

BESTINVER HEDGE VALUE FUND,
FONDO DE INVERSIÓN LIBRE

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 Hedge Value Fund, 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 Hedge Value Fund, 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 Hedge Value Fund, Fondo de Inversión 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 Hedge Value Fund 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 Hedge Value Fund, Fondo de Inversión Fund Management Company consider relevant to the situation of Bestinver Hedge Value Fund, 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 HEDGE VALUE FUND,
FONDO DE INVERSIÓN LIBRE

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)	1,028,458.52	364,479.02
Financial investments (note 6)		
Internal portfolio		
Debt securities	2,500,000.00	200,000.00
Equity instruments	3,699,554.75	2,715,771.27
External portfolio		
Equity instruments	97,644,140.92	26,322,801.59
Interest on the investment portfolio	15.97	11.00
	103,843,711.64	29,238,583.86
Cash in hand and at banks (note 7)	5,655,280.96	2,300,209.45
Total assets	110,527,451.12	31,903,272.33
Fund assets attributed to unit holders (note 8)		
Repayable funds attributed to unit holders		
Unit holders	69,014,995.57	60,326,170.37
Reserves	319,257.90	316,065.32
Retained earnings	-	(5,334,143.34)
Profit/(loss) for the year	39,202,840.18	(23,987,208.10)
	108,537,093.65	31,320,884.25
Current liabilities		
Payables (note 9)	1,990,357.47	582,388.08
Total fund assets and liabilities	110,527,451.12	31,903,272.33
Other memorandum accounts		
Tax loss carryforwards	29,002,093.54	5,334,143.34
Others	40,690,581.23	17,902,651.63
Total memorandum accounts	69,692,674.77	23,236,794.97

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

BESTINVER HEDGE VALUE FUND,
FONDO DE INVERSIÓN LIBRE

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)	(1,260,197.36)	(773,712.58)
Custody commission (note 9)	(63,009.84)	(38,685.64)
Others	(8,720.83)	(2,376.22)
	(1,331,928.03)	(814,774.44)
Results from operating activities		
Finance income	811,387.37	1,651,914.64
Finance expenses	(123,427.09)	(332,301.23)
Changes in the fair value of financial instruments		
Internal portfolio transactions	1,171,117.04	(133,910.76)
External portfolio transactions	40,739,851.75	(22,133,207.71)
Exchange losses	(29,751.71)	(114,098.50)
Impairment and gains/(losses) on disposal of financial instruments		
Gains/(losses) on internal portfolio transactions	157,559.66	(295,788.13)
Losses on external portfolio transactions	(2,088,930.97)	(1,815,041.97)
	40,637,806.05	(23,172,433.66)
Net finance income/(expense)		
	39,305,878.02	(23,987,208.10)
Profit/(loss) before income tax		
Income tax (note 11)	(103,037.84)	-
	39,202,840.18	(23,987,208.10)
Profit/(loss) for the year		

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

BESTINVER HEDGE VALUE FUND,
FONDO DE INVERSION

Statement of Changes in Fund Assets for the year ended 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.)

A) Statement of Recognised Income and Expense for the year ended 31 December 2009

Profit for the year	39,202,840.18
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Total recognised income and expense	39,202,840.18
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B) Statement of Total Changes in Fund Assets for the year ended 31 December 2008

	Unit holders	Reserves	Retained earnings	Profit for the period/year	Total
Balance at 31 December 2008	60,326,170.37	316,065.32	(5,334,143.34)	(23,987,208.10)	31,320,884.25
Recognised income and expense	-	-	-	39,202,840.18	39,202,840.18
Transactions with unit holders					
Subscriptions	42,383,608.08	-	-	-	42,383,608.08
Redemptions	(4,373,431.44)	-	-	-	(4,373,431.44)
Application of loss for the prior period	(23,987,208.10)	-		23,987,208.10	-
Other movements	(5,334,143.34)	3,192.58	5,334,143.34	-	3,192.58
Balance at 31 December 2009	69,014,995.57	319,257.90	-	39,202,840.18	108,537,093.65

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

BESTINVER HEDGE VALUE FUND,
FONDO DE INVERSION

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

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

Loss for the year	(23,987,208.10)
Total recognised income and expense	(23,987,208.10)

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

	Unit holders	Reserves	Retained earnings	Loss for the period/year	Total
Balance at 31 December 2007	50,820,440.35	-	-	(5,334,143.34)	45,486,297.01
Recognised income and expense	-	-	-	(23,987,208.10)	(23,987,208.10)
Transactions with unit holders					
Subscriptions	10,317,373.24	-	-	-	10,317,373.24
Redemptions	(811,643.22)	-	-	-	(811,643.22)
Application of loss for the prior period	-	-	(5,334,143.34)	5,334,143.34	-
First-time application adjustments	-	316,065.32	-	-	316,065.32
Balance at 31 December 2008	60,326,170.37	316,065.32	(5,334,143.34)	(23,987,208.10)	31,320,884.25

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

BESTINVER HEDGE VALUE FUND,
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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 Hedge Value Fund, Fondo de Inversión Libre (hereinafter the Fund) was incorporated in Spain on 21 September 2007.

The Fund is regulated by Law 35 of 4 November 2003, Royal Decree 1309 of 4 November 2005, Circular 1/2006 of 3 May 2006, Law 44 of 22 November 2002, and other 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
- A minimum of 25 unit holders.
- The Fund can invest in assets, financial instruments and derivative financial instruments, irrespective of the nature of the underlying, in line with the liquidity, risk diversification and transparency principles set out in article 23 of Law 35 of 4 November 2003. The rules on investment concentration limits set out in the Regulation of Law 35 of 4 November 2003 are not applicable.
- Maximum debt not exceeding five times the value of the Fund's assets.
- Regulation of relations between fund management companies and financial intermediaries that provide financing and other services to hedge funds (prime brokers). Supervision and control of the depositary is therefore reinforced, requiring the latter to be informed of the financial guarantee agreements. The Fund has had a financial guarantee agreement with Santander Investment, S.A. since 2007. This entity can render services ranging from settlement of shares, futures and derivatives, custody of securities, and corporate share and dividend processes, to wide-ranging and flexible financing and security loans. At 31 December 2009 and 2008 no expenses have been accrued in respect of these services.
- The securities portfolio must be entrusted to the custodian.
- Requirement to file the financial statements with the CNMV reflecting the prior month's performance during the first 25 days of each month.

The Fund was entered into the pertinent CNMV administrative register under number 15.

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.

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BESTINVER HEDGE VALUE FUND,
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Notes to the Annual Accounts

The Fund's investment policy focuses mainly on European variable income.

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 Hedge Value Fund, Fondo de Inversión Libre 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.

BESTINVER HEDGE VALUE FUND,
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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.

(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 HEDGE VALUE FUND,
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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.

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BESTINVER HEDGE VALUE FUND,
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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 HEDGE VALUE FUND,
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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 HEDGE VALUE FUND,
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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.

BESTINVER HEDGE VALUE FUND,
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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 monthly by dividing the Fund assets by the number of units at the calculation date, which is the last day of each month, 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 HEDGE VALUE FUND,
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Notes to the Annual Accounts

(5) Receivables

Details at 31 December 2009 and 2008 are as follows:

	Euros	
	2009	2008
Taxation authorities		
Withholdings and payments on account (note 10)	149,176.15	338,675.03
Other receivables	879,282.37	25,803.99
	1,028,458.52	364,479.02

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 2,500,015.97 (Euros 200,011.00 in 2008).

In 2009 the Fund carried out securities purchase and sale transactions with the depositary amounting to Euros 360,530,000.00 and Euros 358,230,000.00, respectively (Euros 86,350,000.00 and Euros 86,650,000.00, respectively, in 2008).

(a) Duration of financial assets

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

(Continued)

BESTINVER HEDGE VALUE FUND,
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Notes to the Annual Accounts

(b) Amounts expressed in foreign currency

At 31 December 2009

Details of financial assets denominated in foreign currencies are as follows:

	Euros		
	US Dollars (USD)	Swiss Francs (CHF)	Pounds Sterling (GBP)
Equity instruments	3,733,503.63	20,140,581.49	12,755,129.68

• At 31 December 2008

Details of financial assets denominated in foreign currencies are as follows:

	Euros		
	US Dollars (USD)	Swiss Francs (CHF)	Pounds Sterling (GBP)
Equity instruments	1,342,757.12	4,018,011.94	1,984,528.42

(7) Cash

Details at 31 December 2009 and 2008 are as follows:

	Euros	
	2009	2008
Custody accounts	5,655,280.96	2,300,209.45

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 6,811.69 has been accrued with the depositary in respect of interest on the acquisition of assets with resale agreements (see note 6) and other interest on accounts with the depositary (Euros 35,185.80 in 2008).

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BESTINVER HEDGE VALUE FUND,
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Notes to the Annual Accounts

(8) Fund Assets

Details of Fund assets and movement for 2009 and 2008 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:

	<u>Number of units</u>	<u>Euros</u>
At 1 January 2008	513,637.23	50,820,440.35
Subscriptions	158,802.71	10,317,373.24
Redemptions	<u>(16,294.46)</u>	<u>(811,643.22)</u>
At 31 December 2008	656,145.48	60,326,170.37
Transfer from profit/(loss) for the year	-	(23,987,208.10)
Transfer from prior years' profit/(loss)	-	(5,334,143.34)
Subscriptions	544,046.09	42,383,608.08
Redemptions	<u>(53,252.99)</u>	<u>(4,373,431.44)</u>
At 31 December 2009	<u><u>1,146,938.58</u></u>	<u><u>102,290,904.18</u></u>

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 94.63 per unit (Euros 47.73 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.

(Continued)

BESTINVER HEDGE VALUE FUND,
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Notes to the Annual Accounts

(9) Trade payables

Details at 31 December 2008 are as follows:

	Euros	
	2009	2008
Deferred tax liabilities	-	3,192.58
Taxation authorities, income tax (note 10)	103,037.84	-
Other payables		
Payables for acquisition of securities	1,291,021.45	378,927.44
Fees and commissions	589,064.11	197,050.84
Other	4,746.15	2,548.36
Other	2,487.92	668.86
	1,990,357.47	582,388.08

Payables for acquisition of securities were settled in the opening months of 2010.

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	481,223.44	1,260,197.36	152,220.01	773,712.58
Custody	107,840.67	63,009.84	44,830.83	38,685.64
	589,064.11	1,323,207.20	197,050.84	812,398.22

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 2% of the Fund's assets, calculated on a daily basis. The fund management company also receives a commission of 15% of the difference between the actual profit of Bestinver Hedge Value Fund, F.I.L. and the profit the Fund would have generated with a yield of Euribor at 1 year, applicable to the annual increase in the net asset value of the Fund assets. This commission is annual and is calculated on a monthly basis.

The Fund also accrues an annual commission of 0.10% for assets held on deposit in Spain and 0.13% for assets held on deposit outside Spain, payable to Santander Investment, S.A. and calculated daily on the basis of the Fund assets.

(Continued)

BESTINVER HEDGE VALUE FUND,
FONDO DE INVERSIÓN LIBRE

Notes to the Annual Accounts

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	39,305,878.02	(23,987,208.10)
Offset of tax loss carryforwards	(29,002,093.54)	-
Taxable income/tax loss	10,303,784.48	(23,987,208.10)
Tax at 1% and income tax expense (note 9)	103,037.84	-
Withholdings and payments on account (note 5)	(149,176.15)	(338,675.03)
Recoverable income tax	(46,138.31)	(338,675.03)

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 its incorporation. The directors of the Fund Management Company do not expect that significant additional liabilities would arise in the event of an inspection.

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.

(Continued)

BESTINVER HEDGE VALUE FUND,
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Notes to the Annual Accounts

(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.
- 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.

(Continued)

BESTINVER HEDGE VALUE FUND,
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Notes to the Annual Accounts

- 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.

(13) 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.

(14) Auditors' Fees

The auditors of the annual accounts of the Fund are KPMG Auditores, S.L. Audit fees and expenses have amounted to Euros 3,300.00 for each of the years ended 31 December 2009 and 2008, irrespective of the date of invoice.

BESTINVER HEDGE VALUE FUND, FONDO DE INVERSION LIBRE

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	2,500,000.00	2,500,000.00	15.97	-
Equity instruments	2,860,756.73	3,699,554.75	-	838,798.02
External portfolio				
Equity instruments	<u>83,736,606.16</u>	<u>97,644,140.92</u>	<u>-</u>	<u>13,907,534.76</u>
Total	<u><u>89,097,362.89</u></u>	<u><u>103,843,695.67</u></u>	<u><u>15.97</u></u>	<u><u>14,746,332.78</u></u>

Appendix I forms an integral part of note 6 to the annual accounts for 2009, in conjunction with which it should be read.

BESTINVER HEDGE VALUE FUND, FONDO DE INVERSION LIBRE

Details of Investment Fund Portfolio

31 December 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.)

	<u>Initial measurement</u>	<u>Fair value</u>	<u>Interest</u>	<u>Accumulated losses/gains</u>
Internal portfolio				
Debt securities	200,000.00	200,000.00	11.00	-
Equity instruments	3,048,090.29	2,715,771.27	-	(332,319.02)
External portfolio				
Equity instruments	<u>53,155,118.59</u>	<u>26,322,801.59</u>	<u>-</u>	<u>(26,832,317.00)</u>
Total	<u><u>56,403,208.88</u></u>	<u><u>29,238,583.86</u></u>	<u><u>11.00</u></u>	<u><u>(27,164,636.02)</u></u>

BESTINVER HEDGE VALUE FUND,
FONDO DE INVERSIÓN LIBRE

Directors' Report

2009

In 2009 Bestinver Hedge Value Fund, F.I.L. increased by 98.60%, reaching a net asset value of Euros 94.07. In the same period, the Madrid Stock Exchange General Index rose 27.23%, while the MSCI World Index increased by 23.02%.

The Fund's assets rose by 256.94% during the year to Euros 104.06 million, and the number of unit holders grew by 36.99% to 437.

In view of the pessimistic environment that prevailed at the beginning of the year, we insisted that patience was necessary, waiting to see how the funds' potential would materialise in their net asset value. Even though price and value have fallen since then, the funds' potential continues to offer historic opportunities for investment, as the share prices of the companies in which we are investing are far below their real value.

As this fund represents a concentration of our best ideas, this impressive performance is understandable given the good results of our Spanish and international portfolios.

The performance of the international portfolio compared to its index in 2009 is beginning to show the merit of our selection of securities, and, even though only the initial indications are visible, confirms, as we already pointed out, that the market has begun to discriminate between companies that have suffered a permanent loss in value (banks, property companies and companies with significant debt that will be unable to meet their financial obligations) and solid, sustainable businesses that are simply going through a period of lower profits – in some cases profits are even growing.

The objective value of the fund at year end is Euros 238.51, representing potential of 152%.

The crisis has not been altogether bad, as it has enabled us to make investments at unusual prices, bringing long-term benefits by improving the valuation of the fund. In other words, the crisis has created value for us.

The exceptional recovery of this fund, which reflects all our "best ideas", confirms our investment philosophy. We have taken advantage of the crisis to improve and strengthen our management method. After the improvements made, we do not expect further falls similar to during the recent crisis, even if times of deep pessimism and minimum market liquidity recur.

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.