

October 31st, 2010

Valoral Index – Q3 2010

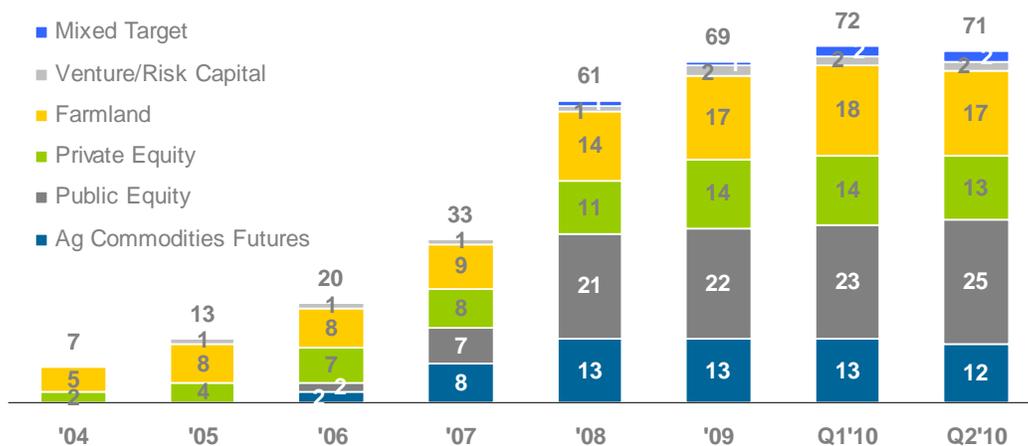
Valoral Index is a research effort to track and analyze investments funds active in the global agribusiness industry.

The index is supported by a set of data that includes:

- +100 Investment funds and other investment vehicles focused on agribusiness.
- Comprehensive analysis of investment strategies and portfolios.
- Global view, with focus on emerging markets.

The Valoral Index and all the associated resources are used to support our advisory work. Below is a summary of the latest Valoral index update.

Number of funds by investment target



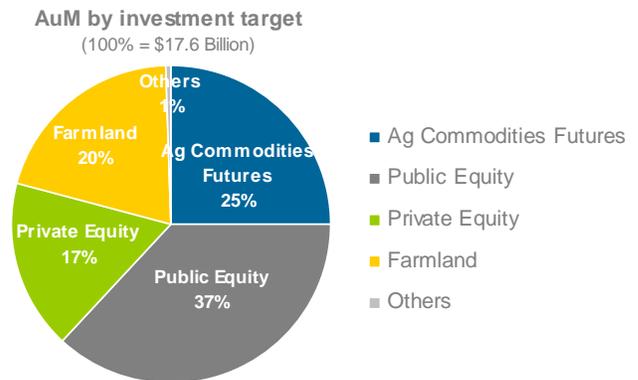
The number of investment funds specialized in agribusiness has notably expanded since 2007 as investors have been increasingly attracted to the natural resources theme and in particular the rising interest in food and land.

Among the funds analyzed, we identify four main types of assets managed by funds:

- **Agricultural commodities:** Investments all along the grains and oilseeds futures markets.
- **Publicly traded stocks:** Investments in companies related to the agribusiness industry.
- **Private equity:** Broad scope along the whole agribusiness value chain.
- **Farmland:** Acquisition & leasing of farmland mainly for crop production purposes.

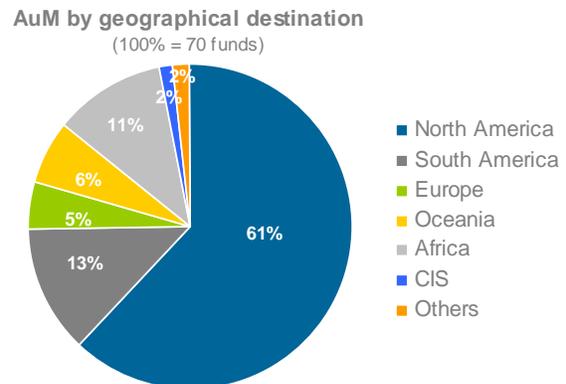
More than 60% of the AuM analyzed in our index are invested in commodities futures and public equities, as both assets provide good exposure to the agribusiness industry, offering liquidity and easier accessibility than other investment options.

However, in recent years fund managers have been moving towards private equity and direct investments in farmland in emerging markets, with the hope to obtain better returns. From '09, ~70% of the capital raised in the new launched funds has targeted these two categories.



On a geographical basis, we note that half of the funds surveyed have a global investment scope, highlighting the internationalization of agribusiness as an asset class.

When considering the main target region by fund, North America becomes the leading destination with ~60% of total funds analyzed in our index, driven by their large equity and commodities futures markets.



But the geographic distribution changes if only farmland is considered. In this case, South America, CIS, Africa and Oceania represent more than 60% of total AuM, driven by the attractive and available arable land in these regions.

What are we seeing in the coming quarters?

While several issues that drove the world to the '08 crisis remain unresolved, we see '09 world recession mostly behind and the likely continuation of the commodities “super cycle”. In this better but uncertain context, we expect fund managers to continue developing new investment products targeting the agribusiness industry, which continue to show positive attributes for investors. In particular we see:

- Greater focus on mid & large funds to acquire large areas of farmland in emerging markets including South America, CIS and Africa, taking advantage of scale economies and introduction of new technology.
- Innovative funds to develop opportunities in the confluence of agriculture, clean technologies and bioenergy, deploying capital to finance new ventures in this emerging area.

Notes to the Valoral Index

The information and opinions in this publication were prepared by Valoral Advisors S.A.. The information and opinions have been prepared from public sources, including but not limited to fund documents available from fund managers, companies' websites, industry presentations and industry news.

The funds surveyed represent only a limited portion of the available funds in the market. The survey focuses only on investment funds managed by private asset managers that invest in assets related to the agribusiness industry and which are offered to a range of retail, HNWI and institutional investors.

This survey does not include most investment vehicles that manage farmland and timberland in North America, Australia and other countries. The survey does not consider the direct investments performed by sovereign funds, by pension funds and by government agencies and funds which are privately owned and not opened to investors.

The results shown may include assumptions and the information and opinions may not be up to date.

Release date: 31st October 2010

Disclaimer

The information and opinions in this article were prepared by Valoral Advisors S.A. ("Valoral"). The information and opinions are provided for informational purposes only and are subject to change without notice. The information contained in this website has been compiled from sources believed to be reliable; however, the information has not been independently verified. Accordingly, no representation, warranty, expressed or implied is made as to the fairness, accuracy, completeness or correctness of the information and opinions contained in this article. To the fullest extent permitted by law, none of Valoral, its directors, employees, agents or other person accept any liability for any loss whatsoever arising from any use of the content shown in this article.

Nothing in this article constitutes investment, legal, tax or other advice and no person's objectives, financial information, or particular needs have been considered in preparing the information displayed. Before making an investment decision, you should consider the suitability of an investment in light of your particular investment needs, objectives and financial circumstances and consult an independent professional financial or other advisor.

Copyright Notice: © Valoral Advisors S.A. 2010. All rights reserved. No part of this article (text, data or graphic) may be reproduced, stored in a data retrieval system, or transmitted, in any form whatsoever or by any means (electronic, mechanical, photocopying, recording or otherwise) without obtaining Valoral Advisors S.A. prior written consent.