

Named portfolio manager(s):

Erwin Deseyn (since launch), Paul Smets (since January 2009)

Location: Brussels

Launch date: September 2000

Fund size (January 2010): €243m

Peer group: Global Bond Funds in Euro

Hedged

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



Report date February 2010

Investment Style

	Inv Grade	Blend	Sub Inv Grade
Govt			
Corp			
Emerging			
ABS/MBS			

Performance Statistics

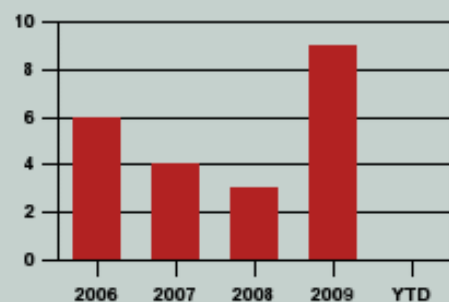
	3 Years
Fund	4.8%
Standard & Poor's Peer Median	7.5%
Index**	15.9%
Fund Rank	50/78

Note: returns are cumulative

3 Year Risk Characteristics

Maximum Drawdown (%)	Medium	-13.3
Volatility	Medium	6.6
Correlation	Low	-0.1
Beta	Medium	-0.1

Calendar Year Decile Ranks



Decile ranking in discrete annual periods. First decile shown as rank 10, second decile as rank 9, with tenth decile as rank 1.

Performance Data Source - © 2009 Morningstar, Inc. All Rights Reserved. All statistical data on this report has been run to 31/12/2009 on NAV to NAV basis, with gross income reinvested, in Euro.

Standard & Poor's opinion (February 2010)

This is primarily an investment-grade corporate bond fund although it will usually hold some government bonds for liquidity and can have up to 10% in high yield. It is benchmarked against the Barcap Euro Aggregate Corporate index.

The mandate changed in late 2008, so the prior track record is no longer relevant. The portfolio was largely reorganised by the beginning of 2009 but still held a few legacy inflation-linked issues, which the team sold in the summer. They took advantage of investor inflows to invest in bonds issued by industrial names they like, particularly longer issues and BBB issuers. As a result, the fund's credit beta increased throughout the year. They remained underweight financial names, particularly subordinated debt, throughout 2009, but are increasing the exposure somewhat in 2010.

The fund has more credit beta than most competitors in this peer group and therefore outperformed during 2009 as credit spreads narrowed. It also outperformed its benchmark by about 3% gross. The legacy holdings and lack of financials held returns back but the credit beta positioning added value throughout the year.

We welcome the good performance since the fund's mandate was reworked and we look forward to seeing how the portfolio develops in future. In the meantime, we have retained the A(New)/V4 rating.

Fund manager & team

CapitalatWork manages €850m in bonds. Fund managers Erwin Deseyn and Paul Smets are supported by a team of a dozen research analysts covering equity and bond issues.

Erwin Deseyn - fund manager - economics (Katholieke Universiteit Leuven), started his career in 1991, working at Bacob and Générale Bank, before joining CapitalatWork in 1999. He specialises in credit.

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

Management style

The fund has undergone a mandate change and is now benchmarked against the Barcap Euro Aggregate Corporate index.

It will still typically hold 10% in high quality government bonds and/or cash for liquidity purposes. High yield is capped at 10%. Foreign currency risk is limited to 50% but is likely to be less than 25% after hedging. Duration will range between 4-7 years.

The fund will only invest in cash market securities and will not use credit derivatives to manage exposures or mitigate risk. Nor will the fund invest in structured issues in future.

The investment approach is bottom-up, emphasising the idiosyncratic risk associated with individual credits. The team uses a proprietary discounted cashflow model to value securities. Close attention is paid to funding and liquidity analysis, together with the distribution of the debt maturity profile.

Other constraints include a maximum 10% invested in an issuer's outstanding debt, and a similar limit in non-quoted securities.

CORPORATE BONDS AT WORK

Sub-fund of Luxembourg domiciled Sicav - Part 1
CapitalatWork

STANDARD & POOR'S



Portfolio & performance analysis (January 2010)

This fund changed its mandate late in 2008 to focus much more on corporate credit. Therefore the prior track record is no longer relevant.

The team had largely reorganised the portfolio at the start of 2009 but it still held some legacy inflation-linked corporate bonds that they sold in the summer.

They took advantage of sizeable investor inflows to add industrial names, including about 5% in high yield. They concentrated on credits with sustainable refinancing needs as well as other positive credit indicators. They plan to increase high yield a little further early in 2010. Many of the issues added were denominated in US dollars (as there was the widest selection of cheap issues available) and were of longer duration, to increase credit beta. However, the fund was almost completely hedged back into euros at the time of review.

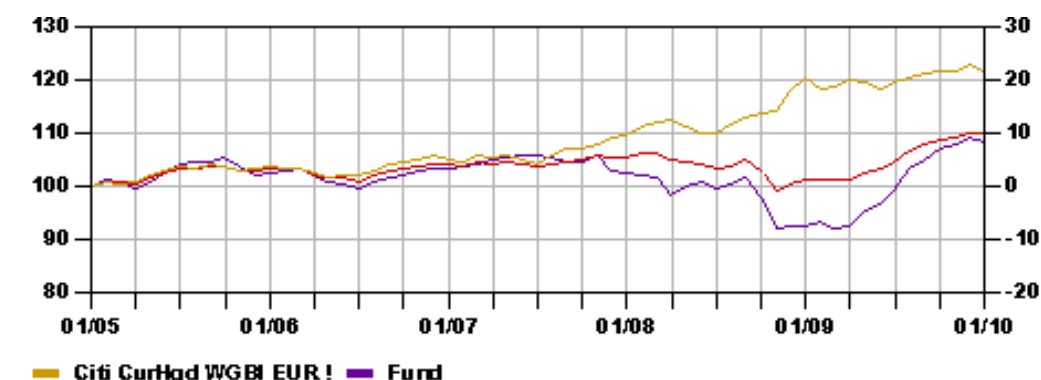
Conversely, the fund was underweight financials for most of 2009. The team added some senior and subordinated bank debt selectively towards the end of the year and plans to add more insurance and bank paper in 2010 to bring the total position up to about 12%.

The team does not take significant duration or curve bets under this new mandate. They do not believe that Bund yields will rise significantly in 2010 and therefore feel comfortable increasing duration to take advantage of the steeper yield curve and credit curve.

However, they do feel the euro is not as secure as some of their competitors and therefore added a 5% exposure to Norwegian krone early in 2010 and may add exposure to emerging market currencies as well.

The fund outperformed the peer group in 2009 due to its higher credit beta. It also outperformed the benchmark by about 3% gross. Although the legacy inflation-linked holdings and the underweight to financials were a drag, it had greater credit beta than the benchmark and thus benefited from narrowing credit spreads throughout the year.

Cumulative performance



Discrete Performance (calendar years)

	2006		2007		2008		2009		YTD 31/12/2009	
	%	Rank	%	Rank	%	Rank	%	Rank	%	Rank
Fund	0.8	32/73	-1.0	55/78	-9.7	57/78	17.2	15/82		/
Index**	0.9		4.3		9.9		1.1			
Median	0.8		-0.1		-3.2		7.0			

** Citi CurHgd WGBI EUR!

Fund Benchmark: Barcap Euro Aggregate Corporate Bond Index

Share class information

	Initial charge	Exit charge	Annual charge	Expense ratio	Lump sum	Savings plan	ISIN
Cap	3.00	0	0.60	0.78			LU0116513721
Registered for sale	Belgium, France, Italy, Luxembourg, Netherlands, Spain, Switzerland						

Sources of return (01/01/10)

	Low	Average	High
Duration	[Bar chart showing duration distribution]		
Yield Curve	[Bar chart showing yield curve distribution]		
Credit Spreads	[Bar chart showing credit spread distribution]		
Country / Sectors	[Bar chart showing country/sector distribution]		
Currency Exposure	[Bar chart showing currency exposure]		
Derivatives	[Bar chart showing derivatives exposure]		

Portfolio characteristics

Effective duration (years)	6.03
----------------------------	------

Credit rating breakdown by CTD* (01/01/10)

	Long	Short	Net
AAA	0.47	0.00	0.47
AA	0.55	0.00	0.55
A	2.00	0.00	2.00
BBB	2.63	0.00	2.63
BB & below	0.38	0.00	0.38

Duration breakdown (01/01/10)

	Long	Short	Net
0-3 years	0.12	0.00	0.12
3-5 years	1.19	0.00	1.19
5-10 years	3.35	0.00	3.35
10+ years	1.37	0.00	1.37

Asset allocation by CTD (01/01/10)

	Long	Short	Net
Govern./Supranational	0.43	0.00	0.43
Corporates	5.60	0.00	5.60

Regional breakdown by CTD* (01/01/10)

	Long	Short	Net	Curr %
North America	2.04	0.00	2.04	0.5
Europe ex-UK	3.85	0.00	3.85	99.3
UK	0.13	0.00	0.13	1.9

* CTD = Contribution to duration. Credit rating exposures are expressed in spread duration terms.

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 performance consistency of the management team and/or approach 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-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.

Absolute Return 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.

Specialist Fund Ratings

AAA The fund demonstrates the highest standards of quality based on its investment process and management's consistency of performance relative to its own objectives.

AA The fund demonstrates very high standards of quality based on its investment process and management's consistency of performance relative to its own objectives.

A The fund demonstrates high standards of quality based on its investment process and management's consistency of performance relative to its own objectives.

All Fund Ratings

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

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 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.

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 comprised of 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 comprised of 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 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.

S&P's fund management research reports are, based mainly on public information, we don't audit the information and we may rely on unaudited information when we prepare the reports which are for institutional use only. A report is not investment advice, a financial promotion, or a recommendation to purchase, hold, sell or trade any security. A report should not be relied on when making an investment decision as the report is for information purposes only and not tailored to a specific investor. Past fund performance is no guarantee of future performance and we accept no responsibility if, in reliance on a report you act or fail to act in a particular way. We are paid for our fund management reports normally by the fund issuer. Our fees are based upon the analysis and time involved in the research process and are not conditional on awarding a fund a rating. Fund companies select the funds they want us to rate and may elect not to have published the rating they are subsequently awarded. Our fund management reports are continuously monitored and updated reports are posted to www.fundsights.com. The funds described in this report are generally not available to US investors and are only available to US investors, if at all, who are "accredited investors" as that term is defined in Section 501 of Regulation D of the Securities Act of 1933, as amended or to investors who are deemed to be "qualified purchasers" as that term is used in Rule 2a51-1 under the Investment Company Act of 1940.

S&P and our affiliates provide a wide range of services to, or relating to, many organizations, including issuers of securities, investment advisers, broker-dealers, investment banks, other financial institutions and financial intermediaries, and accordingly may receive fees or other economic benefits from those organizations, including organizations whose securities or services we rate, include in model portfolios, evaluate or otherwise address. The views expressed in a report reflect our committee's views and the committee's compensation is not related to specific rating or to the views expressed in a report. The trade marks of "Standard & Poor's" and "S&P" are the property of Standard & Poor's Financial Services LLC and are protected by registration in several countries. All rights in those marks are reserved. Copyright© 2009 The McGraw Hill Companies, Ltd 20 Canada Square, Canary Wharf, London, E14 5LH and all of its licensor sources. All rights reserved. No part of this publication shall be reproduced, stored in any retrieval system or transmitted in any form electronic or otherwise without the prior written consent of S&P. Any part of the publication by S&P of which this page is a part is made accessible subject to the terms and conditions which are accessible at the url address below ("S&P Terms") - by accessing and viewing this page and/or and pages associated with or attached to it you accept the S&P Terms. Go to <http://www.funds-info.standardandpoors.com>. This report is issued subject to the laws of England and all matters arising from it or its use shall be subject to the exclusive jurisdiction of the Courts of England. Because of the possibility of human or mechanical error by our sources, S&P or others, we can't guarantee the accuracy of any information and are not responsible for any errors.

Performance Data Source - © 2009 Morningstar, Inc. All Rights Reserved. The performance information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.