

PROSPECTUS FOR BESTINVER HEDGE VALUE FUND, FIL

Set up in September 2007 and registered nº 15 with the CNMV on 21-09-2007

0) BACKGROUND INFORMATION ON MUTUAL FUNDS.

This document contains all the information investors need to make sound judgements on the investments they plan to make. However, this information may be subject to change in the future. Any such changes will be made public in the legally established way and, where appropriate, the unitholder will be granted the relevant right of separation.

The simplified prospectus forms an integral part of the full prospectus, which includes the Management Regulations and information in greater detail. Once the contract is signed, the simplified prospectus must be delivered with the most recent half-yearly report. All these documents can be requested free of charge, along with the most recent quarterly and annual reports at the Management Company's registered address. They are also available on the company's website, www.bestinver.es and may be consulted in the CNMV Registries where they are filed.

The fact that the prospectus has passed the CNMV inspection and is included in its register does not imply that the CNMV recommends subscribing units in the mutual fund in question. Nor does it imply any opinion regarding the fund's solvency or the return on, or quality of, the units offered.

The Funds' investments, regardless of their investment policy, are subject to market fluctuations and other risks inherent to investments in securities. Unitholders should therefore be aware that the net value of their units can go up as well as down.

Regular reports provide a detailed breakdown of the Funds' portfolio. The closing date for annual financial statements is 31 December.

I) PERSONS WHO ASSUME RESPONSIBILITY FOR THE CONTENT.

FRANCISCO GARCÍA PARAMÉS, with national identity card number: 05256090-S, as AUTHORISED SIGNATORY, and ANA PALACIO CÁRDENAS, with national identity card number: 5393190-N, representing BESTINVER GESTIÓN, S.A. SGIIC.

and JOSE IGNACIO REDONDO FERNANDEZ, with national identity card number: 2232850-X, as AUTHORISED SIGNATORY and representing SANTANDER INVESTMENT, S.A., assume responsibility for the content of this Prospectus and state that, in their view, the data contained herein is true and correct and that no fact has been omitted which could alter its scope.

II) KEY INFORMATION.

Management Company: BESTINVER GESTION, S.A. SGIIC

Custodian: SANTANDER INVESTMENT, S.A.

Sub-custodians:

CITIBANK N.A. (MILAN, LONDON, NEW YORK)

CREDIT SUISSE ZURICH

EUROCLEAR

Other possible sub-custodians appear in section X.II)

Auditor: KPMG AUDITORES, S.L.

Trading companies: Those entities legally approved and with whom a trading agreement has been signed.

Group: BESTINVER

Group: SANTANDER CENTRAL HISPANO

III) GENERAL FEATURES.

The fund is denominated in euros.

Minimum initial investment: €60,000

Minimum balance: €60,000

Minimum additional investment: €6,000

Maximum holding volume per unitholder: None.

Unitholders to whom the fund is aimed: high and institutional segments.

Recommended investment period: 5 years.

Risk profile: high.

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IV) INVESTMENT POLICY.

a) Purpose of the fund and management objective: Hedge Fund. Hedge Funds are not subject to the limits established for ordinary collective investment schemes (CISs).

The Fund's features include the possibility of a greater portfolio concentration in certain securities (with a limit of up to 20% of assets invested in a particular security) and of moderate financial gearing which, although it may increase the fund's exposure, shall under no circumstances exceed 100% of its assets.

The Fund will invest mainly in equity markets in Europe, without ruling out other geographic areas, investing in both large and small cap companies which are likely to rise in the medium-to-long term and with no particular preference for sectors.

The rest of the assets shall be invested in short-term fixed income and preferably public issuers in the eurozone with high credit ratings.

The management objective is to obtain satisfactory and sustained returns by choosing assets which are undervalued by the market. The Fund shall not follow benchmark indices.

b) Investment selection and distribution policy

BESTINVER HEDGE VALUE FUND, FIL is a fund which invests in equities in Europe, without ruling out investments in equity markets in other geographic areas, whose investment and distribution policy shall be set by the Management Company. The assets and securities which comprise the Fund's portfolio shall be chosen on the basis of fundamental research on the companies (with special emphasis on value investing). Securities which are undervalued by the market shall be sought out with the aim of obtaining satisfactory and sustainable returns from sound and secure businesses.

Value investing tries to take advantage of short-term price fluctuations in order to invest for the long term.

The Fund shall invest in companies with both high and low market capitalisations, which are likely to rise in the medium-to-long term and with no particular preference for a sector.

Investment in equities shall largely focus on markets in the eurozone, with no particular preference for countries, with investment divided between domestic issuers and issuers from other eurozone countries as deemed appropriate. Likewise, the Fund shall invest in securities offered by issuers in other geographic areas.

The Fund will overweight those securities which managers deem most appropriate. Investment in a single security shall in no case exceed 20% of the Fund's assets. As a result, the Fund may have a limited number of securities, with a minimum of five.

The Fund's currency risk shall be a maximum of 100% of the Fund's assets.

The Fund may occasionally and in a residual manner invest in stocks and stakes in other harmonised and non-harmonised CISs, in OECD countries and emerging countries, which have proven and sustained profitability, use a value investing approach, and whose management has affinity with the Fund's management team.

Assets not invested in equities will be invested in short-term fixed income, preferably public issuers in the eurozone and preferably public issuers in the eurozone with high credit ratings (minimum rating of S&P A3 or Moody's PRIM 3).

Gearing shall in no case exceed 100% of the Fund's assets. In other words, the Fund's exposure to the abovementioned assets shall not exceed 200% of its assets.

c) Valuation criteria

The Fund's assets shall be valued in accordance with general valuation standards applicable to CISs.

d) Policy for investment in liquid assets and for liquidity management to meet redemptions

The Fund invests part of its assets in liquid assets with a view to meeting shareholders' redemption needs.

Meanwhile, the Fund may take on debt through bank credit lines to respond to possible extraordinary cash needs.

c) Risks inherent to the investments:

The main risk factors the Fund may encounter are described as follows:

It has no guarantee of earnings or protection against loss. Neither the Fund nor the Management Company provides any guarantee that the Fund will generate positive returns, or that it will not incur substantial losses.

Market risk:

The returns obtained in equity funds are affected by volatility in the markets in which the funds invest, leading to a high market risk.

Investments in fixed-income assets are subject to interest rate risk. Nevertheless, this fund invests in short-term assets with a limited sensitivity to fluctuations in interest rates.

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Concentration risk:

The Fund is highly concentrated, which could very negatively affect shareholder returns. Concentration by sector and geographic area. The maximum percentage of the Fund's net assets which may be invested in a single security is 20%.

The Fund does not have a formal diversification policy by sector, sub-sector, geographic area, etc., which could negatively affect shareholder returns.

Counterparty risk:

Operations which imply debt and the guarantees included with them for disposition rights in favour of the beneficiary will be contracted with the Prime Broker, presenting an elevated counterparty risk with the same institution. Regarding the guarantees the Fund provides the Prime Broker, and which include disposition rights, given that their market value may be up to 150% of the Fund's obligations to the Prime Broker, this assumes a failure risk of up to 50% of them.

Liquidity risk:

The fund invests in low-capitalisation stocks, which could limit the liquidity of investments.

Currency risk:

Investments in assets denominated in currencies other than the euro are at risk from exchange rate fluctuations.

Other risks:

The Fund invests in securities which its managers deem to be undervalued. They offer no guarantees that the shares of companies in which the Fund invests are in fact undervalued, or that, if they are undervalued, their share prices will perform in the manner expected by managers.

e) Debt and gearing limits

Although in general terms the Fund is not expected to take on debt using bank credit lines, it could use this resource in the event of: (i) a need for funds to finance planned redemptions in case it is not in the interest of the Fund to sell portfolio positions at that time; ii) to obtain bridge financing for redemptions while new subscriptions are settled; and iii) to carry out the investment policy described above. The Management Company plans to sign with the Prime Broker agreements for financial guarantees which imply transmission of ownership or assignment of rights of use of the assets deposited as collateral.

The debt limit may not exceed at any given time the value of the Fund's assets, taking into account funds received in cash from the CIS, without considering repos, financing received via reverse repo transactions or financing from the sale of securities received on loan.

The Fund's exposure to the abovementioned assets shall not exceed 200% of its assets.

V) GUARANTEED RETURN.

There is no guaranteed return.

VI) FEES AND EXPENSES.

Fees	Tranche/Duration (if applicable)	Percentage	Basis for calculation
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Annual management fee:			
- Fixed Fee		2.00%	Assets
- Performance-based fee		15%	Difference between the Fund's positive annual result and the annual result the Fund would have obtained with a return equal to the 12-month Euribor rate*.
Annual deposit fee	On the part of the assets in custody in Spain	0.10%	Assets
	On the part of the assets in custody outside Spain	0.13%	Assets
Redemption fee	Redeemed units held for more than a year and less than two years	5%	Amount redeemed.

*On the net asset value calculation date, the 12-month Euribor rate published that day is used (Bloomberg code EURO 12M).

The Management Company will establish a system for commissions on earnings that prevents unitholders from having to pay commissions when the cash value of their units is lower than a previously-reached level and for which they have already paid commissions on earnings. To this end, the management fee on earnings will only be attributed to the Fund in years in which its cash value is higher than any other previously reached level in years in which a commission on earnings was levied. Nonetheless, the Fund's net asset value will only commit the Management Company for three years.

The Fund will have the following expenses: audit costs, CNMV fees, settlement and brokerage fees and financial fees for loans or overdrafts.

If fees or discounts payable to the fund are established or raised, this shall be made public as required by law. Where appropriate, this will lead to the unitholders' right of separation as referred to in Article 12 of CIS regulations and to the relevant updating of this prospectus.

VII) UNITHOLDER INFORMATION.

Valuation of subscriptions and redemptions; publication of net asset value.

The Fund's cash value shall be calculated by INTEGRATED SECURITIES SERVICES, S.A., and published monthly on the Management Company's website.

Cash value shall be calculated monthly. For subscriptions and redemptions that are requested on the Fund, the net asset value on the last working day of the month the request was made applies.

Minimum investment period: unitholders may not request redemption of their units in the first 12 months following subscription. From that moment unitholders may request redemption of their units, taking into account the Fund's rules on advance notification.

In any event, the net asset value applied will be the same for subscriptions and redemptions requested at the same time. For redemptions of over €300,000, the Management Company must be notified 10 days in advance. Additionally, when a single unitholder's total redemption is €300,000 or more within a period of 10 days, any further redemption orders, regardless of the amount, which are placed within 10 days of the previous redemption must be notified 10 days in advance.

In order to calculate the prior notice required, all redemptions ordered by a single authorised representative shall be taken into consideration.

Orders placed by a unitholder after 2pm or on a non-working day shall be processed on the following working day. For these purposes, working days are considered to be Monday to Friday, non-public holidays in the city of Madrid.

Redemptions shall be settled within five working days of the applicable NAV calculation date.

In cases in which units are transferred, unitholders must take into account the terms of their contract regarding subscription and redemption.

Regular reporting of information

The Management Company or the Custodian Bank shall send a Fund position statement to each unitholder at least once a month. If no subscription or redemption movements occur in a particular period, the delivery of the position statement may be postponed until the following period. However, it is compulsory to send the unitholder's position statement at the end of the year. This document can be sent by electronic means to unitholders who express a preference to receive it this way.

The Management Company shall send the annual and half-yearly reports to unitholders free of charge, unless they waive their right to receive them. Quarterly reports shall be sent to those unitholders who explicitly request them. These reports shall be sent by electronic means to those unitholders who express a preference to receive them this way.

VIII) TAX TREATMENT.

Returns obtained by the Fund are currently subject to Corporate income tax at a fixed rate of 1%. Returns from the redemption or transfer of units obtained by unitholders who are individuals and resident in Spain are considered as capital gains or losses. Capital gains are subject to 18% withholding tax. All of this is without prejudice to the tax deferral system stipulated in prevailing laws and regulations applicable to transfers between CISs.

Returns obtained by unitholders that are legal entities, non-resident or subject to special tax regimes will be treated in accordance with the provisions of prevailing laws and regulations. In case of doubt, unitholders are advised to seek professional advice.

IX) MANAGEMENT COMPANY KEY DATA.

Founding date: 26-10-1988 Duration: Indefinite
Registered with the CNMV under n° 103 on 26-01-1989.

Registered office: Juan de Mena, 8, 1° Dcha. 28014 Madrid (Madrid).
Fully subscribed and paid-up capital of €331,000 at 31-08-2001.

Records of significant shareholdings in the Management Company can be consulted in the CNMV Registers.

Members of the Board of Directors:

Position	Represented by	Date appointed
Chairman	JORGE VEGA-PENICHER LÓPEZ	20-03-2006

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Member	ANA PALACIO CARDENAS	29-06-2006
Member	JEROME TORDO	17-04-2007
Board Secretary	JUAN GALLARDO CRUCES	27-10-2003

Information regarding related party transactions in accordance with Article 67 of the CIS Act ("LIIC"):

The Management Company may carry out on behalf of the Institution related party transactions provided for in article 67 of the CIS Act and article 99 of the CIS regulations. To do this, the Management Company has adopted a series of procedures, detailed in its Internal Code of Conduct, aimed at preventing conflicts of interest and ensuring that related party transactions are carried out exclusively in the Institution's interest and at prices and on terms equal to or better than those available on the market. The periodic reports will include information on all related party transactions carried out.

IX.I) KEY DATA ON THE CUSTODIAN AND ITS RELATIONSHIP WITH THE MANAGEMENT COMPANY.

Registered with the CNMV under n° 42 on 06-06-1990.

Registered office: Avda. Cantabria s/n (Ciudad Grupo Santander) 28666 Boadilla del Monte (Madrid)

The Management Company and the Custodian do not belong to the same business group under the provisions of Article 4 of the Securities Market Law.

X) INFORMATION ON AGREEMENTS TO DELEGATE FUNCTIONS

Services related to fund management accounting and the valuation and calculation of the Fund's net asset value have been delegated by the Management Company to INTEGRATED SECURITIES SERVICES, S.A. The delegation agreement is registered with the CNMV. The delegation of functions on the part of the SGIC will not limit its responsibility for fulfilling the obligations set out in regulations regarding delegated activities.

XI) INFORMATION ON THE GENERAL GUARANTEE POLICY

The Fund will sign a financial guarantee contract with Banco Santander, S.A., which will be the Fund's Prime Broker. Nonetheless, in the future this entity may be replaced by another which has a minimum solvency rating of A- by S&P or A3 by Moody's.

The services to be provided by the Prime Broker are the following:
Finance provision

There is a possibility that Banco Santander, S.A. may avail itself of the assets deposited as collateral as a guarantee by the Fund, which would produce counterparty risk with the Prime Broker. The market value of guarantee-related assets which the Prime Broker may avail itself of will be limited to a maximum of 150% of the Fund's liabilities to the Prime Broker.

XII) OTHER KEY DATA

XII.I)

The SGIC has internal systems which monitor the depth of the securities market in which the Fund invests, taking into account normal trading levels and the volumes invested in order to settle the Fund's positions in an orderly manner via the standard trading mechanisms.

An **appendix** to this prospectus includes information taken from the **latest half-yearly report** published on the fund regarding the institution's historical return performance and the fund's total charges expressed as a percentage of average total assets. It is important to note that the institution's past performance is not an indication of future results.

XII.II)

Other possible sub-custodians:

ABN AMRO BANK N.V.
BNP PARIBAS ATHENS
BANCO RIO BUENOS AIRES
BANCO SANTANDER BRAZIL S.A. SAO PAULO
BANCO SANTANDER CHILE
BANCO SANTANDER MEXICANO S.A.
BANCO SANTANDER DE NEGOCIOS PORTUGAL
BENCO DE CREDITO DE PERU
BANK OF TOKYO MITSUBISHI IN JAPAN

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CITIBANK AG FRANCE
CREDIT AGRICOLE INDOSUEZ
FORTIS BANK
MELLON BANK N.A.

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