38%	LU0048584766	Annual	LU	OUT
MSCI Italy	EUR		-15.78%	-16.49%				

## United Kingdom

Fund/Index	Currency	Price	YTD Perf.	3Y Perf. ann.	ISIN	Distribution	Domicile	EU Tax Directive
Dexia Equities L - United Kingdom	GBP	247.59	4.56%	0.91%	LU0093582269	None	LU	IN
MSCI Great Britain	GBP		2.15%	-0.25%				

## USA

Fund/Index	Currency	Price	YTD Perf.	3Y Perf. ann.	ISIN	Distribution	Domicile	EU Tax Directive
Robeco US Premium Equities	USD	114.25	6.42%	-0.52%	LU0226953718	None	LU	OUT
S&P 500 Composite Index	USD		5.91%	-4.71%				

## USA Small &amp; Mid Caps

Fund/Index	Currency	Price	YTD Perf.	3Y Perf. ann.	ISIN	Distribution	Domicile	EU Tax Directive
Schroder ISF US S&M Caps	USD	144.42	9.51%	-0.84%	LU0205193047	None	LU	OUT
Russel 2500 Index	USD		16.47%	-0.01%				

## Japan

Fund/Index	Currency	Price	YTD Perf.	3Y Perf. ann.	ISIN	Distribution	Domicile	EU Tax Directive
Oyster Japan Opportunities Fund	JPY	11 777.00	-5.94%	-10.57%	LU0204987902	None	LU	OUT
Topix Index	JPY		-5.14%	-15.23%				

## China

Fund/Index	Currency	Price	YTD Perf.	3Y Perf. ann.	ISIN	Distribution	Domicile	EU Tax Directive
Fidelity Fund China Focus A	USD	47.05	8.21%	-3.09%	LU0173614495	Annual	LU	OUT
MSCI China	USD		3.87%	-8.57%				

## India

Fund/Index	Currency	Price	YTD Perf.	3Y Perf. ann.	ISIN	Distribution	Domicile	EU Tax Directive
JPMF India Fund A	USD	80.35	16.86%	-5.45%	LU0058908533	Annual	LU	OUT
MSCI India	USD		10.33%	-5.28%				

## Latin America

Fund/Index	Currency	Price	YTD Perf.	3Y Perf. ann.	ISIN	Distribution	Domicile	EU Tax Directive
Blackrock Latin American Fund	USD	95.70	10.64%	3.41%	LU0072463663	None	LU	OUT
MSCI EM Latin America	USD		5.84%	0.56%				

See notes on page 15

## Global Equities Emerging Markets

Fund/Index	Currency	Price	YTD Perf.	3Y Perf. ann.	ISIN	Distribution	Domicile	EU Tax Directive
Aberdeen GI Emerging Markets Fund	USD	60.84	19.77%	7.47%	LU0132412106	None	LU	OUT
MSCI Emerging Markets	USD		9.22%	-1.70%				

## Global Equities

Fund/Index	Currency	Price	YTD Perf.	3Y Perf. ann.	ISIN	Distribution	Domicile	EU Tax Directive
Carmignac Investissement (A)	EUR	8 679.22	11.65%	4.16%	FR0010148981	None	FR	n.a.
MSCI World	EUR		12.66%	-5.41%				

## Bond Funds

## CHF Mid/Long Term

Fund/Index	Currency	Price	YTD Perf.	3Y Perf. ann.	ISIN	Distribution	Domicile	EU Tax Directive
Credit Suisse Bond Fund Dynamic	CHF	111.90	5.26%	3.76%	CH0002770201	Annual	CH	IN
Citigroup GBI Switzerland All Maturities	CHF		3.71%	5.10%				

## CHF Inflation Linked

Fund/Index	Currency	Price	YTD Perf.	3Y Perf. ann.	ISIN	Distribution	Domicile	EU Tax Directive
Credit Suisse Bond Fd Inflation Linked	CHF	109.84	1.55%	1.97%	LU0175163889	None	LU	IN
Citigroup GBI Switzerland All Maturities	CHF		3.71%	5.10%				

## CHF Convertible Bonds hedged

Fund/Index	Currency	Price	YTD Perf.	3Y Perf. ann.	ISIN	Distribution	Domicile	EU Tax Directive
LODH Horizon - Convertible (CHF) P A	CHF	21.98	3.89%	-0.06%	LU0437702334	None	LU	n.a.

## EUR Mid/Long Term

Fund/Index	Currency	Price	YTD Perf.	3Y Perf. ann.	ISIN	Distribution	Domicile	EU Tax Directive
BNY Mellon Euroland Bond Fund	EUR	1.46	5.50%	8.33%	IE0032722260	None	IE	IN
Citigroup GBI Europe All Maturities	EUR		1.25%	4.71%				

## EUR Corporate Bonds

Fund/Index	Currency	Price	YTD Perf.	3Y Perf. ann.	ISIN	Distribution	Domicile	EU Tax Directive
Schroder ISF Euro Corporate Bond	EUR	16.01	3.63%	5.97%	LU0113257694	None	LU	IN
Citigroup EuroBIG Corporate	EUR		4.54%	6.23%				

## EUR Inflation Linked

Fund/Index	Currency	Price	YTD Perf.	3Y Perf. ann.	ISIN	Distribution	Domicile	EU Tax Directive
Credit Suisse Bond Fd Inflation Linked	EUR	117.39	0.00%	2.65%	LU0175163459	None	LU	IN
Barclays Euro Govt. Infl-Linked 1-10Y	EUR		1.22%	4.23%				

See notes on page 15

## USD Mid/Long Term

Fund/Index	Currency	Price	YTD Perf.	3Y Perf. ann.	ISIN	Distribution	Domicile	EU Tax Directive
Schroder USD Bond Fund	USD	18.63	6.76 %	6.66%	LU0106260564	None	LU	IN
Citigroup WGBI 3-5 years	USD		2.97 %	5.56%				

## Global Bonds

Fund/Index	Currency	Price	YTD Perf.	3Y Perf. ann.	ISIN	Distribution	Domicile	EU Tax Directive
Templeton Global Total Return	USD	23.27	12.49%	13.68%	LU0170475312	None	LU	IN
Citigroup GBI USA All Maturities	USD		7.49 %	5.63%				

## Global Emerging Markets Bonds

Fund/Index	Currency	Price	YTD Perf.	3Y Perf. ann.	ISIN	Distribution	Domicile	EU Tax Directive
Pictet Funds - Global Emerging Debt	USD	265.74	9.83%	10.32%	LU0128467544	None	LU	IN
JPM EMBI GLB	USD		12.96%	9.21%				

## Money Market Funds

## CHF

Fund/Index	Currency	Price	YTD Perf.	3Y Perf. ann.	ISIN	Distribution	Domicile	EU Tax Directive
Clariden Leu (Lie) MM Fund CHF	CHF	1 018.35	0.17 %	n.a.	LI0037728396	None	LI	n.a.
Citigroup 3 Months CHF	CHF		0.16 %	1.19%				

## EUR

Fund/Index	Currency	Price	YTD Perf.	3Y Perf. ann.	ISIN	Distribution	Domicile	EU Tax Directive
Clariden Leu (Lie) MM Fund EUR	EUR	1 041.49	0.24%	n.a.	LI0037729428	None	LI	n.a.
Citigroup 3 Months EUR	EUR		0.47 %	2.38%				

## GBP

Fund/Index	Currency	Price	YTD Perf.	3Y Perf. ann.	ISIN	Distribution	Domicile	EU Tax Directive
JPML Sterling Liquidity Fund	GBP	14 915.12	0.06 %	2.00%	LU0070177588	None	LU	IN
Citigroup 3 Months GBP	GBP		0.49%	2.68%				

## USD

Fund/Index	Currency	Price	YTD Perf.	3Y Perf. ann.	ISIN	Distribution	Domicile	EU Tax Directive
Clariden Leu MM Fund USD	USD	1 020.98	0.16 %	n.a.	LI0037729709	None	LI	n.a.
Citigroup 3 Months USD	USD		0.28 %	1.70%				

## Insurance Linked Investments

## CHF CAT Bond

Fund/Index	Currency	Price	YTD Perf.	3Y Perf. ann.	ISIN	Distribution	Domicile	EU Tax Directive
Falcon Cat Bond Fund CHF	CHF	111.63	4.78%	3.37%	CH0019572533	Annual	CH	IN
Citigroup 3 Months CHF	CHF		0.16%	1.19%				

See notes on page 15

## EUR CAT Bond

Fund/Index	Currency	Price	YTD Perf.	3Y Perf. ann.	ISIN	Distribution	Domicile	EU Tax Directive
Falcon Cat Bond Fund EUR	EUR	122.35	5.55 %	4.63 %	CH0019572566	Annual	CH	IN
Citigroup 3 Months EUR	EUR		0.47 %	2.38 %				

## Asset Allocation Funds

## CHF Strategy - Conservative

Fund/Index	Currency	Price	YTD Perf.	3Y Perf. ann.	ISIN	Distribution	Domicile	EU Tax Directive
Swisscanto (LU) Portfolio Fund Yield-B	CHF	154.49	1.80 %	-0.49 %	LU0161539233	None	LU	IN

## CHF Strategy - Balanced

Fund/Index	Currency	Price	YTD Perf.	3Y Perf. ann.	ISIN	Distribution	Domicile	EU Tax Directive
Swisscanto PF Balanced B	CHF	176.09	2.05 %	-2.93 %	LU0161534606	None	LU	IN

## CHF Strategy - Growth

Fund/Index	Currency	Price	YTD Perf.	3Y Perf. ann.	ISIN	Distribution	Domicile	EU Tax Directive
Swisscanto PF Growth B	CHF	214.06	1.90 %	-5.36 %	LU0112806418	None	LU	OUT

## EUR Strategy - Conservative

Fund/Index	Currency	Price	YTD Perf.	3Y Perf. ann.	ISIN	Distribution	Domicile	EU Tax Directive
UBS (Lux) SF-Yield B	EUR	2 677.79	5.41 %	2.25 %	LU0033040782	None	LU	IN

## EUR Strategy - Balanced

Fund/Index	Currency	Price	YTD Perf.	3Y Perf. ann.	ISIN	Distribution	Domicile	EU Tax Directive
Swisscanto PF Balanced B	EUR	107.87	9.94 %	2.26 %	LU0236191481	None	LU	OUT

## EUR Strategy - Growth

Fund/Index	Currency	Price	YTD Perf.	3Y Perf. ann.	ISIN	Distribution	Domicile	EU Tax Directive
Swisscanto PF Growth B	EUR	107.75	9.43 %	-0.35 %	LU0112799613	None	LU	OUT

## USD Strategy - Conservative

Fund/Index	Currency	Price	YTD Perf.	3Y Perf. ann.	ISIN	Distribution	Domicile	EU Tax Directive
JB Strategy Conservative B	USD	127.05	5.13 %	0.84 %	LU0175821353	None	LU	IN

## USD Strategy - Balanced

Fund/Index	Currency	Price	YTD Perf.	3Y Perf. ann.	ISIN	Distribution	Domicile	EU Tax Directive
UBS (Lux) SF-Balanced USD B	USD	2 203.11	5.41 %	-0.92 %	LU0049785792	None	LU	OUT

## USD Strategy - Growth

Fund/Index	Currency	Price	YTD Perf.	3Y Perf. ann.	ISIN	Distribution	Domicile	EU Tax Directive
CS Portfolio Fund Growth B	USD	197.33	4.93 %	-4.16 %	LU0078042453	None	LU	OUT

See notes on page 15

**Sector Funds****Energy**

Fund/Index	Currency	Price	YTD Perf.	3Y Perf. ann.	ISIN	Distribution	Domicile	EU Tax Directive
Investec GSF Global Energy Fund	USD	315.23	2.21 %	-3.57 %	LU0345779515	Annual	LU	OUT
MSCI Energy	USD		-0.10 %	-4.92 %				

**New Energy**

Fund/Index	Currency	Price	YTD Perf.	3Y Perf. ann.	ISIN	Distribution	Domicile	EU Tax Directive
Pictet Fund Lux Clean Energy	USD	74.74	-12.25 %	-15.87 %	LU0280430660	None	LU	n.a.
MSCI Energy	USD		-0.10 %	-4.92 %				

**Utilities**

Fund/Index	Currency	Price	YTD Perf.	3Y Perf. ann.	ISIN	Distribution	Domicile	EU Tax Directive
ING Utilites Fund	USD	596.69	-5.76 %	-13.89 %	LU0119219227	None	LU	OUT
MSCI Utilities	USD		-8.27 %	-9.93 %				

**Family Business**

Fund/Index	Currency	Price	YTD Perf.	3Y Perf. ann.	ISIN	Distribution	Domicile	EU Tax Directive
Kapitalfonds LK Family Business	EUR	103.01	16.01 %	2.19 %	LU0179106983	Annual	LU	n.a.
MSCI Europe	EUR		2.89 %	-7.11 %				

**Financials**

Fund/Index	Currency	Price	YTD Perf.	3Y Perf. ann.	ISIN	Distribution	Domicile	EU Tax Directive
CAAM Global Finance	USD	9.45	-5.22 %	-14.22 %	LU0119138732	None	LU	n.a.
MSCI World Financials	USD		-6.53 %	-26.37 %				

**Water**

Fund/Index	Currency	Price	YTD Perf.	3Y Perf. ann.	ISIN	Distribution	Domicile	EU Tax Directive
Pictet Funds Water P Cap	EUR	144.54	16.71 %	-2.08 %	LU0104884860	None	LU	OUT
MSCI World Water Utilities	EUR		9.51 %	14.98 %				

**Health Care Global**

Fund/Index	Currency	Price	YTD Perf.	3Y Perf. ann.	ISIN	Distribution	Domicile	EU Tax Directive
BGF World Health Science	USD	14.96	-1.19 %	-2.54 %	LU0122379950	None	LU	OUT
MSCI World Health Care	USD		-1.80 %	-3.90 %				

**Health Care Europe**

Fund/Index	Currency	Price	YTD Perf.	3Y Perf. ann.	ISIN	Distribution	Domicile	EU Tax Directive
Fortis Equity Health Care Europe	EUR	105.22	6.36 %	-1.61 %	LU0119119864	None	LU	OUT
MSCI Europe Health Care	EUR		4.75 %	-2.30 %				

See notes on page 15

**Biotech**

Fund/Index	Currency	Price	YTD Perf.	3Y Perf. ann.	ISIN	Distribution	Domicile	EU Tax Directive
Pictet Funds Biotech P cap	USD	281.33	0.06 %	-6.94 %	LU0090689299	None	LU	OUT
MSCI World Biotechnology	USD		0.74 %	-0.29 %				

**Technology Europe**

Fund/Index	Currency	Price	YTD Perf.	3Y Perf. ann.	ISIN	Distribution	Domicile	EU Tax Directive
JPMF Europe Technology Fund	EUR	8.92	21.36 %	-1.67 %	LU0104030142	Annual	LU	OUT
MSCI Technology Europe	EUR		3.32 %	-16.56 %				

**Technology Global**

Fund/Index	Currency	Price	YTD Perf.	3Y Perf. ann.	ISIN	Distribution	Domicile	EU Tax Directive
Henderson Global Technology Fund	USD	32.02	8.18 %	0.10 %	LU0070992663	None	LU	n.a.
MSCI World Information Technology	USD		4.44 %	-3.80 %				

**Telecom Global**

Fund/Index	Currency	Price	YTD Perf.	3Y Perf. ann.	ISIN	Distribution	Domicile	EU Tax Directive
Fidelity Funds Global Telecom Fund	EUR	7.17	16.13 %	-4.68 %	LU0099575291	Annual	LU	OUT
FTSE Global Telecom Index	EUR		-8.87 %	-3.40 %				

**Telecom Europe**

Fund/Index	Currency	Price	YTD Perf.	3Y Perf. ann.	ISIN	Distribution	Domicile	EU Tax Directive
Fortis Equity Telecom Europe	EUR	103.63	11.71 %	-5.12 %	LU0119122900	None	LU	OUT
DJ EuroStoxx Telecom Europe	EUR		-9.87 %	-5.79 %				

**Mining**

Fund/Index	Currency	Price	YTD Perf.	3Y Perf. ann.	ISIN	Distribution	Domicile	EU Tax Directive
BGF World Mining Fund	USD	76.57	14.08 %	-6.13 %	LU0075056555	None	LU	OUT
MSCI World Metals & Mining	USD		8.17 %	-5.92 %				

**Gold Mines**

Fund/Index	Currency	Price	YTD Perf.	3Y Perf. ann.	ISIN	Distribution	Domicile	EU Tax Directive
Falcon Gold Equity Fund A	USD	640.40	44.83 %	19.01 %	CH0002783535	None	CH	OUT
FTSE Gold Mines	USD		21.73 %	7.82 %				

Source: bank zweiplus Ltd, Bloomberg

See notes on page 15

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<b>A</b>	actual value
<b>abs.ch</b>	absolute change
<b>ASW</b>	asset swap spread
<b>avg.</b>	average
<b>bn</b>	Billion = 1000 000 000
<b>bp</b>	basis points
<b>corp.</b>	corporate
<b>CPI</b>	Consumer Price Index
<b>Div. yield or DY</b>	dividend yield
<b>E</b>	estimate
<b>EBIT</b>	earnings before interest and taxes
<b>EPS</b>	earnings per share
<b>EV/EBITDA</b>	enterprise value to earnings before interest, taxes, depreciation and amortisation
<b>excl.</b>	excluding
<b>FY</b>	financial year
<b>GAAP</b>	Generally Accepted Accounting Principles
<b>GDP</b>	gross domestic product
<b>GNP</b>	gross national product
<b>gov.</b>	government
<b>m</b>	million
<b>M&amp;A</b>	Mergers & Acquisitions
<b>mavg</b>	moving average
<b>MV/revenues</b>	market value to revenues
<b>n.a.</b>	not available
<b>p.a.</b>	per annum
<b>P/B</b>	price-to-book ratio
<b>P/E</b>	price-to-earnings ratio
<b>R&amp;D</b>	Research & Development
<b>R.H. Scale</b>	right hand scale
<b>ROE</b>	return on equity
<b>SAA</b>	Strategic Asset Allocation, long term strategy based on investment profiles
<b>TAA</b>	Tactical Asset Allocation; short term strategy based on return/risk expectations
<b>vs.</b>	versus
<b>yoy</b>	year over year

## Imprint

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## Fund Selection List: Investment/Performance

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