

Bestifond FI Acc

Morningstar Category Benchmark
MSCI Europe Small Cap NR USD

Morningstar Qualitative Rating™



► **Elite**
Superior
Standard
Inferior
Impaired

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Executive Summary

People: The team is very experienced and is concentrated in a geographical area and only one investment style. The team's interests are very well aligned with investors'.

Parent: The fund's parent is a solid boutique-type management company focused on generating long-term profitability, with zero turnover of the management team.

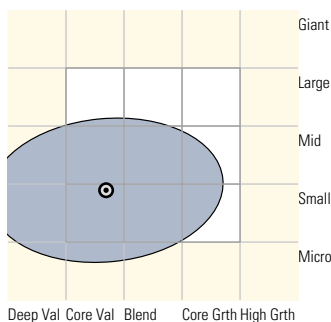
Process: This is a solid and well-structured process with a long-term mindset. The portfolio focuses on managers' best ideas, not paying much attention to indexes..

Performance: Excellent long-term returns, although the comparison with the category is influenced by the high exposure to Spanish equities.

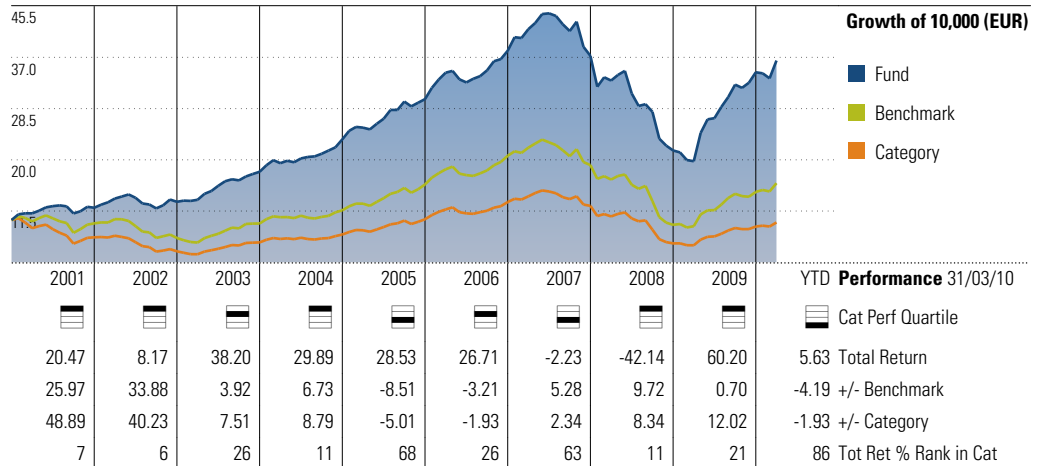
Price: The fund's total expense ratio is similar to the category average.

Role in Portfolio: This fund offers exposure to European stocks with a strong bias to Spain. It is not suitable for investors who are seeking index-like returns.

Morningstar Style Box: Ownership Zone



⊙ Centroid = weighted average of stock holdings
● Zone = 75% of fund's stock holdings
(as of 31/12/09)



Morningstar Opinion

1 Jul 2009 | We maintain our confidence in this European equity fund, that has a strong bias to Spain (approximately 20%-40% of the portfolio).

At the parent level, the most noteworthy point is that the strong cash outflows suffered in 2008 and at the beginning of 2009 appear to have stabilised. We continue to believe that the boutique structure of the house provides good support to the management team and helps align the interests of the managers with those of the investors. There have not been any new products launched in recent months. The main drawback we continue to see is the fact is that back-end fees end up in the company's income statement instead of in the fund's net asset value, which in our opinion would be the fairest solution for investors. Management fee has not changed, therefore the annual expense ratio that this fund charges is still in line with category.

In terms of the investment team nothing has changed, and the most relevant change in the company has been the addition of sales director Beltrán Parages, who fills the vacancy that Ignacio Pedrosa left at the beginning of the year. We will follow how the sales strategy evolves and its potential impact on the firm's products; the emphasis is probably going to be on developing the European institutional client base. With regard to the investment team, we maintain a very high opinion of García Paramés, Guzmán de Lázaro, and Bernad; they form a close-knit and

experienced team that shares the same philosophy and investment mindset.

The investment process is robust and we think it is capable of adding value in the long term. After the recent financial crisis, the team has decided to slightly modify the approach by placing even more emphasis on the companies' quality, in terms of ROCE. We do not expect this to have a significant impact in the final portfolio though. On the other hand, the portfolio is becoming more concentrated, a trend that we have been seeing for some time. In view of the good returns obtained by some portfolio stocks, the managers have been selling those that have performed better so as to increase the position in more undervalued companies with greater appreciation potential. For that reason, they have reduced the position in companies like Virgin Media, Corporación Financiera Alba, and Debenhams.

In both 2008 and so far in 2009 (until the end of May), the fund has significantly beaten the customized index (70% MSCI Europe Small Cap NR and 30% MSCI Spain Small NR) and the category average. Given the concentration of the portfolio, this good result has been generated by company specific returns. The long-term, relative performance of the fund continues to be excellent.

In conclusion, this fund appears to us to be an ideal vehicle to gain exposure to the European and Spanish market, with a strong weighting on the latter region.

Morningstar Category™	Europe Small-Cap Equity
Manager's Benchmark	70% MSCI World Index, 30% Indice General Bolsa de Madrid
Inception Date	13/01/1993
Total Net Assets	EUR 880.32 Mil

ISIN	ES0114673033
Domicile	Spain
Legal Status	Unit Trust
UCITS	Yes
Base Currency	EUR

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Manager	Álvaro Guzmán de Lázaro, Fernando Bernad, Francisco García Paramés
Manager Start	01/03/03
Average Tenure	9.23
Avg Yrs Experience	19 years
Longest Tenure	17.26

Other Funds Managed

Bestinver Internacional; B. Bolsa; B. Renta; B. Mixto; B. Mixto Internacional; B. Hedge Value.

Number of Analysts 4 professionals

Management Company

Bestinver Asset Management

Total Assets Under Mgt EUR 2.700 Million
Total Assets in Strategy EUR 674 Million

No Holdings (Range)	100-140
Max Position Size	10%
Min Position Size	0%
Expd Track Error	No limit
Expd Turnover	100%-200%
Sector Constraints	No
Regional Constraints	No, focused on Europe
Yield Requirement	No
Tactical Use of Cash	No
Hedging Policy	Unhedged
Manager's Benchmark	70% MSCI World Index, 30% Indice General Bolsa de Madrid

People

The management team is very experienced. It is led by Francisco García Paramés, who started with Bestinver in 1991 and has managed the funds since their launch. Paramés is a very experienced manager who has lived through several market cycles and who has remained faithful to his investment philosophy during complicated periods, such as the late 1990s, usually taking positions contrarian to the market consensus. The two other members of the team, Álvaro Guzmán and Fernando Bernad, had previously worked together at Value Management and Banesto. Guzmán joined the team in 2003 and Bernad in 2007. The three managers share the

Parent

This is a very solid management firm that gives total support to the management team; it has truly demonstrated this over difficult periods for the funds, such as during 1998-99. The firm is strongly directed to generate long-term profitability because it does not actively carry out marketing activities and does not use external distributors; therefore good returns are key for the success and sustainability of the business. The firm uses the same investment process for all the products, which reduces complexity to the structure. It does not continually launch products that are hot in the market; it manages only seven funds and since 2000 it has launched

Process: Investment Approach

The fund has a solid process due to its long-term outlook, its consistently applied value strategy, and its desire to carry out a comprehensive analysis of companies. Fundamentally, the managers apply the philosophy postulated by Warren Buffett and Benjamin Graham, seeking very high-quality companies with solid management selling at strong discounts to their fair value, and exploiting market inefficiencies by having a very long-term approach. The managers' experience, their knowledge of the market, and their network of contacts are the principal sources for generating ideas. Before investing in a company, a comprehensive analysis process

same investment philosophy, process, and passion for investments. The team is very focused on the European and Spanish universe of companies and has amassed significant knowledge of the market after many years in this field. García Paramés and Guzmán have all of their financial wealth invested in the company's funds and their salaries depend on the company's profitability. We would prefer that their salaries depended more on the returns of the funds; however, returns, asset under management, and profits are very aligned at this firm. For the time being, Bernad's remuneration package does not depend on these results, yet he invests a large part (90%) of his wealth in the funds.

only one new fund. As a general rule, both investment and business decisions are made with a long term view. At first glance there seems to be high management risk, but personal investment in the funds, high remunerations, and total independence and flexibility in the decision-making are factors that significantly mitigate this risk. No one from the management team has ever left the team since the foundation of the company in 1987. Performance of the firm's product lineup has been good across the board; all the funds have, in the long term, delivered returns above the average for their respective categories. The funds' total expense ratios (TER) are around average or slightly below average.

is carried out, that includes contact with the management team, competitors, providers, customers, personnel, etc. Portfolio weights are guided by conviction in the company in question, without regard to the indexes, and according to the estimated discount that the investment may offer. As this estimated discount changes with prices fluctuations, stock weights in the portfolio will vary. These weight adjustments generate quite a high portfolio turnover (100%-200%), although the turnover by individual name is much less, revolving around 25%. With regard to exposure by region, sector, and capitalisation, the fund is flexible, with few limitations on exposure to risk, which is controlled through a comprehensive analysis of the shares, minimizing the risk of committing errors.

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Value Measures	Fund	Rel Cat
Price/Earnings	12.16	0.93
Price/Sales	0.23	0.47
Price/Book	1.25	0.91
Price/Cash Flow	3.68	0.74
Dividend Yield %	3.87	0.82

Growth Measures	Fund	Rel Cat
Long-Term Earnings	12.62	1.01
Historical Earnings	71.92	-2.38
Sales	-15.73	0.33
Cash Flow	-38.12	0.69
Book Value	-25.21	0.60

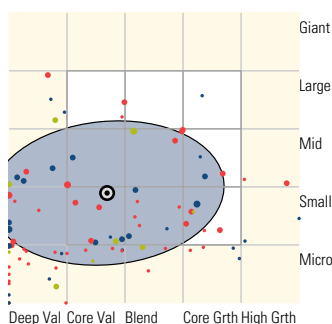
Average Market Cap EUR 997.83 Mil

Process: Portfolio Positioning

The fund has historically had a high exposure to small and medium-sized companies, although lately it has increased its exposure to large companies, which, according to the managers, are offering more interesting opportunities. The fund's exposure to the banking and real estate sectors is virtually nil, stance they have maintained for several years now. The main sectors in the fund are industrials, financials (not banks), and consumer. The managers focus on companies with little debt and a global customer base. Over the past few months, they have been recycling the portfolio, reducing positions that have had good returns

(Debenhams or Smurfitt Kappa) and buying those that have suffered the most. They have also reduced their position in chemical firms, due to their greater emphasis on ROCE, as well as in some food firms (Devro or Campofrío). One problem we see in the process is the high asset volume, although this has been alleviated over the last few quarters given strong cash outflows. The managers in some cases will not be able to increase their exposure to small and medium-sized companies in which they already have a significant stake. Furthermore, making a mistake on illiquid companies could have a significant negative impact on the fund. Although these risks are mitigated to some extent, we would prefer if the fund had a smaller asset base.

Morningstar Holdings Based Style Map



● Centroid = weighted average of stock holdings
 ● Zone = 75% of fund's stock holdings
 (as of 31/12/09)

World Regions	% Equity
Greater Europe	99.16
Americas	0.84
Greater Asia	0.00

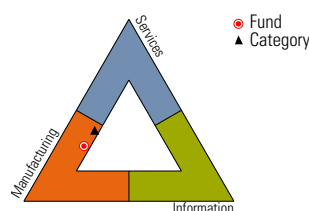
Top 5 Countries	% Equity
Spain	19.78
Switzerland	14.70
Italy	13.75
Netherlands	10.81
France	9.83

Market Maturity	% Equity
Developed Markets	100.00
Emerging Markets	0.00
Not Classified	0.00

Asset Allocation	% Assets	long %	short %	net %
Stocks	95.61	95.61	0.00	95.61
Bonds	0.00	0.00	0.00	0.00
Cash	4.39	0.00	0.00	4.39
Other	0.00	0.00	0.00	0.00

Top Holdings	% Assets
Bayerische Motoren Werke AG	5.44
CIR CIE Industriali Riunite SPA, T...	4.84
Wolters Kluwer NV	4.27
Debenhams PLC	3.39
Schindler Holding AG, Hergiswil	3.28
Semapa	2.76
Ferrovial Sa	2.72
Oce Nv	2.65
Fuchs Petrolub AG	2.39
Stef-TFE	2.37
Cofide CIA Finanziaria De Benedett...	2.20
METALL ZUG Ltd	2.19
Esprinet	2.10
Corporacion Financiera Alba, S.A.	2.02
Virgin Media, Inc.	1.86
Smurfit Kappa Group PLC	1.86
Clariant AG, Muttenz	1.69
Macintosh Retail Group	1.65
Rexel	1.58
Schindler Holding AG	1.50
Total Equity/Bond Holdings	99/0
Assets in Top 10 Holdings %	34.11

Sector Delta



Sector Weightings	% Equity	Rel Cat
Information	13.43	0.95
Software	0.00	0.00
Hardware	0.87	0.41
Media	9.17	1.78
Telecommunications	3.39	0.99
Service	30.30	0.78
Healthcare	1.33	0.23
Consumer Services	12.83	1.26
Business Services	6.52	0.60
Financial Services	9.62	0.79
Manufacturing	56.27	1.20
Consumer Goods	23.28	1.51
Industrial Materials	30.36	1.17
Energy	2.64	0.58
Utilities	0.00	0.00

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Trailing (EUR)	Total Rtn %	+/- Bmark	+/- Cat	%Rnk in Cat
3 Mo	5.63	-4.19	-1.93	86
6 Mo	12.29	0.02	0.96	41
1 Yr	84.50	5.02	16.94	14
3 Yr Annualised	-4.36	5.51	7.51	4
5 Yr Annualised	7.56	2.70	4.68	5
10 Yr Annualised	13.98	9.61	16.83	1

MPT Stats	3 Yr	Rel Cat	5 Yr	Rel Cat
R-Squared	87.33	0.96	86.81	0.95
Beta	0.86	0.96	0.84	0.89
Alpha	3.98	-1.15	2.73	-1.64

Volatility & Risk Adj Returns	3 Yr	Rel Cat	5 Yr	Rel Cat
Std Deviation	24.80	0.98	20.36	0.92
Mean	-0.12	0.16	0.78	1.73
Sharpe Ratio	-0.18	0.37	0.32	2.91
Information Ratio	0.57	-2.19	0.33	-1.10
Treynor Ratio	-8.49	0.51	5.55	-111.0

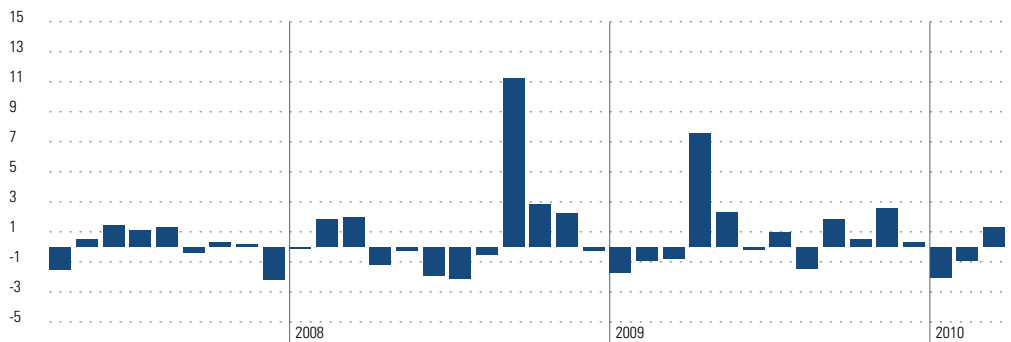
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Performance Analysis

From the change in strategy in May 2005, the fund has beaten the category average and the customized index that we have created, consisting of 70% MSCI Europe Small Cap NR and 30% MSCI Spain Small NR, and offering one of the lowest volatility in its category. The fund has benefited from its exposure to strong-performing small and medium-sized companies. In comparison with other European equity funds, the relative performance of this

fund will be strongly influenced by its structural overweight in Spanish companies. Spain weighs around 10% in the European equity indexes compared with around 30% in the fund. In both 2008 and so far in 2009 (until the end of May), the fund has significantly beaten the customized index mentioned and the category average. In view of the concentration of the portfolio, this good result has been generated by specific companies, such as Corp. Fin. Alba, Virgin Media, Debenhams, and Smurfitt Kappa.

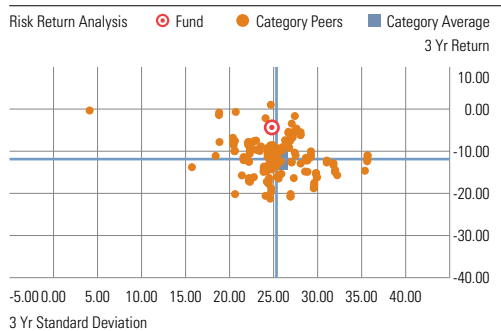
Monthly Return vs Morningstar Category (EUR)



Risk & Return

Since 2005, this fund has shown one of the the lowest volatility in its category. The historical maximum drawdown and the percentage of negative months have also been among the category's lowest, which reflects its

good performance in downward or very volatile periods, in accordance with its philosophy of generating absolute, long-term returns. With regard to the index and its category, the fund tends to underperform during periods of strong increases, and it will always be biased by a strong structural overweight in Spain.



Morningstar Rating™ (Rel Cat)	Morningstar Return	Morningstar Risk	Morningstar Rating
3 Year	High	Avg	★★★★★
5 Year	High	Bel avg	★★★★★
10 Year	High	Low	★★★★★
Overall	High	Bel avg	★★★★★

Price

The TER of the fund is in line with category average, although the category is expensive in absolute terms. Furthermore, it charges 3% back-end fees for terms of less than one year.

Initial Sales Charge %	0.00
Max. Annual Management Fee %	1.75
Total Expense Ratio %	1.82