

Bestinver Bolsa FI Acc

Morningstar Category Benchmark
MSCI Spain NR USD

Morningstar Qualitative Rating™



► **Elite**
Superior
Standard
Inferior
Impaired

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Morningstar Analyst

Executive Summary

People: The team is very experienced and relies on excellent knowledge of the Spanish market. 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.

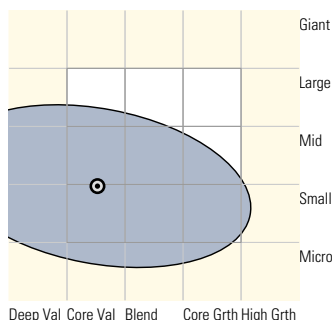
Process: This is a solid and well-structured process with a long-term mindset. The portfolio focuses on managers' best ideas, not paying much attention to indexes..

Performance: Excellent long-term returns and below-average levels of volatility and other risk measurements.

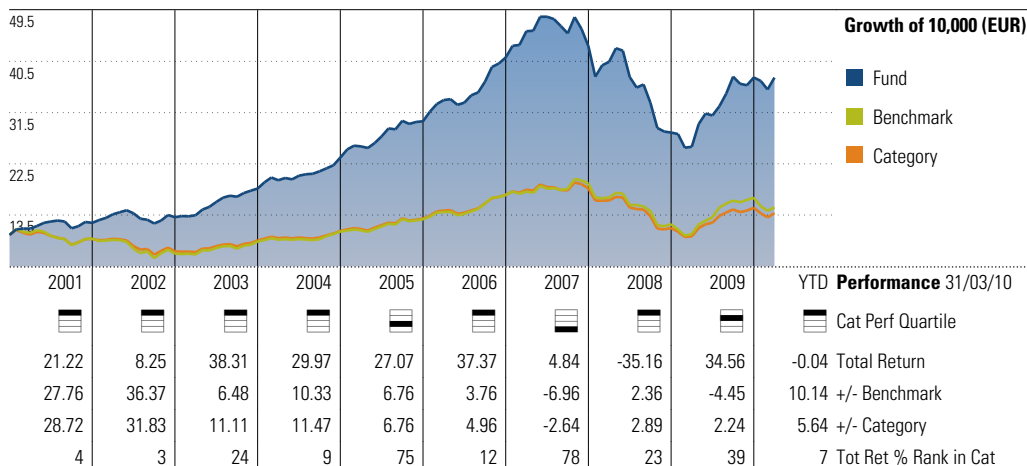
Price: The TER of the fund is slightly below the category average, but in absolute terms it is high.

Role in Portfolio: This fund is suitable for those looking to diversify by gaining exposure to Spanish equities. It's not suitable for those looking for index-like returns or looking for a short-term investment.

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 | Almost one half-year later since our first assessment on Bestinver Bolsa (Market), and we maintain a highly positive opinion about this fund, which garners our Elite rating.

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.

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 slightly below category average.

The fund's long-term performance continue to be excellent, and during 2009, the returns of the fund is very good--it has beaten the category average by more than 6%. The good performance of the small and medium-sized companies has helped during this period. The positive, relative performance of the fund in 2008 is notable; the fund's return was higher than the category average, although small and medium-sized companies were out of favour in the market.

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. They have sold the fund's position in chemical stocks and in some of the food companies such as Campofrio, in order to gain exposure to Tubacex and Tecnicas Reunidas, among others.

| | |
|-----------------------|--|
| Morningstar Category™ | Spain Equity |
| Manager's Benchmark | 80% Indice General Bolsa de Madrid, 20% PSI 20 |
| Inception Date | 29/06/1994 |
| Total Net Assets | EUR 358.05 Mil |

| | |
|---------------|--------------|
| ISIN | ES0147622031 |
| Domicile | Spain |
| Legal Status | Unit Trust |
| UCITS | Yes |
| Base Currency | EUR |

Bestinver Bolsa FI Acc

Morningstar Category Benchmark

MSCI Spain NR USD

| | |
|--------------------|--|
| Manager | Álvaro Guzmán de Lázaro, Fernando Bernad, Francisco García Paramés |
| Manager Start | 01/03/03 |
| Average Tenure | 8.74 |
| Avg Yrs Experience | 19 years |
| Longest Tenure | 15.81 |

Other Funds Managed

Bestinfond; Bestinver Internacional; 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 Millions

Total Assets in Strategy EUR 337 Millions

| | |
|----------------------|--|
| No Holdings (Range) | 30-45 |
| Max Position Size | 10% |
| Min Position Size | 0% |
| Expd Track Error | No limit |
| Expd Turnover | 100-250% |
| Sector Constraints | No limit |
| Regional Constraints | Spain and Portugal |
| Yield Requirement | No |
| Tactical Use of Cash | No |
| Hedging Policy | Unhedged |
| Manager's Benchmark | 80% Indice General Bolsa de Madrid, 20% PSI 20 |

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's solid process and its consistently applied value strategy stand out. The managers look to provide a comprehensive analysis of companies, seeking high-quality and solidly managed companies that quote at strong discounts against the fair value, exploiting market inefficiencies by having a very long-term approach. Although the limited size of the Spanish market complicates this value approach, which is strongly reflected in the portfolio (frequently the discount to fair value is less here than in the international funds they manage), the team's knowledge of the domestic market is superior, so the certainty from which these discounts are materialized is greater. Before investing in a company,

same investment philosophy, process, and passion for investments. After many years managing Spanish equity funds, their knowledge of the market and their network of contacts is significant, which is an advantage when analysing and selecting companies. 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.

a comprehensive analysis process 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 sector, and capitalisation, the fund is flexible, with few limitations on exposure to risk, which is controlled through a comprehensive analysis of the stocks, minimizing the risk of committing errors.

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| Value Measures | Fund | Rel Cat |
|------------------|-------|---------|
| Price/Earnings | 11.52 | 1.10 |
| Price/Sales | 0.67 | 0.71 |
| Price/Book | 1.17 | 0.83 |
| Price/Cash Flow | 4.56 | 1.30 |
| Dividend Yield % | 6.56 | 0.72 |

| Growth Measures | Fund | Rel Cat |
|---------------------|--------|---------|
| Long-Term Earnings | 16.71 | 2.31 |
| Historical Earnings | 156.64 | 2.11 |
| Sales | 4.13 | -0.16 |
| Cash Flow | 6.47 | -0.11 |
| Book Value | -0.80 | 0.05 |

Average Market Cap EUR 1096.77 Mil

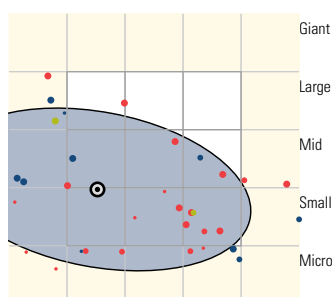
Process: Portfolio Positioning

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, since 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

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 (Campofrio). 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



Deep Val Core Val Blend Core Grth High Grth

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

| World Regions | % Equity |
|----------------|----------|
| Greater Europe | 100.00 |
| Americas | 0.00 |
| Greater Asia | 0.00 |

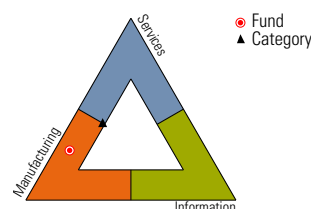
| Top 5 Countries | % Equity |
|-----------------|----------|
| Spain | 72.38 |
| Portugal | 27.62 |

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

| Asset Allocation | % Assets | long % | short % | net % |
|------------------|----------|--------|---------|-------|
| Stocks | 95.01 | 95.01 | 0.00 | 95.01 |
| Bonds | 0.00 | 0.00 | 0.00 | 0.00 |
| Cash | 4.99 | 0.00 | 0.00 | 4.99 |
| Other | 0.00 | 0.00 | 0.00 | 0.00 |

| Top Holdings | % Assets |
|---------------------------------------|----------|
| Semapa | 9.24 |
| Ferrovial SA | 8.90 |
| Corporacion Financiera Alba, S.A. | 7.28 |
| Pescanova, S.A. | 4.17 |
| Portugal Telecom SA | 3.94 |
| Repsol YPF SA | 3.93 |
| Gas Natural Sdg, S.A. | 3.90 |
| Portucel Emp Prod | 3.90 |
| Tecnicas Reunidas, S.A. | 3.73 |
| Sonae, SGPS, SA | 3.50 |
| Fluidra, SA | 3.44 |
| Acerinox, S.A. | 3.33 |
| Laboratorios Almirall, S.A. | 3.15 |
| Europac | 2.77 |
| Criteria Caixacorp SA | 2.71 |
| Viscofan, S.A. | 2.69 |
| Ibersol | 2.52 |
| Cie Automotive, S.A. | 2.50 |
| Altri SGPS SA | 2.23 |
| Const.y Auxiliar de Ferrocarriles ... | 2.21 |
| Total Equity/Bond Holdings | 38/0 |
| Assets in Top 10 Holdings % | 52.47 |

Sector Delta



| Sector Weightings | % Equity | Rel Cat |
|----------------------|--------------|-------------|
| Information | 7.16 | 0.47 |
| Software | 0.00 | 0.00 |
| Hardware | 0.00 | 0.00 |
| Media | 0.00 | 0.00 |
| Telecommunications | 7.16 | 0.51 |
| Service | 27.34 | 0.64 |
| Healthcare | 4.72 | 1.61 |
| Consumer Services | 2.94 | 0.59 |
| Business Services | 0.00 | 0.00 |
| Financial Services | 19.67 | 0.59 |
| Manufacturing | 65.50 | 1.55 |
| Consumer Goods | 27.92 | 1.91 |
| Industrial Materials | 27.63 | 1.82 |
| Energy | 9.56 | 1.00 |
| Utilities | 0.39 | 0.14 |

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| Trailing (EUR) | Total Rtn % | +/- Bmark | +/- Cat | %Rnk in Cat |
|------------------|-------------|-----------|---------|-------------|
| 3 Mo | -0.04 | 10.14 | 5.64 | 7 |
| 6 Mo | -0.45 | 6.86 | 3.41 | 13 |
| 1 Yr | 47.68 | 1.34 | 3.85 | 17 |
| 3 Yr Annualised | -6.32 | -0.79 | 1.21 | 24 |
| 5 Yr Annualised | 8.05 | 1.50 | 2.91 | 11 |
| 10 Yr Annualised | 14.30 | 11.98 | 13.36 | 1 |

| MPT Stats | 3 Yr | Rel Cat | 5 Yr | Rel Cat |
|-----------|-------|---------|-------|---------|
| R-Squared | 74.90 | 0.80 | 76.18 | 0.81 |
| Beta | 0.78 | 0.86 | 0.79 | 0.86 |
| Alpha | -2.70 | 0.81 | 2.18 | -1.72 |

| Volatility & Risk Adj Returns | 3 Yr | Rel Cat | 5 Yr | Rel Cat |
|-------------------------------|--------|---------|-------|---------|
| Std Deviation | 21.56 | 0.96 | 18.26 | 0.96 |
| Mean | -0.35 | 0.74 | 0.79 | 1.41 |
| Sharpe Ratio | -0.33 | 0.87 | 0.36 | 1.80 |
| Information Ratio | -0.06 | 0.14 | 0.15 | -0.37 |
| Treynor Ratio | -11.97 | 1.00 | 6.53 | 2.83 |

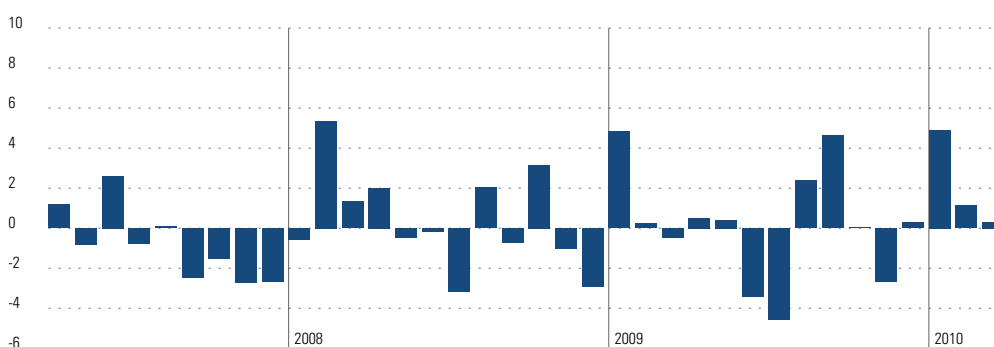
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Performance Analysis

This fund's long-term returns have been exceptional; it has beaten the index each calendar year since 2000, with the exception of 2007 when it lagged the index slightly. The fund's five- and 10-year returns are the best in the category. In addition to the great stock selection, part of this result is also due to the fund's allocation throughout the years to small and medium-sized companies, which have outperformed their larger peers during this period. The fund had a difficult time in 2008 in terms of absolute profitability, although not in terms of relative

profitability, since it beat the index and the category average in spite of its bias to small medium-sized companies, an area that suffered significantly in that year. In 2009, through the end of May, the fund's performance has been very good and it's beating its category by more than 6%. In view of the concentration of the portfolio, the fund's good performance can be attributed to specific companies, such as Corporación Financiera Alba, Const.y Auxiliar de Ferrocarriles (Railroad Equipment and Manufacturer), and Azkoyen. The bias toward small and medium-sized companies has benefitted the fund in 2009.

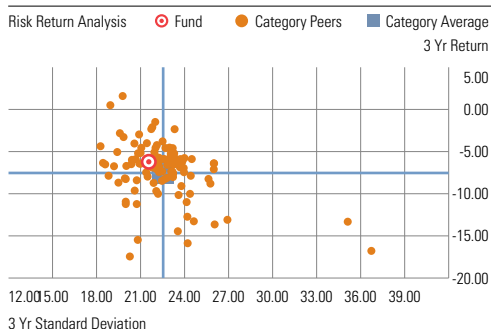
Monthly Return vs Morningstar Category (EUR)



Risk & Return

This fund's volatility has been below average over the long term; its Sharpe Ratio over the five- and 10-year periods is the best in the category. The maximum historical drawdown, the downside capture ratio, and the % of

negative months have also been the lowest, which reflects the fund's good performance in negative or very volatile market periods, in accordance with its philosophy. We think the fund will not do well (in relative terms) in very optimistic market environments (ex. boom years of 1998-99) or when the value style might not be in favour.



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

Price

The fund is slightly cheaper than the category median, although it is an expensive category. 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 % | 1.80 |