



# Swiss Equity Discovery Fund

Monthly report – June 2010

## Profile

Base currency:	CHF
NAV calculation:	Weekly
Liquidity:	Weekly
Mgmt & admin. fee:	1.5% p.a.
Performance fee:	10% over hurdle rate CHF 6 months Libor
Incorporation:	Switzerland
Fund Mgmt Company:	Caceis Fastnet (Suisse) SA, Nyon
Custodian:	Swissquote Banque SA, Gland
Valor / ISIN:	3571707 / CH0035717070
Bloomberg:	SWEQDIS SW
Restrictions:	Not for distribution in the US or to US persons
Front load:	None

The Swiss Discovery Fund is an open-end Swiss registered equity fund, investing in Swiss companies whose value is misunderstood / mispriced by the market.

Using primary research and own valuation metrics, the fund aims to return 15% over the medium to long-term with a concentrated portfolio of between 20 to 30 companies and a low turnover.

The fund may optimize return, by a flexible strategy of reducing exposure to 50%, respectively increasing it to 150%, by means of futures.

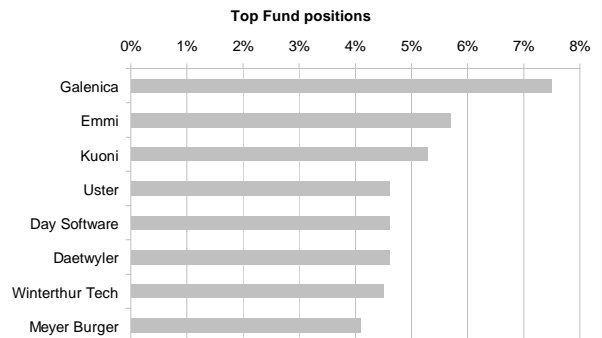
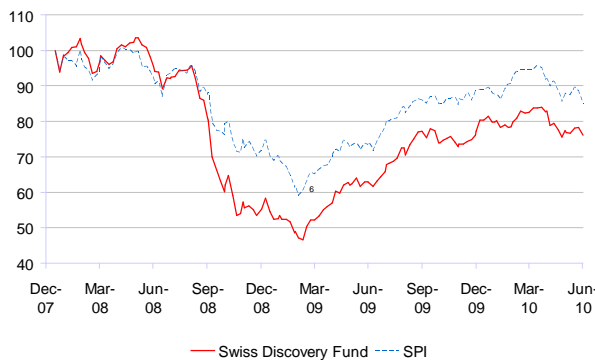
## Comment – June 2010

### Investment policy

Although less volatile, June was not a good month for equities (it was a better month for football...). Volumes are slim and Mr. Market's appetite for equities has shrunk somehow. We did a bit of "bottom-fishing" in our coreholdings, but we still want to keep some cash for opportunities that may turn up during the summer.

### Performance analysis and top fund positions

Top positive contributors this month were Tornos, Day Software & Meyer Burger (all up 7 to 9 %). The main negative contributors were Acino (- 16 %) (their Clopidogrel generic will not be sold in Germany under the AOK contract), Bucher Industries & Cie Financière Tradition (both down around 8 %).



The Swiss Discovery Fund went down 1.7 % in June to CHF 76.08 per share, while the Swiss Performance Index (SPI) lost 2.8 %.

Year-to-date the fund decreased 1.3 % while the SPI went down 3.9 %.

Since inception, the fund is down 23.9 %, vs. down 14.9 % for the SPI.

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
<b>2010</b>													
Swiss Discovery	3.5%	-1.6%	5.1%	0.6%	-6.7%	-1.7%							-1.3%
SPI	-1.0%	3.5%	4.2%	-2.7%	-4.9%	-2.8%							-3.9%
<b>2009</b>													
Swiss Discovery	-3.3%	-8.3%	6.5%	9.4%	8.6%	1.5%	7.7%	6.8%	6.4%	-4.0%	-1.6%	5.9%	39.6%
SPI	-4.2%	-10.2%	5.3%	8.5%	2.8%	1.0%	9.6%	4.6%	2.2%	-1.1%	-0.3%	2.5%	23.2%
<b>2008</b>													
Swiss Discovery	3.4%	-4.7%	3.5%	3.1%	-7.8%	-3.1%	2.8%	-14.7%	-23.5%	-7.6%	-3.6%		-44.8%
SPI		-0.7%	-3.7%	5.6%	0.6%	-7.5%	1.9%	1.6%	-8.2%	-9.3%	-5.2%	-4.4%	-28.1%

## Outlook & strategy

"Europe in intensive care", we mentioned last month, has made room for the "healing to begin". Most European countries have started to implement their austerity plans announced recently. The uncertainty about the future course of the world economy is eroding Mr. Market's confidence; Mr. Market is quite nervous again...As a contrarian operator, we find value in quality companies and continue to believe that holding/buying them for the medium-to long term is a good strategy to generate a good performance in the medium term.

Pierre Cloux, Investment Advisor

Past performance is not a guide to future performance. Performance data do not take account of the commissions and costs incurred on the issue and redemption of units.

The prospectus of the fund, the simplified prospectus as well as the annual and semi-annual reports, may be obtained free of charge upon request to the fund management company CACEIS Fastnet (Suisse) SA, Chemin de Precosy 7-9, 1260 Nyon.