

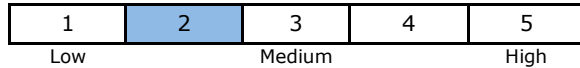


Inflation at Work

Management Style

The fund invests in inflation linked debt securities on a global and non-benchmarked basis. The fund is essentially invested in government debt, with investments in high-quality highly rated treasury issuers (TIPS or Treasury Inflation Protected Securities). Protection against rising inflation is the main focus and value driver of the fund. We do not pursue credit investments in the fund.

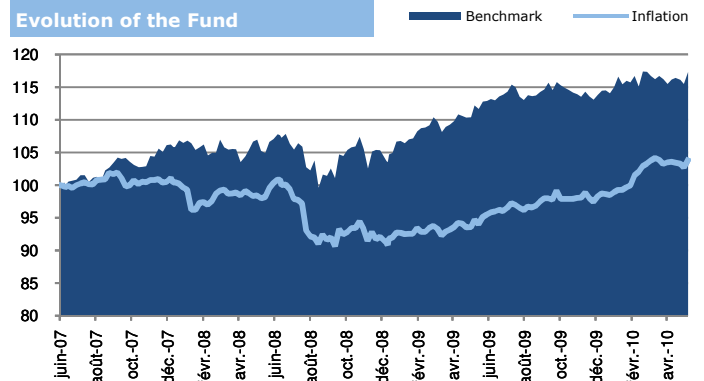
Risk Scale


NAV of 30/07/2010
148,47

Fund Facts

ISIN Code	LU0175696946	Entry cost	max. 3%
Launch Date	oct.-03	Redemption fees	0,00%
Currency	Eur	Management fees	0,60%
TER 2009 (%)	0,90	Performances fees	0,00%
NAV calculation	daily	Settlement date	Dealing Day + 3 days
Total net assets	79 269 180 €		
Fund Manager	CapitalatWork Foyer Group - Fixed-Income Team		

Evolution of the Fund



Performance in EUR

	1 month	3 months	2010	1 year	3 years	5 years	Start
Fund	-0,09%	2,25%	6,11%	9,61%	3,84%	3,55%	18,78%
Benchmark*	1,39%	0,48%	2,10%	4,54%	17,14%	15,85%	39,26%
	Alpha	Beta	Ratio Sharpe	Ratio info.	3 years Annualized Perf.	Volatility	
Fund	N/A	N/A	N/A	N/A	1,26%	5,84%	
Benchmark*					5,41%	7,02%	

*75% Barcap TR hedged EUR & 25% Barcap Unhedged EUR

Manager's Comment

The bond markets continued to perform firmly last quarter.

Government rates came down importantly along the curve, while steepness reduced in both US and Euro areas. US 10 yr government yields gave in -89bp to 2.93%, while 2 yr yields lost -41bp to 0.60%, lowering steepness to 233bp. The German 10 yr yields came down by -52bp to 2.58%, while the 2yr yields declined by -36bp to 0.60%, reducing steepness to a differential of 198bp. Year-to-date, German 10 yr yields shrunk by -80bp.

The French 10 yr government yield declined by -37bp to 3,05%, while the 2 yr lost -20bp to 0,91%, resulting in a 214bp steepness.

Break-even inflation levels continued to fall for a third consecutive month, with 10yr Germany break-evens down -18bp to 1.53%, France -5bp to 1.89%, and in the US -20bp to 1.84%.

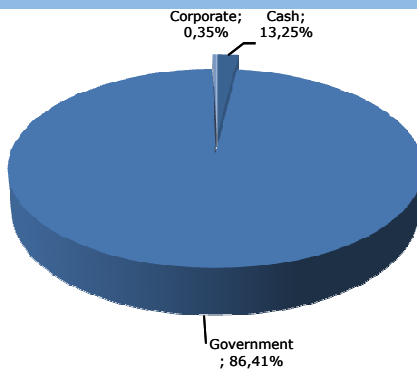
We build up a significant 10% position in Italian inflation/linked bonds, reducing French linkers.

And early July we initiated a close to 5% position in non-hedged AUD linkers (2020 / 2025 paper).

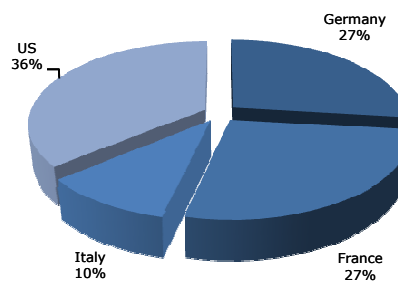
Except for the Italian linkers (A+), the fund is AAA only.

The key metrics of the fund are at a weighted average duration of 6.76yr, while the weighted average yield-to-maturity is at 1.01% (real yield).

Asset Allocation



Sector Allocation

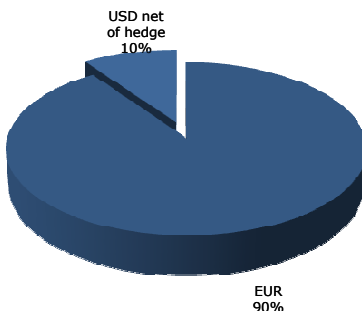


Top 10 Holdings

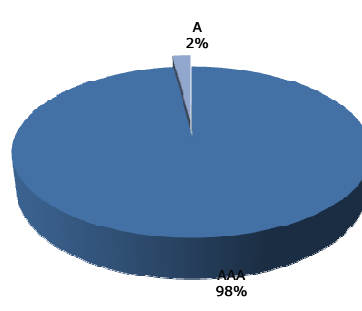
DEUTSCHLAND I/L 1.5% 2016	11,62%
DEUTSCHLAND I/L 1,75% 2020	11,09%
FRANCE O.A.T. I/L 2,25% 2020	8,91%
FRANCE 2.1% 2023	8,83%
US TSY INFL IX N/B 2% 2016	8,56%
FRANCE OAT 1 % 2017	8,40%
US TSY INFL IX 2015	7,44%
US TSY INFL IX 2,625% 2017	7,34%
US TSY INFL IX 1.375% 2018	6,45%
US TSY INFL IX 2.125% 2019	5,70%

Total Top 10
84,33%

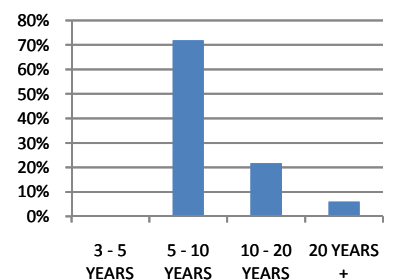
Geographical Allocation



Credit rating



Maturities


CapitalatWork S.A.

12, rue Léon Laval - L-3372 Leudelange (GD de Luxembourg) - Tel.: +352 437 43 6000 - info@capitalatwork.com - www.capitalatwork.com

This document is purely for informative purposes, and does not represent an offer or an invitation to invest. All subscriptions must be made on the basis of the SICAV issue prospectus in effect at the time of the subscription, and in conjunction with the latest annual or semi-annual report if this is more recent than the annual report. Past performance cannot guarantee future performance in any way. Despite the fact that great care has gone into creating this document, errors or omissions cannot be ruled out. CapitalatWork Foyer Group S.A. accepts no responsibility in terms of the full and accurate nature of the information contained in this document. CapitalatWork Foyer Group S.A. is an authorised Financial Sector Professional, subject to the supervision of the Luxembourg Financial Sector Supervisory Commission (in French, Commission de Surveillance du Secteur Financier (CSSF)), 110 Route d'Arion, L-2991 Luxembourg (www.cssf.lu). Performance figures do not take into account any commission or fees levied when issues or redemptions take place.