

BESTINVER BOLSA,  
FONDO DE INVERSIÓN

Annual Accounts and Directors' Report

31 December 2009

(With Auditors' Report Thereon)

(Free translation from the original in Spanish. In the event of  
discrepancy, the Spanish-language version prevails.)

**KPMG Auditores S.L.**  
Edificio Torre Europa  
Paseo de la Castellana, 95  
28046 Madrid

Auditors' Report on the Annual Accounts

(Translation from the original in Spanish. In the event of discrepancy, the original Spanish-language version prevails.)

To the Unit Holders of Bestinver Bolsa, Fondo de Inversión  
and Bestinver Gestión, S.A., Sociedad Gestora de Instituciones  
de Inversión Colectiva (the "Fund Management Company")

We have audited the annual accounts of Bestinver Bolsa, Fondo de Inversión (the "Fund"), which comprise the balance sheet at 31 December 2009, the income statement, the statement of changes in Fund assets for the year then ended and the notes thereto, the preparation of which is the responsibility of the Fund Management Company's Directors. Our responsibility is to express an opinion on the annual accounts taken as a whole, based on our audit which was conducted in accordance with generally accepted auditing standards in Spain, which require examining, on a test basis, evidence supporting the amounts and disclosures in the annual accounts and evaluating their overall presentation, as well as the appropriateness of the accounting principles used and the reasonableness of accounting estimates made.

In accordance with prevailing Spanish legislation, these annual accounts for 2009 also include, for each individual caption in the balance sheet, the income statement, the statement of changes in Fund assets and the notes thereto, comparative figures for the previous year. We express our opinion solely on the annual accounts for 2009. On 16 March 2009 we issued our unqualified audit report on the annual accounts for 2008.

As mentioned in note 2, the accompanying annual accounts for 2008 were the first the Directors of Bestinver Bolsa, Fondo de Inversion Fund Management Company prepared applying Spanish National Securities Market Commission (CNMV) Circular 3/2008 of 11 September. The aforementioned Circular 3/2008 established the transition date as 31 December 2008 and therefore the income statement for 2008 was prepared in accordance with accounting criteria established in Spanish National Securities Market Commission Circular 7/1990 of 27 December, prevailing that year although it was presented in the format set forth in Circular 3/2008. Consequently, 2009 is the first year for which the income statement has been prepared applying the accounting criteria established in Circular 3/2008, and this fact should be taken into account for the purposes of comparison with the prior year.

In our opinion, the accompanying annual accounts for 2009 present fairly, in all material respects, the assets and financial position of Bestinver Bolsa, Fondo de Inversión at 31 December 2009 and the results of its operations and changes in the Fund's assets for the year then ended, and contain sufficient information necessary for their adequate interpretation and understanding, in accordance with generally accepted accounting principles set forth in the applicable Spanish legislation and which, except for the change in the accounting criteria for the income statement described in the previous paragraph, with which we concur, are applied on a basis consistent with that of the preceding year.

The accompanying directors' report for 2009 contains such explanations as the Directors of the Bestinver Bolsa, Fondo de Inversión Fund Management Company consider relevant to the situation of Bestinver Bolsa, Fondo de Inversión, the evolution of its business and other matters, and is not an integral part of the annual accounts. We have verified that the accounting information contained therein is consistent with that disclosed in the annual accounts for 2009. Our work as auditors is limited to the verification of the directors' report within the scope described in this paragraph and does not include a review of information other than that obtained from the accounting records of the Fund.

KPMG Auditores, S.L.

*(Signed on the original in Spanish)*

Pedro González Millán  
Partner

21 April 2010

BESTINVER BOLSA,  
FONDO DE INVERSION

Balance Sheets

31 December 2009 and 2008

(Expressed in Euros with two decimal places)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

	2009	2008
Current assets		
Receivables (note 5)	8,514,520.90	6,512,264.95
Financial investments (note 6)		
Internal portfolio		
Debt securities	9,000,000.00	16,000,000.00
Equity instruments	246,216,056.05	267,591,918.41
External portfolio		
Equity instruments	93,966,034.55	71,807,322.67
Interest on the investment portfolio	57.50	879.98
	349,182,148.10	355,400,121.06
Cash in hand and at banks (note 7)	2,408,757.62	2,384,405.74
Total assets	360,105,426.62	364,296,791.75
Fund assets attributed to unit holders (note 8)		
Repayable funds attributed to unit holders		
Unit holders	237,301,754.42	(39,839,662.79)
Reserves	18,014,823.40	17,834,675.17
Prior years' profit and loss		581,164,875.07
Profit/(Loss) for the year	103,051,435.77	(198,273,106.57)
	358,368,013.59	360,886,780.88
Current liabilities		
Payables (note 9)	1,737,413.03	3,410,010.87
Total fund assets and liabilities	360,105,426.62	364,296,791.75
Other memorandum accounts		
Tax loss carryforwards	180,258,283.17	-
Others	-	111,597,947.42
	180,258,283.17	111,597,947.42

The accompanying notes form an integral part of the annual accounts for 2009.

BESTINVER BOLSA,  
FONDO DE INVERSION

Income Statements  
for the years ended  
31 December 2009 and 2008

(Expressed in Euros with two decimal places)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

	2009	2008
Other operating expenses		
Management fee (note 9)	(6,150,742.17)	(10,218,726.85)
Custody commission (note 9)	(140,588.28)	(263,072.92)
Others	(23,376.03)	(6,667.57)
Results from operating activities	(6,314,706.48)	(10,488,467.34)
Finance income	11,524,033.65	14,639,175.46
Finance expenses	(478,260.24)	(539,080.79)
Changes in the fair value of financial instruments		
Internal portfolio transactions	126,130,335.15	(108,739,017.64)
External portfolio transactions	42,120,796.78	(32,256,925.00)
Impairment and gains/(losses) on disposal of financial instruments		
Losses on internal portfolio transactions	(58,466,677.60)	(36,586,482.41)
Losses on external portfolio transactions	(11,464,085.49)	(24,302,308.85)
	(69,930,763.09)	60,888,791.26
Net finance income/(expense)	109,366,142.25	(187,784,639.23)
Profit/(loss) before income tax	103,051,435.77	(198,273,106.57)
Income tax (note 10)	-	-
Profit/(Loss) for the year	103,051,435.77	(198,273,106.57)

The accompanying notes form an integral part of the annual accounts for 2009.

BESTINVER BOLSA,  
FONDO DE INVERSIÓN

Statement of Changes in Fund Assets for the year ended 31 December 2009

A) Statement of Recognised Income and Expense for the year ended 31 December 2009  
(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

(Expressed in Euros with two decimal places)

Profit for the year	103,051,435.77
<b>Total recognised income and expense</b>	<b>103,051,435.77</b>

B) Statement of Total Changes in Fund Assets for the year ended 31 December 2009

	Unit holders	Reserves	Retained earnings	Profit/(loss) for the year	Total
<b>Balance at 31 December 2008</b>	(39,839,662.79)	17,834,675.17	581,164,875.07	(198,273,106.57)	360,886,780.88
Recognised income and expense	-	-	-	103,051,435.77	103,051,435.77
Transactions with unit holders					
Subscriptions	19,642,608.11	-	-	-	19,642,608.11
Redemptions	(125,392,959.40)	-	-	-	(125,392,959.40)
Application of loss for the prior year	(198,273,106.57)	-	-	198,273,106.57	-
Other movements	581,164,875.07	180,148.23	(581,164,875.07)	-	180,148.23
<b>Balance at 31 December 2009</b>	<b>237,301,754.42</b>	<b>18,014,823.40</b>	<b>-</b>	<b>103,051,435.77</b>	<b>358,368,013.59</b>

The accompanying notes form an integral part of the annual accounts for 2009.

BESTINVER BOLSA,  
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Statement of Changes in Fund Assets for the year ended 31 December 2008

A) Statement of Recognised Income and Expense for the year ended 31 December 2008

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

(Expressed in Euros with two decimal places)

Loss for the year	(198,273,106.57)
<b>Total recognised income and expense</b>	<b>(198,273,106.57)</b>

B) Statement of Total Changes in Fund Assets for the year ended 31 December 2008

	Unit holders	Reserves	Retained earnings	Profit/(loss) for the year	Total
<b>Balance at 31 December 2007</b>	235,111,436.83	-	370,487,396.57	210,677,478.50	816,276,311.90
Recognised income and expense	-	-	-	(198,273,106.57)	(198,273,106.57)
Transactions with unit holders					
Subscriptions	105,427,455.32	-	-	-	105,427,455.32
Redemptions	(380,378,554.94)	-	-	-	(380,378,554.94)
Distribution of profit for the prior year	-	-	210,677,478.50	(210,677,478.50)	-
First-time application adjustments	-	17,834,675.17	-	-	17,834,675.17
<b>Balance at 31 December 2008</b>	<b>(39,839,662.79)</b>	<b>17,834,675.17</b>	<b>581,164,875.07</b>	<b>(198,273,106.57)</b>	<b>360,886,780.88</b>

The accompanying notes form an integral part of the annual accounts for 2009.

BESTINVER BOLSA,  
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Notes to the Annual Accounts

31 December 2009

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

(1) Nature and Principal Activities

Bestinver Bolsa, Fondo de Inversión (hereinafter the Fund) was incorporated in Spain on 8 March 1994 under the name of Bestinver Bolsa, Fondo de Inversión Mobiliaria. On 5 February 2004 the Fund changed its name to the current one, in accordance with the third additional provision of Law 35 of 4 November 2003.

The Fund is regulated by Law 35 of 4 November 2003, which came into force on 5 February 2004, Royal Decree 1309 of 4 November 2005, governing collective investment undertakings (CIUs), Law 44 of 22 November 2002, Law 26 of 17 July 2003, and the circulars issued by the Spanish National Securities Market Commission (CNMV) which, together with additional standards, regulate collective investment undertakings. These regulations govern the following, inter alia:

- Maintenance of minimum fund assets of Euros 3,000,000.00
- Maintenance of at least 3% of assets in cash, deposits or demand deposits at the custodian bank, or a credit institution if the custodian bank does not have this status, or in 1-day public debt repurchase agreements. Equity not invested in assets included in the aforementioned liquidity ratio must be invested in the eligible financial assets or instruments foreseen by Article 36 of the Regulation implementing Law 35 of 4 November 2003.
- Investments in derivatives are regulated by Ministerial Order EHA/888/2008 of 27 March 2008, Circular 3/1998 and Royal Decree 1309 of 4 November 2005, which sets forth and develops certain limitations on the use of these instruments. The CNMV is authorised to modify the limitations specified in the abovementioned Order where market circumstances so dictate.
- Establishment of maximum percentages of investment concentration and indebtedness.
- The securities portfolio must be entrusted to the custodian.
- Requirement to file the financial statements reflecting the prior month's performance with the CNMV on the last calendar day of the month following that referred to in the financial statements.

The Fund was entered into the pertinent CNMV administrative register under number 502.

(Continued)

BESTINVER BOLSA,  
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Notes to the Annual Accounts

The sole statutory activity of the Fund consists of raising funds, assets or rights from the public, to manage and invest these in assets, rights, securities and other financial instruments, provided that the return for the investor is based on the overall performance of the Fund.

The Fund is managed by Bestinver Gestión, S.A., Sociedad Gestora de Instituciones de Inversión Colectiva. The securities are deposited with Santander Investment, S.A., the Fund's depository.

(2) Basis of Presentation

(a) Fair view

These financial statements have been prepared by the directors of Bestinver Gestión, S.A., Sociedad Gestora de Instituciones de Inversión Colectiva to present fairly the Fund assets and the financial position of the Fund at 31 December 2009 and the results of its operations and changes in Fund assets during the year then ended.

As required by prevailing accounting legislation, the balance sheet, income statement, statement of changes in fund assets, statement of recognised income and expense, and the notes thereto for 2009 include comparative figures for the previous year, which formed part of the 2008 annual accounts approved by the Fund Management Company on 25 March 2009. The annual accounts for 2008 were the first that the Fund Management Company of Bestinver Bolsa, Fondo de Inversión prepared applying Spanish National Securities Market Commission (CNMV) Circular 3/2008 of 11 September 2008. They were therefore considered as opening annual accounts. As Circular 3/2008 established the transition date as 31 December 2008, the income statement for the year then ended was prepared applying the prevailing accounting principles set forth in CNMV Circular 7/1990 of 27 December 1990, although it was presented using the model foreseen in Circular 3/2008. As a result, the income statement for 2009 is the first that the Fund Management Company has prepared applying the accounting principles set forth in Circular 3/2008. Any comparison between the two years should, therefore, take this circumstance into consideration.

These annual accounts have been prepared on the basis of the auxiliary accounting records of the Fund, in accordance with the classification and presentation standards set forth in Circular 3/2008 of 11 September 2008 and other CNMV circulars.

(b) Functional and presentation currency

The figures disclosed in the annual accounts are expressed in Euros with two decimal places, the Fund's functional and presentation currency.

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BESTINVER BOLSA,  
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Notes to the Annual Accounts

(c) Judgements and estimates used

In 2009 there has been no change in the judgements and accounting estimates used by the Fund, except those arising due to application of the new accounting principles (see section (a) of this note).

(3) Distribution of Profit/Application of Losses

The directors of the Fund Management Company will propose to the board of directors that the profit for the year ended 31 December 2009 be passed on to the unit holders.

On 25 March 2009 the board of directors of the Fund Management Company agreed to pass the loss for the year ended 31 December 2008 on to unit holders.

(4) Significant Accounting Principles

The accompanying annual accounts have been prepared in accordance with the accounting principles set forth in Circular 3/2008 of 11 September 2008 and other CNMV circulars.

The main accounting principles applied in the preparation of the annual accounts are as follows:

(a) Income and expenses

Income and expenses are recognised on an accruals basis.

In accordance with these criteria, and for the purpose of calculating the net asset value, income and expenses are accrued on a daily basis, as follows:

- Financial assets and financial liabilities accrue interest at the effective interest rate.
- The above-mentioned principle does not apply to interest on investments that are doubtful, past-due or in litigation, which is recognised in the income statement upon collection.
- Dividend income is recognised in the income statement when entitlement to the dividend becomes effective.
- The remaining income and expenses relating to a specific period are accrued on a straight-line basis over the period.

(Continued)

BESTINVER BOLSA,  
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Notes to the Annual Accounts

(b) Recognition, measurement and classification of financial instruments

Financial assets and financial liabilities are recognised when the Fund becomes party to a contract or legal business, under the terms thereof.

Investments in foreign currency are translated at the spot exchange rate at the transaction date.

Collective investment undertakings generally derecognise the whole or part of a financial asset when that asset expires or the contractual rights over the cash flows have been transferred, and when the risks and rewards of ownership have been substantially transferred. A financial liability is derecognised when the obligation is extinguished.

Financial instruments are measured and classified as follows:

• Receivables

- Financial assets included in this category are initially measured at fair value, which, in the absence of evidence to the contrary, is the transaction price, i.e. the fair value of the consideration given plus costs directly attributable to the transaction.
- Financial assets considered as receivables are subsequently measured at amortised cost. Accrued interest is accounted for in the income statement using the effective interest method. However, items that are expected to be collected within one year can be measured at their nominal amount, provided that the effect of not discounting the cash flows is not significant.
- Impairment losses on receivables are determined based on estimated future cash flows, discounted at the effective interest rate calculated on recognition. Impairment valuation allowances and reversal of allowances are recognised as an expense or income in the income statement.

• Financial assets at fair value through profit or loss

- Financial assets in the collective investment undertakings portfolio are initially measured at fair value. In the absence of evidence to the contrary, fair value is the transaction price, i.e. the fair value of the consideration, including explicit costs directly attributable to the transaction. Initial measurement does not include interest on deferred payments, which is considered to accrue even when not expressly stated in the contract, at a market rate of interest.

(Continued)

BESTINVER BOLSA,  
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Notes to the Annual Accounts

- On initial measurement of assets, explicit interest receivable accrued since the last settlement is recognised in interest on the investment portfolio under assets in the balance sheet, and cancelled when the interest falls due.
- Any pre-emptive or similar rights acquired are included in the initial valuation and deducted from the value of the assets upon their sale.
- These assets are subsequently measured at fair value, without deducting any transaction costs incurred on their disposal. Any changes in the fair value are recognised in the income statement.
- The fair value of financial assets is calculated as follows:
  - (1) Listed equity instruments: fair value is the market value, which is considered to be the amount resulting from applying the official closing exchange rate at the reference date, where this is available, or the immediately preceding business day. Where no official closing price is available, the weighted average exchange rate is used. The portfolio assets are measured in the most representative market in terms of trading volume. If the instrument ceases to be listed, the last established exchange rate or another irrefutable price is used.
  - (2) Listed debt securities: fair value is a listed price in a market, provided that the market in question is active and the prices are obtained consistently. Where listed prices are not available, the fair value is the most recent transaction price, provided that there have been no significant changes in economic circumstances since that transaction took place. Where significant variations have occurred, the fair value should reflect the change in conditions using current prices or interest rates and risk premiums for similar instruments as a reference. If the most recent transaction price relates to a forced transaction or involuntary liquidation, the price should be adjusted.

Where there is no active market for the debt instrument, valuation techniques are applied, including prices supplied by intermediaries, issuers or information sources; use of recent market transactions carried out on an arm's length basis between knowledgeable, willing parties, where available; present fair value of another substantially similar instrument; and discounted cash flow and option pricing models, as applicable.

BESTINVER BOLSA,  
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Notes to the Annual Accounts

However, in the case of debt securities maturing in six months or less, the Fund has availed of the fourth transitional provision of Circular 3/2008 of 11 September 2008, and these securities are therefore measured based on acquisition cost plus the associated accrued interest, calculated using the internal rate of return.

- (3) Securities as yet unlisted: fair value is estimated based on changes associated with similar listed securities from previous issues of the same entity, taking into consideration any differences in profit-sharing rights.
- (4) Unlisted securities: fair value is calculated using the measurement criteria included in rules 6, 7 and 8 of CNMV Circular 4/1997 of 26 November 1997.
- (5) Deposits with credit institutions in accordance with letters e) and j).6 of article 36.1 of the CIU regulation and repurchase agreements: fair value is calculated in line with the price equivalent to the internal rate of return on the investment based on prevailing market rates at any given time, without prejudice to other considerations, such as early termination conditions or credit risk of the entity.
- (6) Shares of other collective investment undertakings: where a net asset value at the reference date is calculated, the shares are measured at this amount. Where no net asset value is calculated at the reference date, either because the publication date of the net asset value of the CIU is not a business day or because the net asset value calculation frequency differs, the last available net asset value is used. However, in the case of CIUs traded in a market or multilateral trading facility, the shares are measured at their listed price at the reference date, provided that this price is representative.

In the particular case of investments in hedge funds, funds of hedge funds and similar foreign CIUs as per letter j) of article 36.1 of the CIU regulation, estimated net asset values may be used for both preliminary calculations of the final net asset value and for mid-range values within the range of final net asset values or values not subject to recalculation or confirmation.

- Financial liabilities at fair value through profit or loss:

Financial liabilities in this category are initially and subsequently measured applying the criteria described for financial assets at fair value through profit or loss.

BESTINVER BOLSA,  
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Notes to the Annual Accounts

- Debts and payables:

Financial liabilities in this category are initially measured at fair value, which, in the absence of evidence to the contrary, is the transaction price, i.e. the fair value of the consideration received, adjusted to take into account any costs directly attributable to the transaction. These liabilities are subsequently measured at amortised cost. Accrued interest is accounted for in the income statement using the effective interest method. However, items that are expected to be settled within one year can be measured at their nominal amount, provided that the effect of not discounting the cash flows is not significant.

Investments in foreign currency are translated at the spot exchange rate at the measurement date or, where this is not available, at the rate prevailing on the last business day preceding the measurement date.

All financial investments are recognised under current assets, although certain investments may be held for more than one year.

- (c) Cash sale and purchase of securities

Cash sale and purchase transactions are recognised on the transaction date, which is generally the day on which equity instruments are contracted and debt securities and currency market transactions are settled. In the latter two cases, the period of time between contracting and settlement is accounted for using the criteria described in section d) below.

However, for the sale and purchase of collective investment undertakings, the completion date is considered to be the date the transaction is confirmed, even when the number of units or shares to be allocated is not known. The transaction is not measured until the units or shares are allocated. Amounts delivered prior to the completion date are recognised in subscription requests pending allocation of units under receivables in the balance sheet. Acquisitions are debited from the relevant asset account at fair value, in accordance with the criteria described in section b) above. Gains or losses on sales transactions are recognised in the income statement at the order completion date.

- (d) Acquisition and sale of assets with a resale or repurchase agreement

Assets purchased with a resale agreement are recognised under assets in the balance sheet at the amount disbursed, irrespective of the nature of the underlying instruments. The difference between this amount and the resale price is deferred using the effective interest rate.

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## Notes to the Annual Accounts

In accordance with section (b) point (5) above, differences in fair value arising on assets acquired with a resale agreement are recognised in changes in the fair value of financial instruments in the income statement. In the event the asset acquired with a resale agreement is transferred outright, the criteria described in section (b) above for the recognition and measurement of financial liabilities are applicable.

(e) Foreign currency

Balances receivable and payable in foreign currency are measured at the spot exchange rate at the measurement date or, where this is not available, at the rate prevailing on the last business day preceding the measurement date. Exchange differences are recognised as follows:

- Exchange gains and losses arising on the financial instruments portfolio are recognised together with valuation gains and losses (see note 4 (b)).
- Exchange gains and losses arising on debits, credits or cash balances are recognised under exchange differences in the income statement.

(f) Underlying value of units

The net asset value of Fund units is calculated daily by dividing the Fund assets by the number of units at the calculation date, in accordance with CNMV Circular 6/2008 of 26 November 2008.

(g) Income tax

Income taxes are calculated based on profit reported for accounting purposes, adjusted for permanent differences with fiscal criteria and taking into consideration any applicable credits and deductions. The effects of timing differences, where applicable, are included in deferred tax assets or liabilities.

Provision for income tax is made on a daily basis for the purposes of calculating the net asset value of each unit.

BESTINVER BOLSA,  
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Notes to the Annual Accounts

(5) Receivables

Details at 31 December 2008 are as follows:

	Euros	
	31/12/09	31/12/08
Taxation authorities		
Withholdings and payments on account (note 10)	2,058,309.18	2,501,620.41
Other receivables	6,456,211.72	4,010,644.54
	8,514,520.90	6,512,264.95

Other receivables mainly comprise balances receivable on the sale of securities, which were settled in early 2010.

At 31 December 2009 and 2008 receivables fall due within one year.

All payables are expressed in Euros at 31 December 2009 and 2008.

(6) Financial Investments

Details of the investment portfolio at 31 December 2009 and 2008 are attached as Appendix I, which forms an integral part of this note.

The fair value of financial assets is calculated based on listed prices in active markets.

Securities positions with the depositary amount to Euros 9,000,057.50 at 31 December 2009 (Euros 16,000,879.98 at 31 December 2008).

In 2009 the Fund carried out securities purchase and sale transactions with the depositary amounting to Euros 3,895,000,000.00 and Euros 3,902,000,000.00, respectively (Euros 4,422,500,000.00 and Euros 4,410,500,000.00, respectively in 2008).

All debt securities held by the Fund at 31 December 2009 and 2008 mature within one year.

All investments are expressed in Euros at 31 December 2009 and 2008.

(Continued)

BESTINVER BOLSA,  
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Notes to the Annual Accounts

(7) Cash

Details at 31 December 2009 and 2008 are as follows:

	Euros	
	31/12/09	31/12/08
Custody accounts	2,408,757.62	2,384,405.74

Custody accounts include interest accrued at 31 December 2009 and 2008 and yield interest at market rates. All cash in hand and at banks is available for use.

In 2009 finance income of Euros 91,524.39 has been accrued with the depositary in respect of interest on asset acquisition (see note 6) and other interest on accounts with the depositary (Euros 853,333.86 in 2008).

(8) Fund Assets

Details of Fund assets and movement are disclosed in the statement of changes in fund assets.

Details of movement in unit holders during the years ended 31 December 2009 and 2008 are as follows:

	Number of units	Euros
At 1 January 2008	21,169,810.07	235,111,436.83
Subscriptions	2,851,506.63	105,427,455.32
Redemptions	(10,817,454.28)	(380,378,554.94)
At 31 December 2008	13,203,862.42	(39,839,662.79)
Transfer from profit/(loss) for the year	-	(198,273,106.57)
Transfer from prior years' profit/(loss)	-	581,164,875.07
Subscriptions	636,028.50	19,642,608.11
Redemptions	(4,095,998.68)	(125,392,959.40)
At 31 December 2009	9,743,892.24	237,301,754.42

(Continued)

BESTINVER BOLSA,  
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Notes to the Annual Accounts

All units are represented by certificates with no nominal value, which confer upon the unit holders the right of ownership to the Fund.

The number of units is unlimited and their subscription or redemption depends on supply and demand. The subscription or redemption price is established daily in line with the net asset value of the unit, calculated on the basis of the Fund's assets in accordance with CNMV Circular 6/2008 of 26 November 2008.

At 31 December 2009 the net asset value amounts to Euros 36.78 per unit (Euros 27.33 in 2008), obtained by dividing the Fund assets by the number of units at that date.

At 31 December 2009 and 2008 none of the Fund's unit holders have a significant number of units.

(9) Trade payables

Details at 31 December 2009 and 2008 are as follows:

	Euros	
	31/12/09	31/12/08
Deferred tax liabilities	-	180,148.23
Other payables		
Payables for acquisition of securities	-	1,431,725.64
Fees and commissions	1,725,331.97	1,786,175.68
Others	12,081.06	11,961.32
	<u>1,737,413.03</u>	<u>3,410,010.87</u>

Details of fees and commissions payable at 31 December 2009 and 2008 and accrued during the years then ended are as follows:

	Euros			
	2009		2008	
	Payable	Total accrued	Payable	Total accrued
Management	1,651,165.80	6,150,742.17	1,746,261.10	10,218,726.85
Custody	74,166.17	140,588.28	39,914.58	263,072.92
	<u>1,725,331.97</u>	<u>6,291,330.45</u>	<u>1,786,175.68</u>	<u>10,481,799.77</u>

As mentioned in note 1, the Fund is managed by Bestinver Gestión, S.A., Sociedad Gestora de Instituciones de Inversión Colectiva. The Fund pays an annual management fee for this service of 1.75% of the Fund's assets, calculated on a daily basis.

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Notes to the Annual Accounts

The daily calculation of this depositary commission is as follows:

Fund assets	Commission
From Euros 0 to Euros 30,050,605.00 thousand	0.125%
From Euros 30,050,605.00 to Euros 60,101,210.00	0.0625%
More than Euros 60,101,210.00	0.04%

At 31 December 2009 and 2008 payables fall due within one year.

All payables are expressed in Euros at 31 December 2009 and 2008.

(10) Taxation

The Fund is taxed at a rate of 1%, in accordance with the fiscal regime provided for in Royal Decree 4 of 5 March 2004 governing corporate income tax, as well as other applicable tax regulations.

A reconciliation of accounting profit/(loss) for 2009 and 2008 with the taxable income/tax loss the Fund expects to declare after the annual accounts have been duly approved is as follows:

	Euros	
	2009	2008
Accounting profit/(loss) for the year before tax	103,051,435.77	(198,273,106.57)
Offset of tax loss carryforwards	(103,051,435.77)	-
Taxable income/tax loss	-	-
Tax at 1% and income tax expense	-	-
Withholdings and payments on account (note 5)	2,058,309.18	2,501,620.41
Income tax payable/recoverable	2,058,309.18	2,501,620.41

In accordance with current legislation, taxes cannot be considered definitive until they have been inspected by the taxation authorities or before the inspection period of four years has elapsed. At 31 December 2009 the Fund has open to inspection by the taxation authorities all applicable taxes since 1 January 2006. The directors of the Fund Management Company do not expect that significant additional liabilities would arise in the event of an inspection.

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In accordance with Spanish tax legislation, losses declared may be carried forward to be offset against profits of the fifteen subsequent accounting periods, the amount being distributed as considered appropriate. Losses are offset when the tax declarations are filed, without prejudice to the taxation authorities' power of inspection.

Based on the estimated income tax calculation for 2009, the Fund has the following loss carryforwards to be offset against future profits:

Year of origin	Available until	Euros
2008	2023	77,206,847.40

(11) Risk Management Policy

Financial risk factors

The Fund's activities are exposed to various financial risks: market risk (including currency risk, interest rate risk in fair value and price risk), credit risk, liquidity risk and interest rate risk in cash flows. The Fund Management Company's global risk management programme with regard to the Fund focuses on uncertainty in the financial markets and aims to minimise potential adverse effects on the Fund's profits.

The measurement and analysis of financial risks allows the Management Company to identify, assess and mitigate them in close collaboration with its operational units.

The Fund Management Company's risk management is based on the nature of the risk assumed by the Fund, which is in turn determined by its strategic investment policy. The most significant characteristics during the year have been as follows:

- Interest rate risk: Interest rate risks arise from variation in interest rates and the resulting impact on the Fund's assets. The Management Company manages interest rate risk by varying the duration of investments.
- Exchange rate risk: Exposure to exchange rate risk is moderate. In 2009 exposure to foreign currencies was consistent with the Fund's risk profile. This risk is reduced by the fact that this exposure was to top-tier currencies (CHF, GBP and USD).
- Sector concentration risk: the Fund is particularly diversified in terms of sectors and there is therefore no sector concentration. Issuer concentration risk: concentration of individual issuers is reasonable. The Fund complies with diversification, dispersal and congruence restrictions on investments.

(Continued)

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- Credit risk: Cash transactions are only contracted with financial institutions with a high credit rating, with investment grade level. The Management Company has policies to limit the amount of risk with any one financial institution. The most objective information used to measure risk fluctuations is obtained by monitoring the credit rating of the country, issuer, issue, etc. on the basis of data provided by external agencies.
- Market risk The absolute risk to which the Fund is exposed at year end, measured in terms of VaR, generally falls within reasonable limits. However, the Fund's VaR followed an upward trend until September because the annual sample used reflected the moments of greatest uncertainty in the financial markets during 2008 and 2009. From September onwards, volatility fell significantly as the greater stability of markets from June 2009 onwards was increasingly reflected in the sample. At 2009 year end volatility is similar to the level recorded at 2007 year end.
- Liquidity risk and market depth: Liquidity risk of the Fund's exposure to fixed income is minimal. Liquidity of variable-income securities has improved during the course of the year. Market depth has been measured using ILLIQ. This measure has brought to light the progressive market liquidity. All fixed-income asset references agree with fair value specifications. Investments in fixed-income assets have materialised through repos and government bonds and a market price is therefore available for each one.

(12) Environmental Issues

The directors of the Fund Management Company consider that the environmental risks deriving from the Fund's activity are minimal, adequately covered and that no additional liabilities will arise therefrom. The Fund has not incurred any expenses or received any environment-related grants during the years ended 31 December 2009 and 2008.

(13) Auditors' Fees

The auditors of the annual accounts of the Fund are KPMG Auditores, S.L. Audit fees and expenses have amounted to Euros 7,700.00 for each of the years ended 31 December 2009 and 2008, irrespective of the date of invoice.

BESTINVER BOLSA,  
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Details of Investment Fund Portfolio

31 December 2009

(Expressed in Euros with two decimal places)

(Free translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

	<u>Initial measurement</u>	<u>Fair value</u>	<u>Interest</u>	<u>Accumulated losses/gains</u>
Internal portfolio				
Debt securities	9,000,000.00	9,000,000.00	57.50	-
Equity instruments	278,871,540.76	246,216,056.05	-	(32,655,484.73)
External portfolio				
Equity instruments	<u>98,049,657.81</u>	<u>93,966,034.55</u>	<u>-</u>	<u>(4,083,623.26)</u>
Total	<u><u>385,921,198.57</u></u>	<u><u>349,182,090.58</u></u>	<u><u>57.50</u></u>	<u><u>(36,739,107.99)</u></u>

BESTINVER BOLSA,  
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Details of Investment Fund Portfolio

31 December 2008

(Expressed in Euros with two decimal places)

	<u>Initial measurement</u>	<u>Fair value</u>	<u>Interest</u>	<u>Accumulated losses/gains</u>
Internal portfolio				
Debt securities	16,000,000.00	16,000,000.00	879.98	-
Equity instruments	426,377,738.29	267,591,918.41	-	(158,785,819.88)
External portfolio				
Equity instruments	<u>118,011,742.71</u>	<u>71,807,322.67</u>	<u>-</u>	<u>(46,204,420.04)</u>
Total	<u><u>560,389,481.00</u></u>	<u><u>355,399,241.08</u></u>	<u><u>879.98</u></u>	<u><u>(204,990,239.92)</u></u>

BESTINVER BOLSA,  
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Directors' Report

2009

In 2009 Bestinver Bolsa F.I. increased by 34.56%, reaching a net asset value of Euros 36.78. The Madrid Stock Exchange General Index rose 27.23% during the same period.

The Fund's assets grew 99% during the year to Euros 358.30 million and the number of unit holders increased by 9.69% to 8,328.

The Spanish economy has deteriorated as forecast by Bestinver in recent years. The problems in the financial sector – which began when the property bubble burst, an event that has particularly affected Spain – have been transferred to the real economy, exacerbating the serious problems faced by banks by triggering a rise in the default rate.

Growth figures have been contracting on a daily basis, leading to sharp adjustments in the employment market, and all of these events have taken place within an economic structure that is heavily based on construction and impossible to replace with other sectors. The construction sector has to fall “naturally” to correct the severe imbalances and allow us to return to past levels of growth, this time based on savings and productivity rather than on debt, which has only brought artificial growth. We should therefore aim for a more competitive economy, increasing the resources necessary to achieve this.

As a result, we continue to focus our investment strategy in Spain on net exporters and anti-cyclical companies. We are also seeking opportunities in the Portuguese market (our portfolio still contains no banks, property firms or consumer goods companies).

Although this fund has created less value, it continues to grow and compares favourably against the combined Spanish and Portuguese stock markets because we continue to issue more conservative valuations and have fewer choices, as the range of investment opportunities for this portfolio is much more limited.

This form of investment enables us to set ourselves apart from the negative outlook for the Spanish economy. We could say that, although we invest in listed companies in Spain, our investment is not necessarily “Spanish” and does not depend on the current negative economic cycle.

By mid-2009, the share prices of some of our investments had risen over 80% from minimum levels, and over half of the companies on our Spanish portfolio had recovered at least 40% from minimum prices. Once again, one of the main catalysts was the publication of results, as well as improvement in the outlook for the global economy in 2010, which will bring benefits for many of our companies with significant international exposure.

As we have been saying for some time, our strategy of avoiding exposure to cyclical businesses in Spain has yielded returns exceeding the reference index. We have achieved this despite the good performance in the share prices of Spanish banks, which we do not consider to be very “solid”.

An example of the performance of our portfolio is provided by our investments in holding companies. In previous reports we have mentioned the paradoxical trends of some holding companies, where the share price often falls proportionally more than that of the underlying investments, just when the market value of these investments is at its most attractive. This presented a kind of “double” opportunity, which we took at the time: a paradigm of value investment that is now yielding significant returns. This is the case with Corporación Financiera Alba or Sonae.

If the market did not discriminate between good and bad companies in 2008, this year we have seen how good stock-picking has yielded returns exceeding the reference index.

One notable example is the sale of assets by some of the companies in which we have significant investments. These sales were made at prices very similar our own valuations. This is the case with the Chilean car park and motorway business sold by Cintra and assets relating to gas distribution in Spain sold by Gas Natural. Another two cases are Gatwick airport, sold by the Ferrovial subsidiary BAA, and Latin American electricity generation assets sold by Gas Natural. Although these sales took place below our valuation, it should be noted that both were made in very unfavourable conditions, given the current economic situation and, more importantly, the fact that both sales were “forced”: in the case of BAA by the British competition authorities, and in the case of Gas Natural by the banks financing the purchase of Unión Fenosa, in order to reduce the company’s debt after the acquisition.

Even considering these examples, we can once again reaffirm that the valuations we make at Bestinver in the private transaction market, a key element in our investment strategy, are correct. If these examples are extrapolated to the companies’ values, it can be seen that our estimate of the added value of the funds, and, consequently, their potential for growth, is correct.

We would like to briefly reiterate that our Spain and Portugal portfolio comprises companies that do not depend on the Spanish economic cycle, either because the majority of their revenues are made in exports or because they are purely anti-cyclical. We continue to consider the outlook for the duration and intensity of the crisis in Spain to be bleak.

#### OTHER SIGNIFICANT EVENTS

The Fund does not invest in either derivatives or unlisted securities.

Related-party transactions duly authorised by the supervisory body have been carried out, in compliance with the established control procedures.

During 2009, Bestinver Gestión, S.A., S.G.I.I.C. exercised its right to attend and vote at the general shareholders’ meetings of the Spanish companies in which its managed funds have held an interest exceeding 1% of share capital for over one year. At all of these meetings, the vote has been to adopt the proposals of each company’s board of directors.

**DILIGENCIA DE FIRMAS**