Laffitte Equity Arbitrage

UCITS

Event Driven Fund on European and U.S. Stocks

ISIN FR0010807412

LAFFITTE CAPITAL MANAGEMENT

Strategy and Objective

- Laffitte Equity Arbitrage Fund is a Ucits fund regulated under French law and a Event Driven Fund on European and U.S. stocks.
- The Fund has complementary engines of performance in terms of beta and volatility:

Merger Arbitrage **Special Situations** **Capital Structure Arbitrage**

- The Fund is suited to investors looking for uncorrelated returns and capital preservation by implementation of Long/Short positions.

Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year Perf.
2009												+0.71%	**+0.71%**
2010	+0.00%	+0.55%	-0.57%	+0.03%	-0.06%	+0.52%	+0.36%	+0.52%	+0.33%	-0.56%	-0.03%	+0.40%	**+1.49%**
2011	+1.29%	+0.52%	-0.14%	-0.22%	+0.82%	+1.89%	+1.10%	-1.70%	-0.20%	-1.68%	-0.41%	-0.36%	**+0.84%**
2012	-0.90%	+1.16%	+0.00%	-0.41%									**-0.16%**

Experienced Asset Managers

- Four senior investment professionals who have been working together for 10 to 20 years as prop traders for a French Banking Group. Their expertise includes risk arbitrage, basket trading, equity finance, options, emerging markets and equity derivatives.
- The team has developed proprietary tools to analyze, monitor and evaluate arbitrage opportunities especially for the M&A universe.

An environment favorable to mergers and capital restructuration

- Companies with abundant safety cash that may either give the cash back to shareholders (dividends and share buy-backs), or choose external growth for new clients or new processes.
- Companies which have trouble to rebound and need either to increase their capital (right issues, holdings arbitrage) or accept a takeover bid.
- All ingredients are gathered for a new M&A cycle:

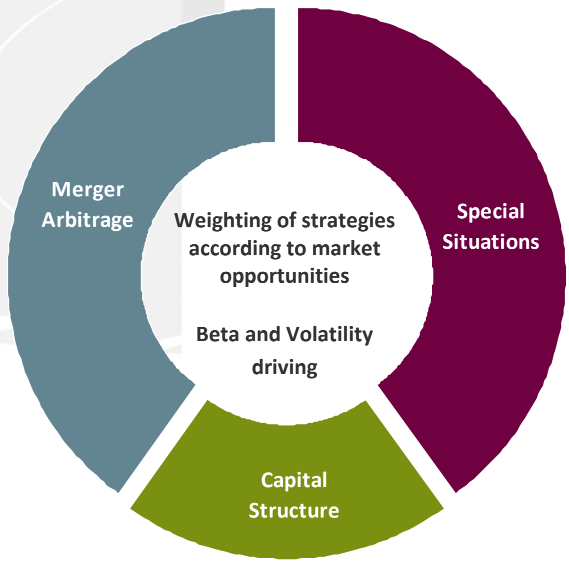
- New investors from emerging markets (Asia, Latin America, Middle East).
- Attractive financing conditions;
- Undervalued equity markets.

Strong investment process

- A **Philosophy** of management based on:

- A weighting of the strategies according to market opportunities.
- A driving of Beta and volatility.

- A **Fundamental Analysis** linked to a **Statistical and Probabilistic Analysis.**
- A discretionary **Portfolio Allocation** that tends to optimize the positions of the portfolio in terms of number, limits and risk/reward.



Disciplined Risk Management

- Stress test and Value at Risk are implemented for all the positions in the portfolio.
- Limits and stop-losses are managed on real-time basis with an "alert level" and a “liquidation level”.
- All the legal ratios requested by the AMF are calculated and checked on a daily basis.

Performance since inception	+2.90%	Sharpe ratio since inception	0.21
Performance (last 12 months)	-0.76%	Sharpe ratio (last 12 months)	-0.45
Monthly Volatility since inception	2.72%	Max Drawdown	-1.70%
Monthly Volatility (last 12 months)	3.37%	Beta vs Stoxx 50 since inception	0.013

ISIN Code	FR0010807412
Bloomberg Code	LAFEARA FP
Country	France
Structure	Ucits
Launched Date	November 18, 2009
Fixed fees	2%
Performance fees	20% above Eonia capi.
Mini Investment	€1,000
Liquidity	Daily
Centralization	J-1 (11.00)
High Water Mark	Yes
Asset Manager	Laffitte CM
Fund Administrator	RBC Dexia IS

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