

# PPF – G7 Yield Opportunities Fund

## Riding the Yield Curve

Investment report / October 2011 / All figures as of October 28<sup>th</sup>, 2011

### Facts and figures

Fund type	Luxemburg FCP, Open-end (UCITS III)
Management company	Alceda Fund Management S.A., Luxembourg
Custodian bank and transfer agent	HSBC Trinkaus & Burkhardt (International) SA, Luxembourg
Fund manager	GHP Arbitrium AG, Zürich André Hämmerli, t: +41 43 344 41 06
Investment advisor	Swiss Yield AG, Wollerau, Dr. A. Trapletti
Swiss representative	PMG Fonds Management AG, Zürich
Paying agent in Switzerland	InCore Bank AG, Zürich
Auditor	PricewaterhouseCoopers, Luxembourg
<b>USD Share Class</b>	<b>USD</b>
NAV per unit	106.64
ISIN / Valoren	LU0594727553 / 12'744'071
Bloomberg	PPFYG7U LX Equity
<b>CHF Share Class</b>	<b>CHF</b>
NAV per unit	105.89
ISIN / Valoren	LU0592716442 / 12'744'070
Bloomberg	PPFYG7C LX Equity
Price publication	www.alceda.lu, www.pmg-fonds.ch
Benchmark	Bloomberg / EFFAS Government Bond Indices – G7 Market Weighting - USD
Inception date and price	April 8, 2011 at USD 100
Reference currency	USD
NAV in fund	11'379'571
Trading	Weekly, on Fridays
Cut-off time for orders	Wednesday, 5 pm Luxembourg time
Trading contact	HSBC Trinkaus & Burkhardt (International) SA, Luxembourg, t: +352 471847-350
Subscription fee	up to 5%
Redemption fee	0.25% for fund asset
Management fee	1.5% p.a.
Performance fee	15% with HWM (@ 100.00)

### Top five allocations

Holdings	% NAV	Credit rating
US TREASURY 2013	8.83	AAA
US TREASURY BILL 08/23/12	8.78	AAA
US TREASURY 2012	6.18	AAA
US TREASURY 2012	6.17	AAA
US TREASURY 2012	6.17	AAA

### Distribution fixed income futures portfolio

Duration		Currency	
Up to 3 years	58.5%	USD	38.7%
Up to 6 years	8.6%	CAD	2.7%
Up to 9 years	8.0%	JPY	21.6%
Above 9 years	24.9%	EUR	24.6%
Average duration	4.15 years	GBP	12.4%

### Fund objective

The fund seeks to generate long-term capital gain in US Dollars by investing in the bond markets of the G7 countries. The assets are mostly invested in short-term governmental obligations. The fund is aimed at investors who wish to capitalize on the return opportunities of those bond markets, taking advantage of a highly sophisticated, efficient and structured investment approach.

The CHF share class is fully hedged against the USD.

### Investment style

In addition to its investments in short-term governmental obligations, the fund takes mainly positions in fixed income futures to maximize the risk-adjusted return. Combining those short-term instruments with positions in fixed income futures, the fund's assets are well diversified across the economic regions North America, Europe and Asia and across the yield curve, from three month up to 30 years.

The strategic positioning is to equally distribute risk over the geographic and duration matrix-segmentation.

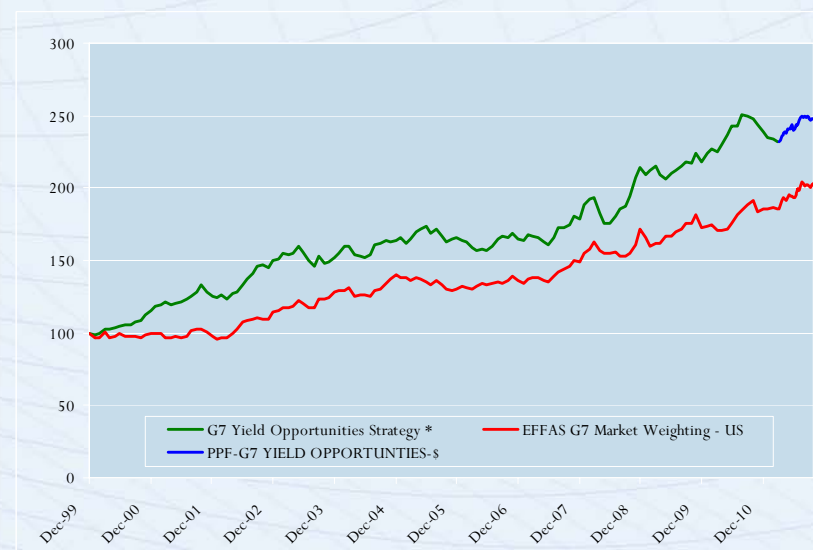
Tactically the fund uses quantitative strategies to overweight those instruments that offer the best risk-adjusted returns.

Risk management is fully integrated in the investment process to ensure that the risk parameters always remain within predefined guidelines.

### Investment advisor's comment

The fund was down 0.2% since September 30<sup>th</sup> versus the benchmark up 1.0% during the same period. 59% of the fixed income futures portfolio is invested in instruments with durations of the underlying of up to 3 years, resulting in an average duration of 4.2 years. 41% is invested in North America, 22% in Asia and 37% in Europe.

Better than expected macroeconomic indicators in the USA lead to some profit taking in longer duration government bonds in North America. Short term yields remain well anchored. The political influence on markets in Europe remains elevated and the recent summit on the EFSF caused increased volatility. The German government is determined to safe the EUR according to their terms. Japan remains in deflation.



\* Back-tested track record, net of all fees

	2011		2010	
	Strategy / Fund	Bench*	Strategy	Bench*
Jan	-1.6%	-0.2%	2.5%	1.1%
Feb	-0.5%	0.3%	1.3%	0.1%
Mar	-0.6%	0.0%	-0.8%	-2.1%
Apr**	2.0%	3.8%	2.3%	0.7%
May	1.6%	0.3%	3.1%	0.3%
Jun	1.1%	0.4%	2.3%	2.4%
Jul	0.2%	2.5%	0.0%	3.1%
Aug	1.9%	2.2%	3.2%	2.2%
Sep	-0.1%	-1.2%	-0.3%	1.8%
Oct	-0.2%	1.0%	-0.8%	1.6%
Nov			-1.8%	-4.0%
Dec			-2.0%	1.2%
YTD**	6.6%	9.2%	9.2%	8.3%
Since inception of the fund			6.6%	9.2%

\* Benchmark: Bloomberg / EFFAS Government Bond Indices – G7 Market Weighting - USD

\*\* in 2011 since inception of the fund (Apr 8, 2011)

Source: GHP Arbitrium AG

Investors should consider that until March 31, 2011 the above chart and table are displaying the back-tested track record, net of all fees of the underlying strategy of the fund. Since April 8, 2011 this strategy is implemented in the fund. The implementation of the strategy in the PPF – G7 Yield Opportunities Fund may cause divergences in the performance. Investors should read the risk considerations at the end of this document.

This is a marketing information. Investment in investment funds is subject to market risks. Past performance results are no indication of future results. Especially performance results referring to a period of less than twelve months (Year-to-date-performance, start of investment fund within the last twelve months) are no reliable indicator for future results due to the short comparison period. Issuance and redemption commissions are not included in the performance figures. All figures and information are given without any warranty and errors are reserved. The domicile of the fund is Luxembourg. For interested parties the fund regulations or the articles of incorporation, the simplified and the full prospectus in their current versions as well as the annual and semiannual reports are provided free of charge at GHP Arbitrium AG, Freigutstrasse 27, CH-8022 Zürich or at Alceda Fund Management S.A., 36 avenue du X Septembre, L-2550 Luxembourg and at the representative in Switzerland PMG Fonds Management AG, Sihlstrasse 95, CH-8001 Zürich, www.pmg-fonds.ch. Paying agent in Switzerland is InCore Bank AG Dreikönigstrasse 8 CH-8022 Zürich. Information office and paying agent in Germany is HSBC Trinkaus & Burkhardt AG, Königsallee 21-23, D-40212 Düsseldorf. The tax treatment of the funds depends on the personal circumstances of each client and can be subject to future changes. This document is for information only. It does not represent an offer for the purchase or sale of the fund. The fund may not be offered, sold or delivered within the United States.