

Fortis Investments

Sub-fund of Luxembourg domiciled Sicav - Part 1

Report Issued: March 2009

Peer Group:

Latin American Regional Equities

Fund Manager/Adviser:

Gilberto Nagai (since June 2004)

Location:

Sao Paulo

Launch Date: June 1994

Fund Size (April 2007):

US\$1.8bn

Group Contact No:

+352 2607 3304

Website:

www.fortisinvestments.com

S&P ID Number: EM305917

Share class screened:

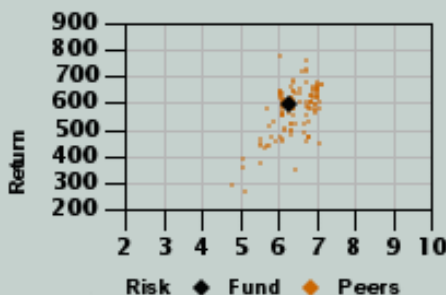
USD A



INVESTMENT STYLE

	Value	Blend	Growth
Large-Cap			
Mid-Cap			
Small-Cap			

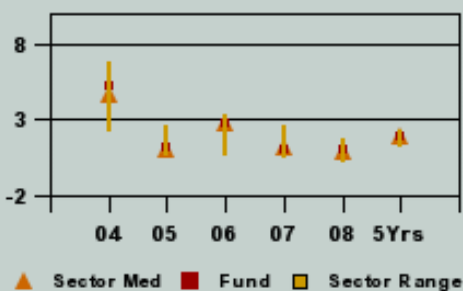
RISK RETURN (STD DEVIATION) OVER 5 YEARS



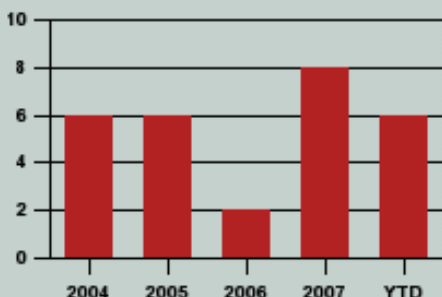
3 YEAR RISK CHARACTERISTICS

Maximum Drawdown (%)	Medium	-14.5
Volatility	Medium	23.0
Correlation	High	1.0
Beta	High	1.0

SHARPE RATIO VS PEER GROUP



CALENDAR YEAR DECILE RANKS



Decile ranking in discrete annual periods. 1st decile shown as rank 10, 2nd decile as rank 9, etc. to 10th decile as Rank 1.

Please see page 2 for required research analyst certification disclosure.

Further information on S&P's fund coverage can be found at

www.funds.standardandpoors.com

All statistical data on this report has been run to 31/03/2008 on NAV to NAV basis, with gross income reinvested, in US Dollars.

STANDARD & POOR'S OPINION (MAY 2007)

We are monitoring events following the announcement that BNP Paribas is planning to take over Fortis Investments. The fund's rating remains unchanged until further information is obtained. [March 2009]

Gilberto Nagai has managed this fund since June 2004. Nagai is the lead portfolio manager in a team of nine based in São Paulo including co-manager Claudio Delbrueck, three analysts, two economists and a trader. Eduardo Castro has been appointed as chief investment officer and his first challenge has been to retain personnel in the competitive Brazilian job market. Over the last three years there have been a lot of changes to the analyst team and as a result the current team has only been together a year. The team still contains individuals with good

regional knowledge, and the schemes put in place by the new CIO should assist in retaining key members. They have not, however, been sufficient to prevent the departure of the materials analyst recently - a key sector in the region.

The fund has seen a sustained period of underperformance, hampered partly by its size. To address this, permission has been gained to use derivatives to short a regional market against a long position or to buy calls to bring an underweight up to a neutral position. This will emphasise the effect of stock selection. The portfolio will become more focused and the changes will enable greater exposure to small-cap stocks. This fund is Not Rated by S&P.

FACT FILE

Group: Fortis Investments is the asset management subsidiary of the Fortis group, a leading financial institution in the Benelux countries. It was created in 1999 through the merger of several Fortis asset management subsidiaries.

Team: The Latin America team includes two fund managers, three analysts, two economists and one trader. There is also input from the emerging markets materials analyst and an economist based in Amsterdam.

Fund Manager: Nagai has nine years' investment experience, two as a regional fund manager.

Delbrueck joined Fortis (ex-ABN AMRO) and became a fund manager in 2005 after seven years as a sell side analyst.

Style: The fund invests in 60-70 holdings, built primarily bottom up but with a top-down overlay. Maximum tracking error is 12% against MSCI Latin America, but has historically been much lower.

Performance: Over the five years to 31/03/2008, the fund has returned 593.1%, compared with 592.5% for the sector median and 707.8% for the index, ranking 58/116.

FUND MANAGER & TEAM

Based in Sao Paulo, Fortis's (ex-ABN AMRO) Latin America team comprises five fund managers, three research analysts, two economists and a trader, reporting to regional CIO Paulo Werneck.

For this fund, the key personnel are - in addition to the fund managers - the three equity research analysts. Daniel Pasquali has nine years' experience, Joao Miyashiro 15 years and Maria Claudia Komamura three years. All joined the group in 2006. Paschoal Paione has left the team and his sector is being covered by former team member Ricardo Jun Maeji who is based in Amsterdam.

The team has \$3.6bn assets under management in Latin America.

Gilberto Nagai - business (Escola de Administração de Empresas de Sao Paulo), worked for ABN AMRO Securities Brazil as an analyst covering Latin America oil & gas, moving to Fundacao CESP in January 2002 to become fund manager of a Brazilian equities pension fund.

Claudio Delbrueck - engineering (Fundacao Armando Alvarez Pentead), has nine years' experience as a sell side research analyst on oil, petrochemicals and utilities. He moved across to train as a fund manager in September 2005.

PORTFOLIO CHARACTERISTICS

No. of holdings	75
Turnover ratio (%)	N/A
% in top 10	54

TOP 10 HOLDINGS (01/04/07)

	%
America Movil *	10.2
Petroleo Brasileiro	10.0
Cia Vale do Rio Doce	9.1
Banco Bradesco *	4.4
Cemex *	4.2
Grupo Televisa	3.6
Tenaris *	3.5
Banco Itau *	3.1
Cmpanhia De Bebidas	3.1
Walmart De Mexcio	3.1

* In top 10 holdings a year ago

ALLOCATION BREAKDOWN (01/04/07)

	Fund %
Argentina	4.0
Brazil	56.0
Cash	1.0
Chile	6.0
Colombia	0.0
Mexico	31.0
Others	0.0
Panama	0.0
Peru	2.0
Venezuela	0.0

PERFORMANCE STATISTICS

	3 Years	5 Years
Fund	188.3%	593.1%
Standard & Poor's Peer Median	191.1%	592.5%
Index**	221.5%	707.8%
Fund Rank	76/127	58/116
Standard Deviation	23.0	-
Relative Standard Deviation	1.0	-
Volatility Adjusted Ranking	57/127	-

CUMULATIVE PERFORMANCE



FORTIS L FUND EQUITY LATIN AMERICA

Peer Group: Latin American Regional Equities



MANAGEMENT STYLE

The fund aims for 3% outperformance of the MSCI Latin America Free index on a 12-month rolling basis.

The style combines growth and value. The majority of alpha is derived from stock selection and the portfolio is constructed bottom-up. There is, however, a top-down overlay to take account of political, economic and structural factors.

In-house research starts with around 2,000 companies screened for liquidity (minimum daily trading around \$1bn), accounting transparency and shareholder friendliness. From the 200 most liquid companies, Nagai defines a shortlist of

around 140 companies that are followed in detail to produce an end portfolio of between 60 and 70 holdings. Research criteria focus on above-average earnings growth patterns and strong cashflow generation.

The tracking error range is 4-12%, with country weights of +/-50% that of the index. There are no other constraints except for a maximum of 5% of the market-cap or 10% of the free float of an individual company.

The fund usually runs fully invested. Derivatives are used to manage country exposures and for liquidity purposes. Local currency positions are unhedged.

PORTFOLIO REVIEW

Funds under management have grown again this year, but there are no plans to close the fund. The growth in funds together with a number of smaller positions taken in IPOs has caused the number of holdings to rise above the preferred range of 60-70 holdings. The manager anticipates that the number will fall back as he takes larger positions in IPOs and larger active bets.

The portfolio is currently approximately 65% large-caps, with the remainder predominantly mid-cap stocks. The weighting to small-caps is likely to increase however at the expense of

large-caps with 6-7% target for sub-\$1bn stocks.

At country level, Brazil remains overweight at the expense of Chile with Mexico a neutral weighting despite expected lower growth in earnings. The manager will now be able to use derivatives to manage exposure at the country level.

At sector level, the key overweight is consumer discretionary with underweights in energy (a structural issue), telecoms, materials and consumer staples.

PERFORMANCE ANALYSIS (APRIL 2007)

After a disappointing year in 2006, the fund has slipped into the third quartile over three years, although it remains top quartile over five. In the May correction, the fund underperformed peers due to the overweight to Brazil and materials exposure. A switch to domestic Brazilian names did not improve relative performance and stock specifics (Telemar) hurt.

Nagai inherited a pro-cyclical bias, emphasising banks and materials. He made good calls both in maintaining this, and in

reducing telecoms. In 2005, the overweight position in Brazil, the emphasis on banks and in the introduction of Tenaris were all beneficial. The fund also gained from participation in IPOs.

The manager attributes the decline in relative performance to not being able to use derivatives and certainly the size of the fund has limited the manager's ability to add value by investing in smaller-cap, less well researched names. The size of active positions has also fallen in the last two years.

DISCRETE PERFORMANCE (CALENDAR YEARS)

	2004		2005		2006		2007		YTD 31/03/2008	
	%	Rank	%	Rank	%	Rank	%	Rank	%	Rank
Fund	39.3	59/118	51.0	53/128	39.3	112/133	44.4	29/135	-3.3	68/135
Index**	40.5		48.3		46.4		52.8		-1.4	
Median	39.1		49.1		44.2		40.8		-3.3	

** S&P/IFCI Latin America

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