

Peer Group:

European Mainstream incl UK Equities

Fund Manager/Adviser:

Dominique Marchese (since March 2002)

Location:

Brussels

Launch Date:

December 1997

Fund Size (February 2009):

€105m

Group Contact No:

+352 2 605 9730

Website:

www.capitalatwork.com

S&P ID Number:

OS302961

Share class screened:

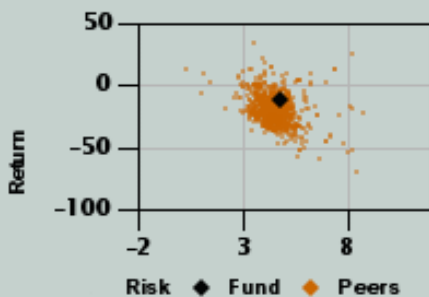
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INVESTMENT STYLE

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

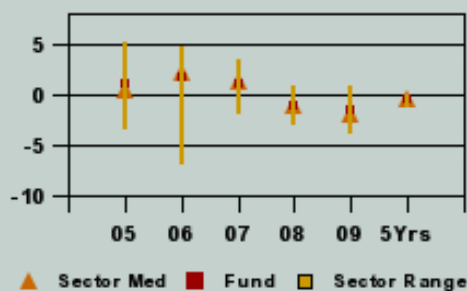
RISK RETURN (STD DEVIATION) OVER 5 YEARS



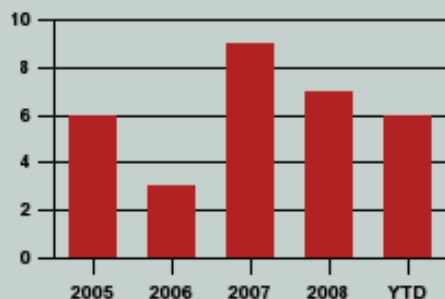
3 YEAR RISK CHARACTERISTICS

Maximum Drawdown (%)	Medium	-48.1
Volatility	Medium	19.1
Correlation	High	0.9
Beta	Medium	1.1

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.funds.standardandpoors.com

All statistical data on this report has been run to 30/01/2009 on NAV to NAV basis, with gross income reinvested, in euro.

STANDARD & POOR'S OPINION (MARCH 2009)

In February 2009 CapitalatWork was acquired by Foyer, a Luxembourg insurance group. Despite the change in ownership this fund will continue to be managed by Dominique Marchese using the same investment approach.

Marchese started managing European equity funds in 1998 and has over 16 years' total investment experience. He is the European equity specialist and in addition to managing funds he is also responsible for researching energy, building materials and selective industrial companies.

The investment approach is bottom-up and looks for value through the analysis of total enterprise value and free cash flow. A quant screen is used to narrow the investment universe, by assessing industry cashflow generation and ROCE, to around 180 stocks. These are subjected to in-depth fundamental analysis using detailed DCF models.

Marchese has recently been making more use of the quant screen. This coincides with a reduction in the number of sector analysts from eight to five and there is now no in-house coverage of financials. Although this is of some concern, we take comfort that the remaining analysts are the more experienced members of the team and that Marchese can draw on external research contacts for research on financials.

Marchese's experience and demonstrable track record built managing this fund since March 2002, continue to support the fund's S&P A rating. However, we have some concern over the reduction of in-house research resources and we will continue to follow developments in light of the change in ownership of the group.

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: As a result of three junior analysts being cut from the team, Marchese is now supported by five senior analysts and one quantitative analyst. The analysts have 10 years' average experience.

Fund Manager: Marchese has 16 years' investment experience. He is the group's European

equities specialist and also researches energy, building materials and selective industrials stocks.

Style: The fund is managed in a bottom-up, fundamental value-driven style that is at times contrarian. Conservative DCF analysis acts as the key valuation measure.

Performance: Over the five years to 30/01/2009, the fund has returned -5.5%, compared with -13.8% for the sector median and -5.2% for the index, ranking 233/1069.

FUND MANAGER & TEAM

Luxembourg-domiciled CapitalatWork group was acquired by Luxembourg insurance group, 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. Marchese is the groups' European equity specialist and following the departure of three junior analysts is now supported by one quant and five research analysts. They have sector responsibilities for European and US companies. All stocks are valued in the same way, based on a proprietary model.

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.

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

PORTFOLIO CHARACTERISTICS

No. of holdings	46
Turnover ratio (%)	N/A
% in top 10	51

TOP 10 HOLDINGS (01/02/09)

	%
Vinci	8.6
GBL	7.9
Total	6.4
GDF Suez	5.2
Siemens	5.0
Dassault System	4.3
ENI SpA	4.0
Eutelsat	3.7
Vivendi Universal	3.3
Danone	2.9

* In top 10 holdings a year ago

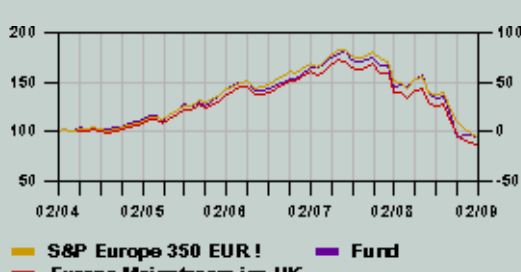
ALLOCATION BREAKDOWN (01/02/09)

	Fund %
Consumer discretionary	20.3
Consumer staples	6.2
Energy	15.8
Financials	1.8
Healthcare	1.7
Industrials	25.8
Information technology	6.0
Materials	9.3
Telecoms	4.0
Utilities	9.1

PERFORMANCE STATISTICS

	3 Years	5 Years
Fund	-33.7%	-5.5%
Standard & Poor's Peer Median	-37.0%	-13.8%
Index**	-33.7%	-5.2%
Fund Rank	411/1362	233/1069
Standard Deviation	19.1	-
Relative Standard Deviation	1.1	-
Volatility Adjusted Ranking	169/1362	-

CUMULATIVE PERFORMANCE



EUROPEAN EQUITIES AT WORK

Peer Group: European Mainstream incl UK Equities



MANAGEMENT STYLE

- Marchese manages the fund in the same value-driven style applied throughout the CapitalatWork group.
- The universe of stocks is narrowed considerably through assessment of industry cashflow generation and ROCE, with around 180 European stocks being subject to detailed DCF analysis. Assumptions are purposely conservative, with input from company meetings.
- Cashflow visibility and management quality are important qualitative criteria.
- Bottom-up stock selection, based on DCF valuations, drives portfolio positioning. The only constraint is there must be at least

seven sectors. The portfolio may therefore differ markedly by country, sector and market capitalisation profile from pan-European peers and benchmark indices. Direct exposure to emerging Europe is minimal, but there is often a bias to France and Belgium.

- The approach is clearly long term and holdings are built gradually, with the largest convictions usually limited to 5-6%. The portfolio is diversified through 40-60 holdings.
- There can be limited sales of call options on fully valued portfolio holdings, to profit from high-volatility periods.
- The fund tends to run fully invested.

PORTFOLIO REVIEW

In the 12 months following our last review, the number of holdings in the fund increased from 41 to 46, while portfolio assets declined from €181m to €105m, as a result of market movement. Portfolio turnover was also above the historical norm as Marchese repositioned the fund away from cyclical stocks most exposed to the economic downturn towards defensive names.

BHP Billiton on a contrarian view. In Continental Europe, Marchese sold building material groups, such as Lafarge and capital goods companies including Schneider. The proceeds were reinvested into defensive stocks with good cashflow generation such as Eutelsat and Dassault Systemes.

In the UK, exposure to financials was cut back further but interestingly Marchese had recently built up a position in diversified miner,

Marchese also increased the fund's holding in Vivendi. Large-cap oil majors including ENI were also favoured for their strong balance sheets and attractive valuations on a long-term contrarian view.

PERFORMANCE ANALYSIS (FEBRUARY 2009)

Marchese has built a strong performance track record on this fund since taking over as manager March 2002. The fund has outperformed the peer median cumulatively to rank top-quartile over five years to end January 2009 and second quartile over three.

In 2008 underweight financials, particularly in the UK, added value while rotating out of cyclical (Lafarge, St Gobain, Schneider) into defensives (Eutelsat, Dassault Systemes, GDF Suez) provided a significant positive contribution to excess returns.

Stock selection has been the main driver of excess returns. However, Marchese has also been successful in adding incremental value through his use of writing covered calls and his use of index futures to protect against sharp downturns in the market.

The fund also gained from its holdings in the oil & gas sector in H1 2008, however, these performed less well in H2. Writing covered calls added around 100-150bps to annual returns and buying puts on the Eurostoxx 50 also helped.

DISCRETE PERFORMANCE (CALENDAR YEARS)

	2005		2006		2007		2008		YTD 30/01/2009	
	%	Rank	%	Rank	%	Rank	%	Rank	%	Rank
Fund	25.0	566/1207	16.1	984/1365	4.9	292/1551	-42.0	597/1707	-2.5	777/1731
Index**	26.6		20.0		3.5		-42.2		-4.3	
Median	24.7		18.5		0.9		-43.8		-2.8	

** S&P Europe 350 EUR

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