

Peer Group:

Global Mainstream Equities

Fund Manager/Adviser:

Ivan Nyssen (since September 1998)

Location:

Brussels

Launch Date: September 1998

Fund Size (May 2009):

US\$184m, €131m

Group Contact No:

+32 2 663 4885

Website:

www.capitalatwork.com

S&P ID Number: OS302959

Share class screened:

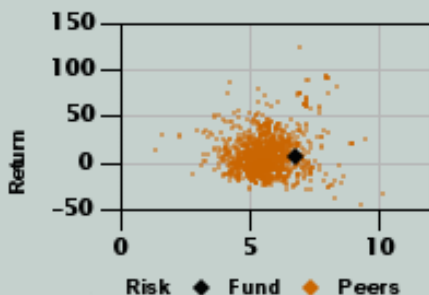
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INVESTMENT STYLE

	Value	Blend	Growth
Large-Cap			
Mid-Cap			
Small-Cap			

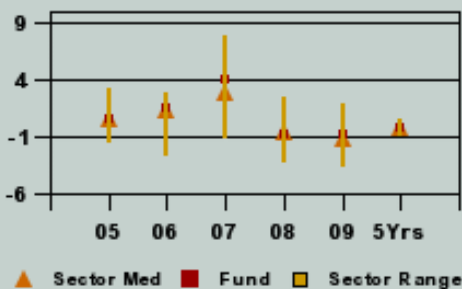
RISK RETURN (STD DEVIATION) OVER 5 YEARS



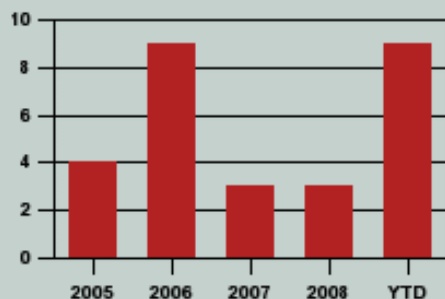
3 YEAR RISK CHARACTERISTICS

Maximum Drawdown (%)	High	-59.1
Volatility	Medium	28.7
Correlation	High	1.0
Beta	High	1.3

SHARPE RATIO VS PEER GROUP



CALENDAR YEAR DECILE RANKS



Decile ranking in discrete annual periods. 1st decile shown as rank 10, 2nd decile as rank 9, etc. to 10th decile as Rank 1.

Please see page 2 for required research analyst certification disclosure.

Further information on S&P's fund coverage can be found at

www.FundsInsights.com

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STANDARD & POOR'S OPINION (JULY 2009)

Despite a change in ownership since our last review, this fund continues to be managed in a disciplined contrarian style. Since February 2009 CapitalatWork has been part of the Foyer group. Both the equity and bond teams remain intact, but the portfolio managers are no longer shareholders and have received the first of three cash instalments to be paid over three years for their holdings. This has enabled Ivan Nyssen to put more of his own money in the fund and reduce his management responsibilities.

Nyssen draws from the stock ideas of three regional portfolio managers, who are responsible for company analysis and modelling. Idea generation is broad across the team which makes disciplined use of a free cashflow screen across the investment universe.

The fund is designed to be low volatility. Under normal market conditions, Nyssen uses put spread/short call hedges to achieve this, reflected in the fund's top-quartile volatility-adjusted ranking over three years. However, a higher-than-average drawdown in 2008 hurt risk-adjusted returns.

We have high regard for Nyssen's long-term contrarian approach and the team has a clear view of his investment requirements. Being out of the banking sector for an extended period benefitted performance. Nyssen also turned negative on equity markets early and introduced shorts on the largest indices, but disappointingly did not stick to his guns when colleagues challenged this bearish positioning.

Nyssen is an experienced investor with a sound and diligently followed investment approach. The fund retains an S&P AA rating.

FACT FILE

Group: CapitalatWork was acquired by Luxembourg insurance company Foyer in February 2009. CapitalatWork will be combined with Foyer's existing asset management division to form a new asset management company with assets of close to €3.5bn under management.

Team: CapitalatWork has a team of four equity portfolio managers, each supported by one assistant. There are three additional analysts.

Fund Manager: Nyssen has 22 years' financial markets experience and is CEO of CapitalatWork. He has managed this fund since its launch in 1998.

Style: Long term and bottom-up, targeting companies that are undervalued on a free cashflow yield basis relative to the market's valuation. There is a bias towards Europe.

Performance: Over the five years to 29/05/2009, the fund has returned 5.8%, compared with 3.4% for the sector median and 7.3% for the index, ranking 772/1874.

FUND MANAGER & TEAM

CapitalatWork manages a total of €3.5bn. Nyssen heads the team of four equity fund managers and three full-time analysts. Additional support is provided by one analyst, who is based in Spain and mainly focuses on local companies.

The analysts cover the equity and debt issues of companies. Each analyst covers two industries and is responsible for idea generation and for recommending stocks for the portfolio. All stocks are valued according to the same methodology based on a proprietary model. Main members are:

Ivan Nyssen - CIO - economics (RUCA Antwerpen), started his career with Lehman Brothers in 1987, moving to CapitalatWork in 1994. He is the chief strategist.

Dominique Marchese - fund manager - mathematics (Catholic University of Louvain-la-Neuve), started his investment career in 1993, working with Banque Paribas, Banque Deway and CBC Banque before joining CapitalatWork in 2002. He manages European equity funds.

Paul Smets - MBA (Katholieke Universiteit Leuven), started his career in 1988 at Generale Bank and joined CapitalatWork in 1994. He heads the research team.

PORTFOLIO CHARACTERISTICS

No. of holdings	45
Turnover ratio (%)	N/A
% in top 10	57

TOP 10 HOLDINGS (01/05/09)

	%
GBL	7.6
Vinci	7.4
Apple	6.6
Siemens	6.6
LVHM	6.4
Schneider	5.3
Comcast	4.5
Grupo Televisa	4.3
Arcelomittal	4.0
News	4.0

* In top 10 holdings a year ago

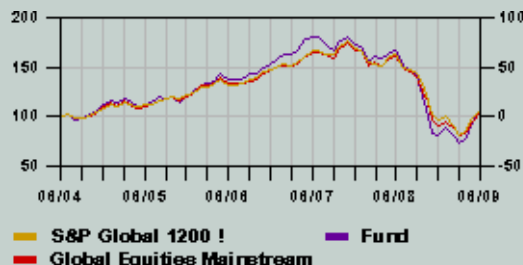
ALLOCATION BREAKDOWN (01/05/09)

	Index %**	Fund %
Basic materials	6.3	6.6
Consumer discretionary	8.3	40.0
Consumer staples	11.2	2.7
Energy	11.9	0.0
Financials	18.2	0.0
Healthcare	11.4	0.0
Industrials	10.5	38.8
Information technology	10.4	0.5
Telecoms	6.2	8.2
Utilities	5.7	2.7
Others	-	0.5

PERFORMANCE STATISTICS

	3 Years	5 Years
Fund	-22.9%	5.8%
Standard & Poor's Peer Median	-22.7%	3.4%
Index**	-19.0%	7.3%
Fund Rank	1263/2478	772/1874
Standard Deviation	28.7	-
Relative Standard Deviation	1.3	-
Volatility Adjusted Ranking	730/2478	-

CUMULATIVE PERFORMANCE



CONTRARIAN EQUITIES AT WORK

Peer Group: Global Mainstream Equities



MANAGEMENT STYLE

- The fund is managed in a bottom-up, value style regardless of the benchmark MSCI World index. It invests in companies that are undervalued on a free cashflow (FCF) yield basis and have fallen from favour.
- Ideas are generated through multiple sources of information and the investment universe is unconstrained. Candidates undergo fundamental analysis, with visibility of cashflow and quality of management acting as main qualitative criteria. This results in internal forecasts of FCF and growth, which drive the proprietary valuation model.
- The model provides a stock's FCF yield to EVA (market value of capital employed), as well as the discount to intrinsic value,

expected rate of return and implied growth rate.

- Positions are built gradually, seldom rising above 5%. Diversification is ensured by holding at least 30 stocks from seven sectors.
- Short calls on fully valued portfolio holdings may be implemented to profit from periods of high volatility or as an additional sell discipline. Derivatives can also be used to limit the overall market exposure.
- Non-euro currency exposure is capped to 50% and US dollar exposure may be partially hedged. The fund is run fully invested.

PORTFOLIO REVIEW

Nyssen has continued to run a focused portfolio, around his best ideas. The number of holdings has fallen once again, from 55 to 45. The manager will often trade around companies he knows well on newsflow. The top 10 concentration has also risen once again from 50% to 57%, and there are now six stocks with a weighting of 5% or more of the fund.

sensitive industrial names such as Vinci, Siemens and Schneider.

Consumer discretionary names also comprised a large percentage of the portfolio with media companies Grupo Televisa and News Corp among the top 10 active bets. A consumer bias is a longstanding feature of the portfolio as is the underweight to financials - banks continued to be zero-weighted. Recently added technology companies included Apple, Cisco and Intel.

The portfolio was significantly overweight the industrials sector at review. However, the large active positions were less economically

PERFORMANCE ANALYSIS (MAY 2009)

Adjusted for volatility, this fund ranks in the top quartile of funds in the peer group over three years. The fund is designed to be low volatility and has used put spread/short call hedges to help achieve this. However, a high drawdown in 2008 did not help improve returns, as too much cyclical exposure (media in particular) and two companies with short-term funding requirements (RHD and LVS) hurt. Nyssen also removed the short index positions (put spreads) too early.

towards consumers. Substantial outperformance in 2006 came from a range of names, including Siemens, Vinci, Lafarge, ArcelorMittal and Schneider. The bias to Europe and the low weighting in Japan also helped. Underperformance in 2005 largely resulted from being too early to underweight resources.

Performance has largely been driven by stock selection, although the bias to value, Europe and mid-caps helped until mid-2007.

In 2007, the fund suffered by being out of materials and energy and having a bias

DISCRETE PERFORMANCE (CALENDAR YEARS)

	2005		2006		2007		2008		YTD 29/05/2009	
	%	Rank	%	Rank	%	Rank	%	Rank	%	Rank
Fund	7.8	1293/2029	27.7	335/2358	6.8	2074/2713	-47.4	2514/3197	17.8	417/3601
Index**	10.2		21.5		10.2		-40.1		7.4	
Median	9.4		21.3		10.6		-43.6		9.5	

** S&P Global 1200 (Industry)

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