

Renewable, Alternative and Sustainable Resources Fund
Monthly Report December 2011



Return History (USD) to 31 December 2011	1Mth	2Mths	3Mths	6Mths	12Mths	3 Years	5 Years	Since Inception*	CAGR
Craton Capital RAS Fund	-5.5%	-7.6%	7.7%	-20.5%	-19.9%	-	-	-4.8%	-
Benchmark	-1.6%	-6.2%	0.7%	-26.8%	-25.4%	-	-	-10.3%	-

* Inception date: 3 August 2009

Source: Craton Capital; Bloomberg

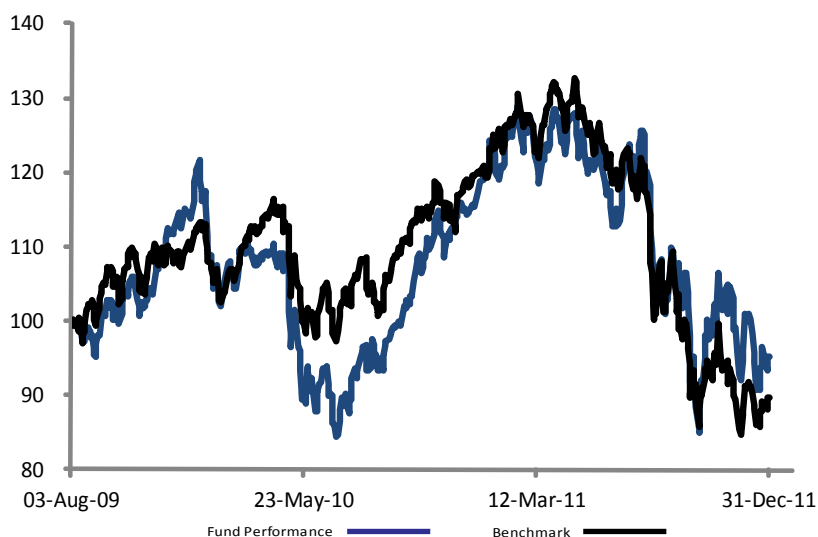
Comment

In December, the Craton Capital Renewable, Alternative and Sustainable (RAS) Resources Fund was down by 5.5% and suffered an underperformance of 3.9% compared to its composite benchmark index. The biggest negative contributor was the Agricultural sector which was adversely affected by the drop in crop prices and the resulting expectations of softer demand for crop nutrients. Barely one week into 2012, this underlying concern has quietly subsided only to be replaced by a renewed focus on potential weather-related issues and the North American spring planting season.

For the whole year, the Fund was down by 19.9% but it outperformed its benchmark index by 5.5%. Different components of the benchmark performed as follows: S&P Clean Energy Index down by 45%, S&P Alternative Energy down by 33%, DJUBS down by 13.4% and the S&P Global Water Index by 9.3%. To sum it up, it was a tumultuous year! Despite being disappointingly in the "red", we note that sector diversification was a positive attribute and helped performance.

Sovereign debt and their associated ripple effects clearly took the limelight in 2011. Many sectors in our universe were also affected by cuts in government feed-in tariffs for renewable energy, uncertainties in global demand orders, over-supply in production capacity and competitive cost pressure (in solar, wind and LED) as technology improves dramatically (thereby affecting prices and margins).

Looking into 2012, European sovereign issues and politics (with an election year in countries accounting for 50% of global GDP) will be determining factors. Yet, there are some visible positive drivers. In agriculture, weather related issues affecting supply will continue. China has already moved from tight monetary instance to a more normal one and it will likely have a soft landing. The latest global manufacturing data looks encouraging. Lots of the "bad" news and dismal expectations have already been incorporated in equities. In our universe, valuations look highly attractive and indeed over-sold, we believe.



Fund details

Investment objective: To outperform the index. Specifically, the aim is to generate alpha of 5-8% annually over a three-year rolling period versus the index.

Management company: LLB Fund Services Aktiengesellschaft, Liechtenstein.

Investment mandate: The Craton Capital Renewable, Alternative and Sustainable Resources Fund invests worldwide in companies which have direct exposure to renewable, sustainable and alternative natural resources and/or are active in the production of such resources. This includes companies involved in deploying or developing technologies that enable these resources to be tapped, stored and transported. In addition, the fund invests in companies involved in sustainable development of the world economy.

Countries of registration: Austria, Germany, Liechtenstein, Singapore*, Switzerland, United Kingdom

Base currency:	USD
Share class:	USD
Management fee:	1.6% p.a.
Performance fee:	10% of out performance relative to benchmark (high watermark applies).
Fund structure:	Liechtenstein fund with UCITS III status.
Launch date:	3 August 2009
Issue redemptions:	Daily, until 3pm CET
Bloomberg ticker:	CRENEWA LE
Reuters:	68019247
ISIN: (A Units)	LI0043890891
ISIN: (E Units)	LI0116308904
Benchmark:	35% MSCI World 35% S&P Clean Energy 10% S&P Global Alternative Energy 10% S&P Global Water 10% S&P GSCI Agriculture
AuM:	USD 7.80m
NAV:	USD 95.25
Positions held:	26
Recommended investment horizon:	3 to 5 years.

Additional information:

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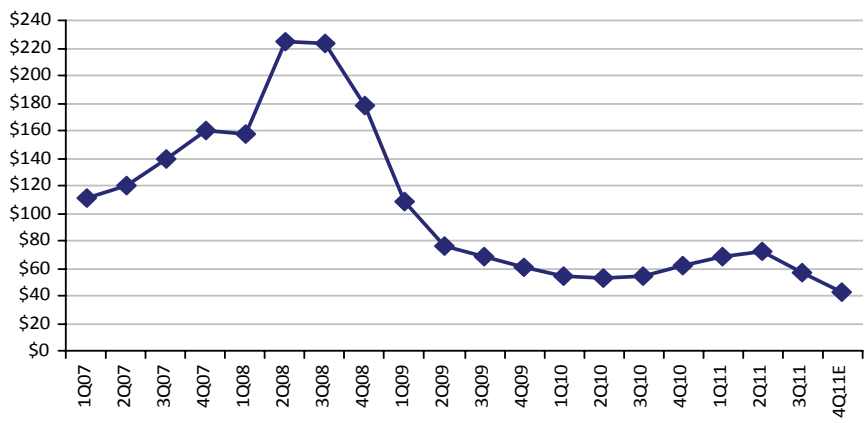


Winner of Mining Journal's "Fund Manager of the Year" Award 2010

* Singapore: for sophisticated investors only

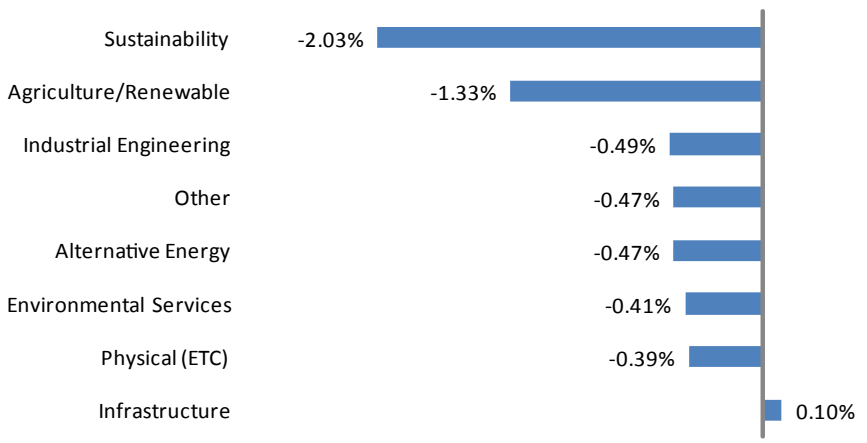


Chart of the Month: Average Selling Price of Polysilicon Shipments to China (\$/Kg)

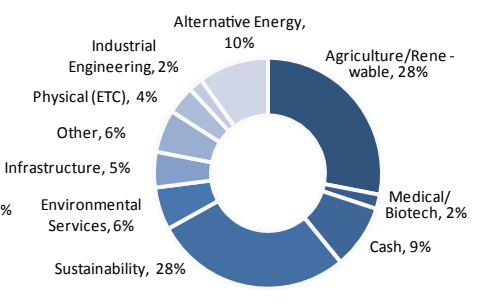
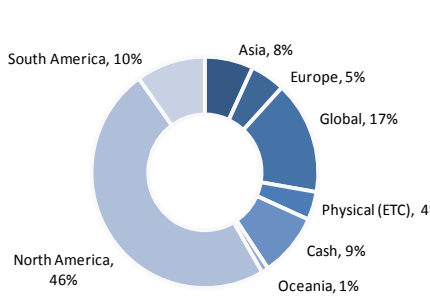


Source: UBS Estimate

Performance Attribution Per Sector (month under review)



Geographic Allocation* Sector Allocation



* Estimates Only

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