

Named portfolio manager/adviser(s):

Dominique Marchese (since launch)

Peer group: Eurozone Equities

Location: Brussels

Launch date: May 2007

Fund size (February 2011): €45.9m

Contact group: +352 2605 9730 or

www.capitalatwork.com

Further information on S&P's fund coverage can be found at www.FundsInsights.com



Report date April 2011

Investment style

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

Performance statistics

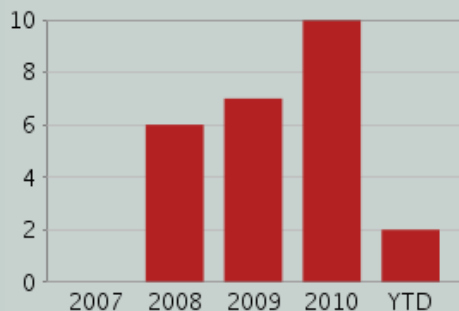
	Three years
Fund	-2.7%
Standard & Poor's peer median	-12.3%
Index**	-11.1%
Fund rank	92/632

Note: returns are cumulative

Three-year risk characteristics

Maximum monthly drawdown (%)	-19.4
Volatility	21.3
Correlation	0.9
Beta	0.9

Calendar year decile ranks



Decile ranking in discrete annual periods. First decile shown as rank 10, second decile as rank nine, with tenth decile as rank one.

Performance Data Source - © 2011 Lipper Inc. All rights reserved. All statistical data on this report has been run to 31 January 2011 on NAV to NAV basis, with gross income reinvested, in EUR.

Standard & Poor's opinion (April 2011)

This fund, together with its pan-European sister fund, works off the same team and process. In 2010 the team lost an analyst covering Asia and financials, who has been replaced by a junior generalist. However, the senior team members remain in place. Dominique Marchese, head of equities and of the research team, has been at the firm nine years. There are six fundamental analysts with 11 years' average experience, seven of them with the firm. There is still no in-house coverage of financials. Instead, the team relies on external sell-side contacts, but Marchese continues to avoid the sector in Europe. The team appears to be functioning well with current resources.

There has been no change in approach, which is bottom-up stockpicking based upon conservative DCF models. The universe of stocks is narrowed by sector based on assessment of sector cashflow generation, visibility and ROCE.

The team constructs the portfolio without reference to the benchmark. A stock's position size is determined by the team's view on its discount to intrinsic value. Marchese does, however, aim to be diversified by sector. Hedging strategies may be used in exceptional circumstances and Marchese has also made good use of writing covered calls to add incremental value.

Performance has been good relative to peers and benchmark, with outperformance coming mainly from stock selection, so that since launch the fund ranks top-quartile.

The team's highly consistent approach to stock valuation and Marchese's skill in stock selection allow the fund to retain an S&P AA rating.

Fund manager & team

Luxembourg-domiciled CapitalatWork group was acquired by Luxembourg insurance group Foyer in February 2009. CapitalatWork was combined with Foyer's existing asset management division to form a new asset management company with assets of €3.8bn under management. Dominique Marchese is the group's European equity specialist and is 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 - head of equities - mathematics (Catholic University of Louvain), 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 - University of Antwerp), started his career with Lehman Brothers in 1987, moving to CapitalatWork in 1994. He is the chief strategist.

Management style

The fund is managed in a highly consistent and team-driven fashion seeking to outperform the MSCI Gross L EMU return index. A value-driven style is applied based on the analysis of enterprise value and free cashflow.

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 generally 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 with a minimum of seven sectors held. Large sectors, such as banks, may be excluded if there is insufficient visibility to undertake analysis. Direct exposure to emerging Europe is minimal, but there is often a bias to France and Belgium.

The approach is long term and holdings are built gradually, with high-conviction holdings limited to 7-8%. Turnover is often within the same holdings, based on valuations. The portfolio is diversified through 40-50 holdings.

Occasionally, covered calls are written when close to target price. The fund is run fully invested.

CONTRARIAN EURO EQUITIES AT WORK

Sub-fund of Luxembourg domiciled Sicav - Part 1

Fund owner: CapitalatWork

Fund manager/adviser: CapitalatWork

STANDARD & POOR'S



Portfolio & performance analysis (February 2011)

The portfolio was diversified through nine sectors. Dominique Marchese continues to avoid banks due to poor visibility and concerns about the regulatory environment. Consumer staples was the other major underweight. Significantly overweight were the industrial, IT and consumer discretionary sectors.

Within the top 10, many current names were in the portfolio 12 months ago. Vinci was once again the largest absolute holding, but had been trimmed back on valuation having got close to a 10% position during 2010. Profits were also taken in other strong performers where earnings surprised including LVMH, Siemens and Schneider.

A derivative hedging strategy, covering 20% of the portfolio, was put in place at year-end 2010 but matured in March with little impact on performance.

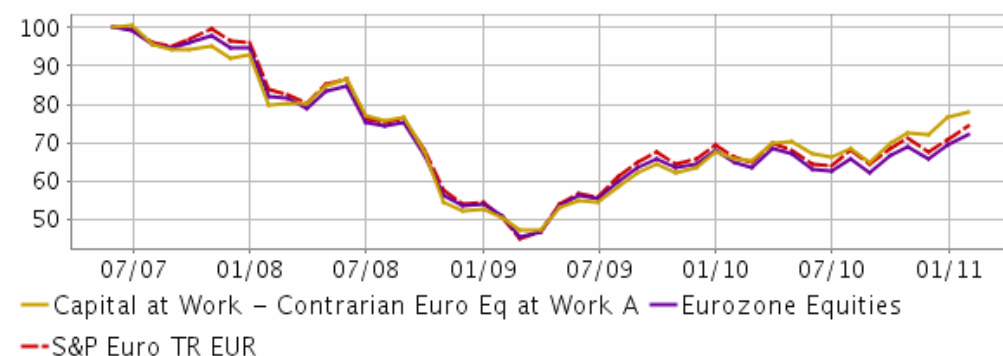
The fund is now ranked top decile cumulatively over both the past three and five years. Most of the fund's alpha has come from stock selection. In addition, some added value has come from writing covered calls and the use of index futures to protect against sharp downturns in the market.

In 2008 the fund gained from the underweight in financials, which was extended during the year. Rotating out of cyclicals (Lafarge, St Gobain, Schneider) into defensives (Eutelsat, Dassault Systèmes, GDF Suez) also provided a significant contribution. The fund gained from its holdings in the oil & gas sector in H1, although these performed less well in H2. Writing covered calls added 100-150bps to returns and buying index puts helped.

In 2009 the fund outperformed both the index and the peer group despite holding no banks. Stock selection was key and winners included L'Oreal, BHP, Vinci and Lafarge.

2010 returns were strong with Vinci, Siemens and Schneider among key stock contributors. Being underweight financials also helped. GBL (considered an undervalued holding company at a large discount to its sum of parts) was one of the more lacklustre performers.

Cumulative performance



Portfolio characteristics (1 February 2010)

No. of holdings	42
Turnover ratio (%)	64.2
% in top 10	47

Asset allocation

	%
Consumer discretionary	12.3
Consumer staples	1.0
Energy	14.6
Industrials	19.7
Information technology	15.9
Materials	10.0
Telecoms	12.9
Utilities	8.2
Other	5.4

Top 10 holdings

	%
Vinci *	7.7
GBL *	5.5
SAP	5.0
GDF Suez *	4.4
Gemalto	4.4
Schneider Electric	4.1
St Gobain	4.1
SES	4.0
E.On *	3.9
Publicis *	3.9

* In top 10 holdings a year ago

Discrete performance (calendar years)

	2008		2009		2010		YTD 31/01/2011			
	%	Rank	%	Rank	%	Rank	%	Rank		
Fund	/		-43.1	298/631	27.9	264/739	13.7	38/824	1.5	752/862
Index**	9.2		-43.6		28.0		2.1		5.0	
Median	5.5		-43.4		26.3		2.4		3.9	

** S&P Euro TR EUR

Fund benchmark: MSCI DTR Gross L EMU

Share class screened: LU0291671682 (Class A)

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Symbols and definitions

Long-only fund ratings

AAA The fund demonstrates the highest standards of quality in its sector based on its investment process and management's consistency of performance as compared to funds with similar objectives.

AA The fund demonstrates very high standards of quality in its sector based on its investment process and management's consistency of performance as compared to funds with similar objectives.

A The fund demonstrates high standards of quality in its sector based on its investment process and management's consistency of performance as compared to funds with similar objectives.

Fund-of-hedge-funds ratings

Absolute return fund ratings

Specialist fund ratings

AAA The fund demonstrates the highest standards of quality based on its investment process, risk awareness and consistency of performance relative to its own objectives.

AA The fund demonstrates very high standards of quality based on its investment process, risk awareness and consistency of performance relative to its own objectives.

A The fund demonstrates high standards of quality based on its investment process, risk awareness and consistency of performance relative to its own objectives.

Ucits III flexible beta fund ratings

AAA The fund demonstrates the highest standards of quality based on its investment process, risk awareness and consistency relative to its own objectives and relative to comparable flexible beta funds.

AA The fund demonstrates very high standards of quality based on its investment process, risk awareness and consistency relative to its own objectives and relative to comparable flexible beta funds.

A The fund demonstrates high standards of quality based on its investment process, risk awareness and consistency relative to its own objectives and relative to comparable flexible beta funds.

All fund ratings

Not Rated (NR) Funds designated as Not Rated currently do not meet the requisite performance standards and/or the minimum qualitative criteria to achieve a fund rating.

Under Review (UR) Ratings are placed Under Review when significant management changes occur at the fund manager or fund management team level and Standard & Poor's Fund Services has not had the opportunity yet to evaluate their impact on the qualitative appraisal.

(New) Signifies where a major event has occurred for which there is no fund-specific track record available. This includes: funds recently launched, the implementation of a new investment process or mandate and may include structural changes within a fund team.

Tenure Review (TR) The fund manager/team involved in the management of the fund does not currently have the minimum 12 months' relevant investment management experience required to be eligible to be considered for a rating.

Long-term fund management rating LTFMR The fund has been rated in the A/AA/AAA fund rating band for five consecutive years or more, and continues to hold a rating.

Bond fund volatility ratings

The bond fund volatility rating is our current opinion of a fund's sensitivity to changing market conditions. Volatility ratings evaluate the fund's sensitivity to interest rate movement, credit risk, investment diversification or concentration, liquidity, leverage and other factors. For V1-V4 categories, risk is considered relative to a portfolio composed of government securities and denominated in the base currency of the fund.

V1 Bond funds that possess low sensitivity to changing market conditions. These funds possess an aggregate level of risk that is less than or equal to that of a portfolio comprising government securities maturing within one to three years, and denominated in the base currency of the fund. These funds possess an aggregate level of risk that is less than or equal to that of a portfolio comprising the highest quality fixed income instruments with an average maturity of 12 months or less. Within this category, certain funds are designated with a plus sign (+), indicating extremely low sensitivity to changing market conditions.

V2 Bond funds that possess low to moderate sensitivity to changing market conditions. These funds possess an aggregate level of risk that is less than or equal to that of a portfolio comprising government securities maturing within three to seven years, and denominated in the base currency of the fund.

V3 Bond funds that possess moderate sensitivity to changing market conditions. These funds possess an aggregate level of risk that is less than or equal to that of a portfolio comprising government securities maturing within seven to 10 years, and denominated in the base currency of the fund.

V4 Bond funds that possess moderate to high sensitivity to changing market conditions. These funds possess an aggregate level of risk that is less than or equal to that of a portfolio comprising government securities maturing beyond 10 years and denominated in the base currency of the fund.

V5 Bond funds that possess high sensitivity to changing market conditions. These funds may be exposed to a variety of significant risks including high concentration risks, high leverage, and investments in complex structured and/or less liquid securities.

V6 Bond funds that possess the highest sensitivity to changing market conditions. These funds include those with highly speculative investment strategies with multiple forms of significant risks, with little or no diversification benefits.

Absolute return fund N ratings

The N rating is Standard & Poor's indication of a fund's potential capital stability in normal markets. It is a qualitative rating but is based on annualised weekly downside deviation. N1 is the most stable and N9 the least.