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Better IIR

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Tiger Management - A Family History

Although Julian Robertson's legendary Tiger Management now lies defunct, his legacy has carried on and has made a significant mark on the world of hedge fund investing. Countless numbers of Robertson's former employees have since departed the firm and gone off to form independent shops known collectively as the "Tiger Cubs." Many of Tiger's progeny including Maverick Capital, Lone Pine, and Viking Global have since become nearly equally as famous for their own outsized returns and star portfolio managers. This close-knit network of elite hedge fund managers has allowed the Tiger Cubs to perform exceedingly well and, accordingly, they are some of the most sought after institutional investors. Viking's dramatic rise in equity assets under management from \$2.8 billion in Q3 '05 to \$7.9 billion just four years later certainly serves to highlight this point.

Included is a list of direct descendents from Tiger Management. Only those investors that are one degree removed from Robertson's original Tiger Management are discussed in detail. In general, IR outreach to the Tiger Family could prove very beneficial as research and broad investment themes can be shared among Tiger alumni. Therefore, as is often the case, contact with one Tiger Cub can open the door to a meeting or introductory phone call with several other descendents on the family tree. However, not all managers that currently claim an affiliation with Tiger Management were a part of the original close-knit group. As such, many of these firms are simply seeking to leverage the Tiger name in order to meet with company executives without gaining access to any parent seed capital or information sharing among Tiger alumni. These names are not included on the attached breakout.

Tiger Management Breakout				
Affiliate	Manager	Notes	Firm Details	
			Equity Assets (\$mm)	Turn-over (%)
Tiger Management, LLC	Julian Robertson	Seeds and outsources management to Tiger affiliates.	94.8	-
Lone Pine Capital, LLC (U.S.)	Stephen Mandel	Previously a senior managing director and consumer analyst at Tiger.	9,835.6	111
Maverick Capital, LTD	Lee Ainslie	Focuses on: financial strength; future growth and earnings growth potential; valuation multiples. Formerly with Tiger	6,535.5	141
Viking Global Investors, L.P.	Andreas Halvorsen	Previous PM at Tiger. Focuses heavily on management.	6,122.0	150
Blue Ridge Capital, LLC	John Griffin	Overweights financials, but also focuses on media, telecommunications, and energy sectors. Previous analyst at Tiger.	4,196.4	144
Shumway Capital Partners, LLC	Chris Shumway	Previously senior managing director of Tiger and responsible for macroeconomic research.	4,184.0	228
Tiger Global Management, LLC	Charles Coleman	Focuses on Technology. Shares office space and is affiliated with Tiger. Previously technology analyst for Tiger.	3,126.8	152
Coatue Management, LLC	Philippe Laffont	Firm primarily invests in Technology, Media, and Telecommunications. Previously an analyst at Tiger.	1,950.0	138
Samlyn Capital, LLC	Robert Pohly	Invests in Financial, Industrial, and Healthcare stocks. Was with Tiger covering Canadian Financials.	1,690.4	173
Argonaut Capital Partners, LLP	David Gerstenhaber	Previous managing director at Tiger Management.	1,161.3	56
Toscafund Asset Management, LLP	Martin Hughes	Hughes and de la Hey were previously with Tiger (Europe).	1,097.8	24
Discovery Capital Management, LLC	Robert Citrone	Focuses on: liquidity; valuation multiples; earnings and revenue growth; earnings growth potential. Previously at Tiger	1,095.7	195
Axial Capital Management, LLC	Eliav Assouline	Started with seed money from Tiger Management.	983.8	137
Plural Investments, LLC	Matthew Grossman	Previous CIO of CR Intrinsic. Previously an energy analyst with Tiger.	900.0	-
Deerfield Management Company	William Slattery	Invests solely in healthcare and healthcare related companies.	819.1	103
Joho Capital, LLC	Robert Karr	Invests in Asian stocks. He ran the Tiger Tokyo office.	580.7	124
SPEEDWELL Advisors, LTD	Fuyuki Fujiwara	Invests in Asian stocks. Previously an analyst at Tiger Management's Tokyo office.	500.0	-
Merchant's Gate Capital, LLC	Jason Capello	Focuses on U.S. mid and large cap stocks. Previous director of research at Ospraie covering manufacturing, consumer, transportation, and Energy coverage. Previously at Tiger Management	481.1	97

Pantera Capital Management, L.P.	Dan Morehead	Was CFO and head of macro trading at Tiger. The firm looks for global macro trends.	450.0	-
Fox Point Capital Management, LLC	Charles Anderson	Shares office space and is affiliated with Tiger. Bias towards value stocks. Anderson worked at Blue Ridge Capital and Tiger Technology. Founded with seed money from Tiger Management.	441.3	262
Torrey Pines Capital Management, L.P.	Robert Jafek	Previously with Tiger.	435.0	-
Sun Valley Gold, LLC	Peter Palmedo	Invests in precious metals related securities.	411.4	82
Hound Partners, LLC	Jonathan Auerbach	Shares office space and affiliated with Tiger and Auerbach was previously at Tiger Management.	333.1	88
Goshen Investments, LLC	Christopher Burn	Founded with seed money from Tiger Management.	320.0	-
Japan Advisory	Edward Brogan	Previously the managing director of Tiger in Japan.	200.0	-
Marble Arch Investments, L.P.	Timothy Jenkins	Previously an analyst with Tiger and an analyst at Hound Partners.	192.6	183
Tiger Shark Partners, LLC	Tom Facciola	Facciola and Sears were previously Financial analysts at Tiger.	178.9	113
Second Curve Capital, LLC	Thomas Brown	Favors Financial stocks. Former analyst with Tiger.	144.8	187
Williamson McAree Investment, LLC	Edward McAree Robert Williamson	Williamson and McAree were both previously at Tiger.	135.0	81
Intrepid Capital Management, LLC	Steven Shapiro	Opportunistic investor seeking stocks with reasonable valuations that are misunderstood. Focuses on cash flow and price-to-sales ratios. Previous tech analyst with Tiger.	105.8	220
Tiger Veda Management, LLC	Manish Chopra	Founder and portfolio manager at Tiger Veda covering utilities, construction, energy commodity and consumer sectors. Previously at Omega and Tiger.	96.3	143
Other notable Tiger Cubs include the following: Longhorn Capital Partners, L.P. (Kristopher Kristynik), Ospraie Management, LLC (Dwight Anderson), RoundRock Capital Partners, L.P. (Peter Vig), Touradji Capital Management, L.P. (Paul Touradji), Long Oar Global Investors, LLC (James Davidson), Lanexa Global Management, L.P. (Ian Murray), Centurion Investors (Michael Popow)				
* Please note that equity assets include only reported holdings and may understate actual portfolio holdings				

Lastly, there also exist several prominent Hedge Funds that do not seem to have any direct connection (as far as founders), but do very much move in the same circles and likely have friendly relationships with the Tiger Cubs. These firms are not represented on the attached, but include: Omega, Soros, Kingdon and Pequot.

Despite being members of this elite fraternity, not all of the Tiger Cubs are immune to controversy. Specifically, one former manager at Lanexa Global, a Tiger Cub that had accepted feed money from Robertson, was just identified by the New York Times as playing a part in the broad-reaching Galleon insider trading scandal. Such implications, if proven to be more far-reaching, could threaten to tarnish the reputable Tiger name.

Authors: Justin Vieira & Adam Johnson

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Interpreting Changes in Short Interest

IROs are often concerned about the level of short interest in their company's stock. When an investor shorts a stock, he borrows the stock and sells it with the intention of buying it back at a lower price, at which point he returns the stock to the lender and pockets the spread. As such, we generally associate rising short interest with negative sentiment, along with increased angst in the IR office. But should this always be so?

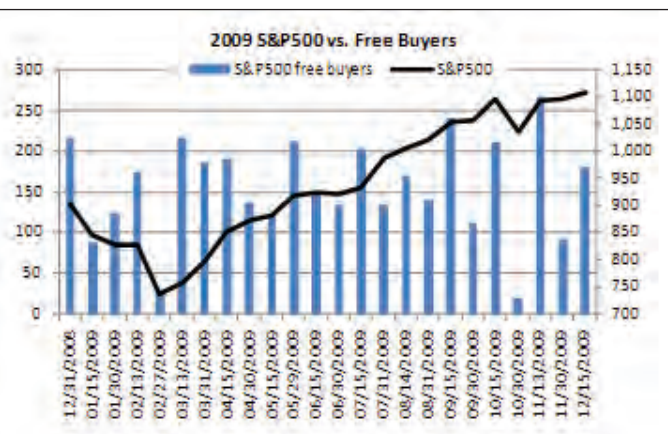
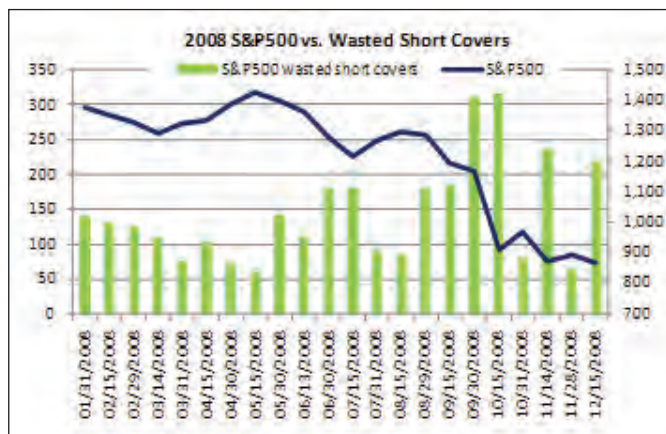
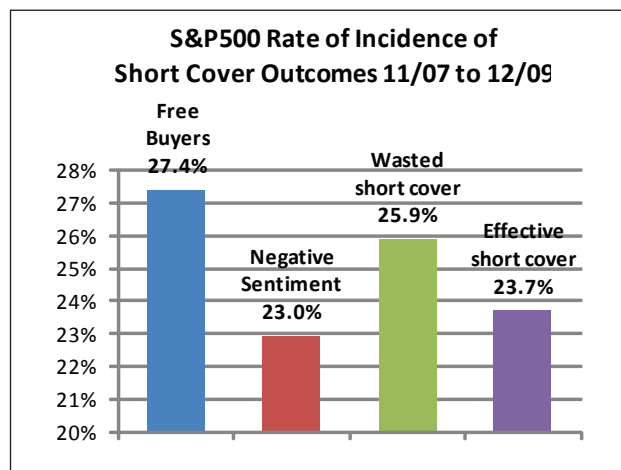
There are four possible outcomes during a semi-monthly short interest reporting period:

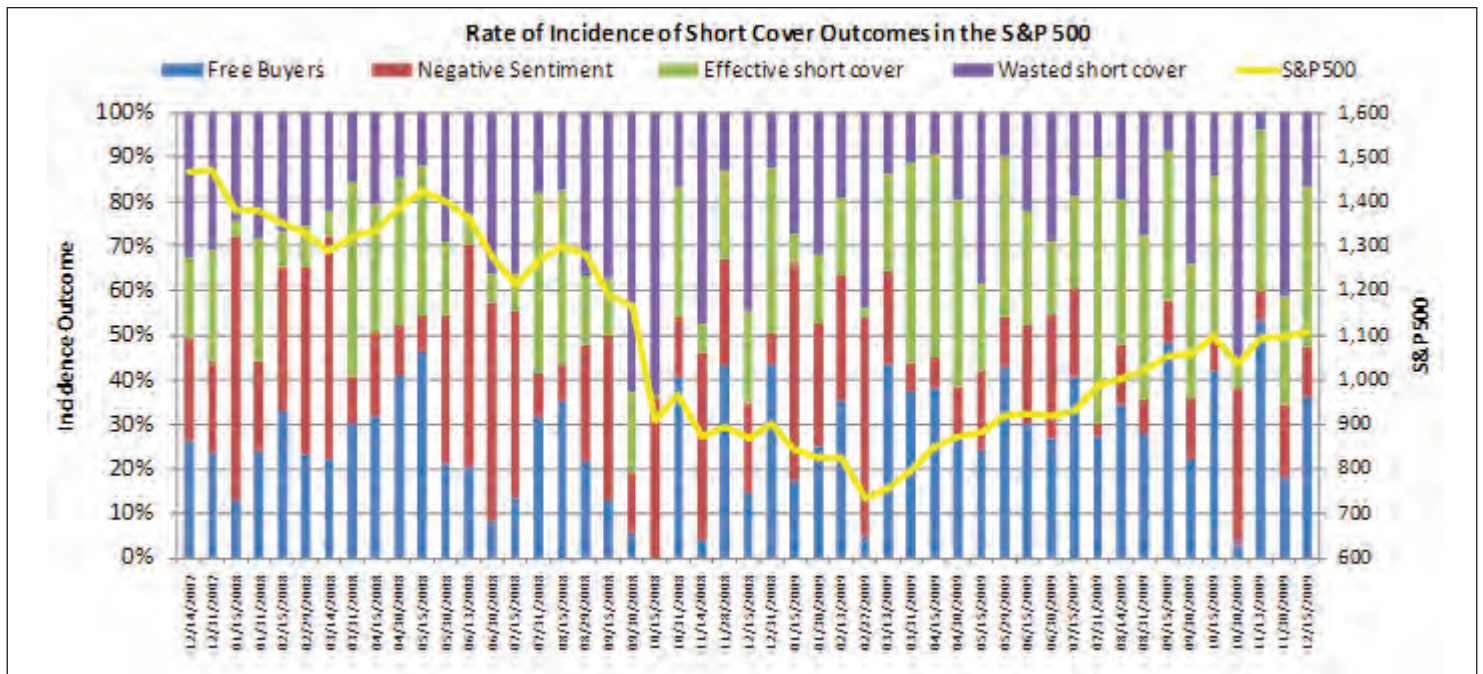
- **Short interest increases and stock price decreases.** This situation is intuitive. It makes sense that the **negative sentiment** driving investors to short the stock and adding to supply is also creating selling pressure in the market.
- **Short interest decreases and stock price increases.** This **short cover** situation is also intuitive. The short sellers are adding demand by buying stock to close their short positions and driving a price gain.
- **Short interest increases and price increases.** In the face of negative sentiment and increasing shorting activity, the stock, for whatever reason, went up. In the **negative sentiment** case, the company pays for these future buyers (i.e., the short sellers that will eventually cover their positions for any reason) with a decline in stock price. In this **free buyer** situation, however, the company banks these future buyers without having to pay for them with a loss in stock price. Obviously, this situation is the most positive outcome for the stock, but intuitively, we would not expect it to occur very often.
- **Short interest decreases and price decreases.** This **wasted short cover** outcome is the worst possible, as the added buying pressure of the short cover failed to drive a stock price gain. Like the free buyer case, the wasted short cover theoretically should not occur so often.

Possible Outcomes During a Short Interest Period		
	Price increase	Price decrease
Short interest increase	Free buyers	Negative sentiment
Short interest decrease	Effective short cover	Wasted short cover

We looked at the changes in price and short interest of the S&P500 during the semi-monthly reporting periods over the last two years. It turns out that the free buyer and wasted short cover outcomes, the scenarios we would expect to happen far less frequently, actually occurred a bit more often than the negative sentiment and short cover outcomes.

While the market experienced a big sell-off in late 2008, we saw higher incidence of ineffective short covers that failed to stop the slide. Similarly, the market rebound in 2009 saw a higher level of stocks with increases in short interest with no downside price effect.





These trends also applied to the broader markets as well. Short interest activity at the NYSE fell along with a precipitous decline in Russell 3000 during Q308, indicating a very widespread phenomenon of unsuccessful short covering. During 2009, short interest levels at the major exchanges fluctuated modestly while the broad index enjoyed dramatic gains. Short interest changes certainly played a role in market volatility, but by no means was it the dominant driver. Similarly, the short interest movements in your stock may be either the leading story or much ado about nothing.

In light of what the data has indicated, IROs should consider that sentiment is only one issue that influences short selling behavior. Other factors include:

- Valuation – A high P/E ratio relative to peers or a recent 52-week high can trigger shorting by investors looking to trade for a quick gain on an expected pull-back in the stock.
- Events – Externalities such as government investment, trading regulations, management change, and business combinations and reorganizations all effect how and why stocks are shorted and covered.
- Derivative activity – Trading desks could be shorting a stock as part of a derivative play they offer to hedge fund clients. This kind of strategy often coincides with an increase in option contract volume.
- Convertible arbitrage – Convertible bond holders typically hold bonds while shorting the stock as part of a market neutral strategy. If the position is hedged properly, the investor profits whether the stock price goes up or down.

So we now see that the common “short interest is bad” mantra is a gross oversimplification, and the issue is actually more complicated and multi-faceted. IROs should keep this in mind when dealing with investors known to be active short sellers. For example, long/short hedge funds that use leverage will allow the fund to take oversized positions in your stock on the long side, so meeting requests should not be dismissed outright.

Given all these dynamics, it is important to acknowledge that the movements in outstanding short positions do not always mean what we think they do at first glance, and we should understand the factors at play to interpret the short interest change in proper context.

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BRIC - Decoupled from Developed Markets

For many years, it was widely flouted that BRIC economies - and emerging markets as a whole – were increasingly disconnected from developed markets, and that the global recession was very much a developed-market phenomenon. Although it took a hefty knock in 2008 (when emerging markets, having survived the worst of the turmoil in H1 2008, appeared impervious to the financial crisis but then took a dive in H2) this assertion has subsequently been supported by the resumption of far higher GDP growth rates in developing markets where internal consumption – largely isolated from the issues plaguing developed markets – has continued to rise sharply, as supported by the BRIC average expected 2010 real GDP growth rate of 6.3%, compared to US expected real GDP growth in 2010 of 2.6%, as per Bloomberg economic forecast estimates. And its proponents, such as Nicola Horlick of Bramdean Asset Management were always taking a longer view on the simple basis that the “big battalions” were in the long run going to be the BRIC economies, and so would require investment houses, wherever their location, to focus on them.

At this point opinion again diverges. On one hand, some investors see emerging market stocks as seriously undervalued, precisely because of these high growth rates. On the other, Professor Jay Ritter from the University of Florida, author of a paper on the correlation between GDP and stock market returns asserts: “Countries with high growth potential do not offer good investment opportunities unless valuations are low”. This leads to the conclusion that emerging markets may have already experienced the peak of equity inflows, with total 2009 BRIC mutual fund equity inflows from January to November 2009 were \$20bn according to EPFR, 40% of all emerging market equity inflows. Furthermore, many stocks now trade at a premium to developed markets, as illustrated below.

In 2000, Western banks led the way in terms of valuations, with the likes of Lloyds, Morgan Stanley, Citigroup, Wells Fargo and Goldman Sachs all topping the table with P/B multiples between 3.3 and 3.9. In 2009, in contrast, it is emerging market banks, that lead the way with no US bank inside the top 10 based on valuation. China Merchants Bank has the highest PB of 4.3, following by China Citic Bank (3.4), ICBC (3.1) and China Construction (3.1).

This turnaround in fortunes for Western banks is likely to remain for the foreseeable future with the record profits from companies such as Goldman Sachs in 2008/9 failing to raise valuations relative to Chinese (& Brazilian) banks in particular. Robert Law, Banks Analyst at Nomura says: “Western markets generally are experiencing their worst prospects for 20 years, and that is in the valuations, China in particular is a region that is perceived as less vulnerable to the global downturn.”

Higher P/B ratios of BRIC stocks vs. US are not limited to just banks. In Industrials, the 20 largest BRIC stocks have an average P/B ratio of 4.79 whilst the comparable figure for US stocks is 3.44. In the technology sector too, the average BRIC P/B among the top 20 is 5.37, but for US stocks 4.39. These represent a 39% and 22% premium, respectively.

The key question with respect to the above PB valuations is: are these valuations now inflated, or are markets simply pricing in future growth expectations relative to western markets? Whilst just looking at P/B values will never give a true picture of stock valuation, the inflated prices in comparison to North American stocks in conjunction with the strong equity inflows which BRIC economies have experienced in the past year suggests that investors still feel that BRIC stocks offer good value.

“If we therefore look at global GDP as an indicator, the BRIC markets represent one of the few regions in the world where the figure is growing. This suggests that the recession is primarily a developed world phenomenon and provides further evidence to support the decoupling theory, which many dismissed too soon”

–Michael Konstantinov, Allianz RCM BRIC Stars Fund, April '09

“After traditionally trading at a discount to developed world stocks, the bigger emerging markets now trade at a premium, showing that investors believe the risks associated with investing in such markets are outweighed by the chance of superior growth.”

Financial Times, ‘The noughties and 1930s look very alike’; 28th Dec '09

The successful IRO therefore has two roles to play to cement his or her company’s success. Firstly, to successfully sell the long term growth story to investors to attract high quality external capital and, secondly, to position the company to satisfy investors’ concerns on corporate governance and reporting standards issues, which are often regularly cited by investors looking at developing markets. For example, comments from James Fairweather, CIO of Martin Currie in December 2009, on emerging market prospects in 2010: “The picture in Russia is less clear. This year’s sharp recovery in energy prices has led to both the stock market and the rouble rebounding. But ongoing corporate governance concerns mean Russia remains a market for the brave.”

One key aspect to retaining foreign investment in BRIC countries is to outline the investment story effectively, and thus to shape the story to fit an investors' outlook to the region as a whole. It is therefore important to understand how investors view your country and sector, against other global investment centers.

Practical action for IROs

In many frontier markets, issuers were thrown off balance by the speed and scale of foreign investors' sell-offs and left with a reluctance to court foreign investors in the future. The scale of BRIC made such a facile response unnecessary, but there is still a need to put an investor's emerging markets strategy into context: how deeply did the investor withdraw from the market and how fully have they returned? Having analyzed ownership data for some of the largest global investment groups from the first three quarters of 2009 and contrasting this against 2008 investment activity, Ipreo has categorized major BRIC investors into a number of key groups to give IROs insight into investors' perspective on their investment in BRIC in the context of global turbulence, and in particular to distinguish those investors who show a long term commitment to the region from those who are much more prone to sell aggressively if markets begin to fall. This enhanced insight assists the IRO in the search for long term quality investors (a snapshot of which is below).

Investors buying heavily in 2008 and 2009 to Q3:

Waddell & Reed Investment Management Company

This aggressive growth investor kept faith with BRIC markets in 2008, making a net addition to its exposure of \$98m, and in the first three quarters of 2009, has been the second biggest buyer of BRIC equities by adding \$2.2bn to bring its total BRIC investment to \$4.3bn.

Over 62% of the firm's BRIC assets are allocated to China, 31% to India and 7% to Brazil. As per the most recent public filings, Waddell & Reed had no investments in Russia.

In the first three quarters of 2009, the most favored sectors have been Financials (+\$1.1bn), Industrials (+\$726m) and Energy (+\$389m). The most sold sector in the first three quarters of 2009 has been Consumer Services (-\$40m). In 2008, Financials, Consumer Services and Industrials saw the largest inflows from Waddell & Reed, whilst the largest outflows were from Basic Materials & Technology sectors.

BRIC Sector	2008 Net Change (\$)	To Q3 2009 Net Change (\$)
Financials	323,028,481	1,098,065,441
Industrials	128,444,633	725,699,585
Energy	37,609,337	389,134,266
Consumer Goods	105,996,102	99,078,344
Utilities	-4,642,295	5,152,682
Technology	-471,023,707	-751,110
Basic Materials	-195,325,722	-2,656,714
Healthcare	3,949,398	-7,264,794
Consumer Services	168,052,428	-40,170,242

Other major international investors who have bought BRIC equities aggressively in 2008 and the first three quarters of 2009 include: T. Rowe Price, Lazard, Dimensional Fund Advisors, and DWS.

Investors selling heavily in 2008 and 2009 to Q3:

Morgan Stanley

As a group, Morgan Stanley has been one of the largest net sellers of BRIC equities in both 2008 and the first three quarters of 2009. Total BRIC equity exposure now stands at just 59% of its pre crash levels, at a still considerable \$9.5bn. In 2008, the group were net sellers of BRIC equities to the tune of \$1.9bn with Morgan Stanley Investment Management, Inc. (U.S.) leading the way with net sales totaling \$1.6bn. In 2009, the group has continued its bear outlook towards BRIC equity markets and has made total net sales of \$948m.

In contrast to 2008 activity, Morgan Stanley Investment Management, Inc. (U.S.) has been a significant buyer of BRIC equities (+\$480m) to Q3 2009. Financials have been by far the most aggressively bought sector (+\$477m) and Technology by far the most aggressively sold (-\$397m). The \$9.5bn of assets which the firm has allocated to BRIC equities are heavily focused on the Chinese and Brazilian equity markets (43% and 38% respectively), with India and Russia trailing with 15% and 4% of group assets.

Firm Name	Country	Style	Net Change to Q3 2009 (\$)	2008 Net Change (\$)
Morgan Stanley Asset & Investment Trust Manag. Co., Ltd	Japan	Value	-6,274,429	-20,074,106
Morgan Stanley Hedge Fund Partners, L.P.	United States	Alternative	-8,172,747	-1,550,728
Morgan Stanley Huaxin Fund Mang. Co., LTD	China	Growth	0	0
Morgan Stanley Investment Mang. Co. (Singapore)	Singapore	Growth	-160,581,995	-150,753,727
Morgan Stanley Investment Management Pvt., LTD (India)	India	Growth	-107,096,788	94,978,404
Morgan Stanley Investment Management, Inc. (U.S.)	United States	Growth	479,652,471	-1,559,259,590
Morgan Stanley Investment Management, LTD (U.K.)	United Kingdom	Value	-358,364,291	29,509,367
Morgan Stanley Private Equity Asia, Inc.	Hong Kong		-299,630,640	-141,583,459
Morgan Stanley Real Estate	United States	Private Equity	-8,007,525	-176,729,685

Other significant sellers of BRIC include: Allianz Global Investors, with Capital Group and AllianceBernstein also making major sells in the first three quarters of 2009.

Making the most of Market Intelligence data

From an IROs perspective, understanding how your firm fits within an investor's portfolio is vital. Detailed ownership information can be used to answer a number of key questions to provide a general framework for investor targets:

What percentage of the firm's assets are in emerging markets?

Of that percentage, how much is inside & outside BRIC – and how much in your country?

What is the size of average positions, preferred sectors, and favorite stocks?

Then, investor relations activity such as perception and targeting studies can help to support IROs to help to build a solid investment base for the future. Furthermore, as analysis in Ipreo's "Emerging Markets: Attracting Global Investors" BetterIR piece from November 2008, IROs should not only approach region and country specific investment desks, but can often find more stable and long-term investment by also targeting sector desks, as this can reduce the likelihood of a country- or region-specific event resulting in a sell-off.

Conclusions

Given the strong historical performance of BRIC economies in addition to the expected future returns, BRIC IROs will undoubtedly see no reduction in the number of non-domestic investors among the shareholder base.

In the short term, the prevalence of foreign investors will depend on the success of IROs investor outreach program, and the extent to which they effectively sell their growth story to the investment community. Nonetheless, with increasing capital allocations to the BRIC economies, as these countries play a more central role in global economics and politics, the challenge equally lies in differentiation oneself from other emerging market peers.

To retain this capital in the medium-to-long term – particularly given the increasing levels of competition expected from other 'emerging economies' with high growth rates such as Vietnam and Indonesia – IROs will need to successfully dispel investor concerns on corporate governance and reporting issues to secure high quality, long term capital.

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BetterIR - Firm Snapshot

Targeted Firm: Walter Scott & Partners, LTD (10,774.68 M)

Targeting Profile:

Walter Scott & Partners, founded in Edinburgh, Scotland in 1983, became a wholly owned subsidiary of BNY Asset Management in 2006. Led by its founder, Walter Scott until his retirement in 2008, the firm has built a reputation on investing in high growth securities with a long-term buy-and-hold strategy. Walter Scott generally follows a bottom-up stock picking philosophy that relies heavily on the firm's own internal research, and investment decisions are ultimately reached by team consensus using a geographical region structure rather than usual sector-specific responsibilities. The firm currently reports more than \$10 billion in equity assets under management, however, since European institutions are not required to report as frequently as their US counterparts, public disclosures may fail to capture the most recent portfolio reallocations.

Walter Scott's 177 holdings are divided among 21 different portfolios ranging from \$4.7 million to \$1.7 billion in equity assets. The firm also sub-advises several mutual funds for firms including Vantagepoint, Dreyfus, and BBH. According to most recent filings, Walter Scott has been actively seeking growth opportunities within the Healthcare sector. Current allocation stands at 20.8% of total portfolio holdings with the firm purchasing over \$500M worth of Healthcare issues over the last quarter. Recent buys in the space include medical instrument manufacturer Alcon, Inc. (+\$252M), Abbott Labs (+\$53M), and C.R. Bard (+\$45M). With these recent purchases, Alcon now represents the firm's single largest portfolio holding at 5.1% of total equity assets for a value of \$549M. In addition, during a quarter in which nearly every other investment manager rotated back into the Financials sector amidst a market recovery, Walter Scott maintained its historical stance, fiercely avoiding the space. In fact, the firm owns just \$53M in Financials across 12 holdings. Similarly, Walter Scott has chosen to seek growth in areas other than Basic Materials, as this allocation is also currently less than 1% of total holdings.

How to Approach:

Although Walter Scott calls Scotland home, if your company lies outside of the UK, you are much more likely to be considered for one of the firm's portfolios. Currently, US issues account for

the majority of disclosed equity assets, totaling 56% of stated holdings. This allocation is up nearly 1.5% from Q2'09. Following a distant second is the firm's UK allocation; registering only 1/3 the size of the firm's US holdings. Swiss, Japanese, Canadian, and Brazilian equities also remain relatively popular among Walter Scott portfolio managers and, combined, total 20% of holdings. Nevertheless, companies from these countries must be sure to stress high-growth characteristics like projected revenue growth and new product developments in order to win over fund managers. As such, Walter Scott is generally willing to pay more of a premium for companies that can demonstrate such outsized growth prospects.

How not to Approach:

Because Walter Scott invests such a miniscule percentage of equity assets in micro/small cap issues (0.24%), investor outreach by firms smaller than \$1-2 billion market cap is not likely to be met with much success. In fact, the firm's 10 small cap holdings total just \$26M. Furthermore, if your company is in the Financials or Basic Materials sectors, targeting efforts could be better spent elsewhere. Clearly, as these two sectors combine for only 1% of equity assets, Walter Scott does not appear to be influenced much by broad economic trends or competitors' strategies. As such, any pitch must instead focus on fundamental strengths from the bottom up.

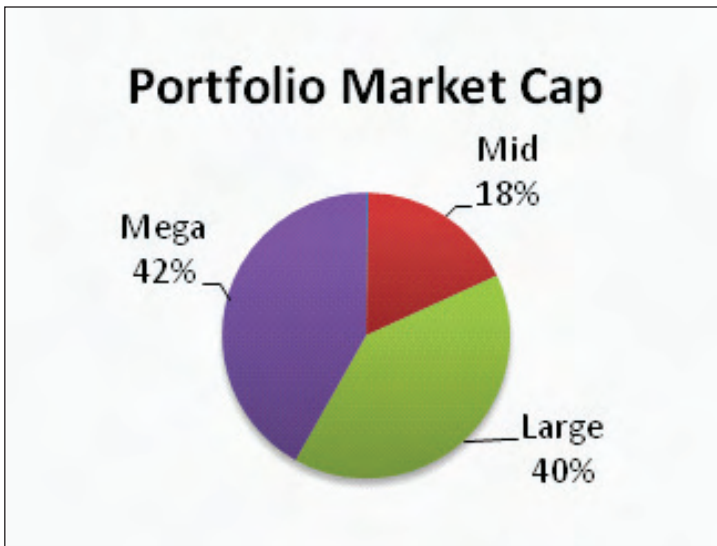
Largest Funds Managed:

- MD Growth Investments Limited (\$1,765.4 M); Charles Brandes
- Vantagepoint International Fund (\$928.1 M); Robert Anslow
- BBH International Equity Fund (\$501.6 M); Kenneth Lyall

Portfolio Fundamentals:

- TTM Price/Earnings: 23.4
- Avg. Revenue Growth: 14.7%
- Dividend Yield: 1.8%
- Price/Book: 3.79

Average Equity Holding Period: 2.04 years

Walter Scott & Partners, LTD (10,774.68 M)**BetterIR - Fund Snapshot****Targeted Fund: Van Kampen Comstock Fund (\$7,721.4 M)****Portfolio Managers:**

- Devin Armstrong - (713) 438-4356 – devin.armstrong@vankampen.com
- Kevin Holt - (713) 438-4893 – holtk@vankampen.com
- Jason Leder - (713) 438-4839 – lederj@vankampen.com
- James Warwick – (713) 438-4520 – warwicj@vankampen.com

Targeting Profile:

The Van Kampen Comstock Fund, managed jointly by four individuals from the firm, is a tightly held portfolio of approximately 70 different securities. The fund's \$7.7 billion in equity assets is divided across all sectors with a heavy emphasis on Consumer Services and Financials issues. So much so, in fact, that holdings in these two categories account for nearly 50% of total equity assets under management. The fund's large allocation to the Consumer Services space speaks to a belief in increasing retail spending as consumers emerge from several quarters of strict frugality. Large stakes in Viacom, Comcast, eBay, and Time Warner seem to reaffirm such a trend. Similarly, the fund's increasing exposure to the Financials sector (+\$30.8M in Q3 '09) had positioned itself well to capitalize upon the recent bull market rally and a return to

profitability among large banks and diversified financials.

Fund PMs adhere to a strict deep value strategy, seeking equities that are trading at a steep discount to the overall market. Such appropriate investments could come to managers' attention through unusually low P/E valuations due to temporarily depressed earnings or other outlying conditions. While the fund generally initiates a position at the most attractive price point as determined by different valuation techniques, once included in the portfolio, securities are held for a fairly long period of time. In fact, a portfolio turnover of 30% translates into an average holding period of greater than three years.

Recent buying activity indicates a very strong interest in the Diversified Oil & Gas space. For example, four of the fund's nine position increases for the quarter were within this area. Notable purchases include the following: Chevron (+\$79.1M), Royal Dutch Shell (+\$61.3M), ConocoPhillips (+\$10.4M), and BP (+\$8.3M). On the other end of the spectrum, the fund rotated away from defensive stocks in the Consumer Goods sector by selling down Cadbury (-\$195.9M), International Paper (-\$117.5M), and Unilever (-\$33.7M).

How to Approach:

Firms with attractive valuations in the large/mega cap range are best positioned for inclusion in the Comstock Fund. Portfolio managers focus almost exclusively on these large, well-established companies, resulting in the fund's weighted average market cap of \$66.2 billion. Furthermore, only 10.5% of portfolio holdings fall below the large cap classification. Accordingly, companies passing this initial screen must be well prepared to explain any low valuations. As long as such ratios do not reflect any underlying fundamental weakness, investor outreach must then focus on clarifying specific plans that will lead to value appreciation. If successful, appropriate communication could yield a strong, long-term holder.

How not to Approach:

Because the Comstock Fund invests primarily in market leading companies, small cap issues and those with little recognition are likely to be passed over quickly. In addition, the fund has generally shied away from Industrials, Energy, and Basic Materials, and recent selling also indicates a move away from Consumer Goods. Therefore, if your company is a member of one of these sectors, investor outreach may prove much more difficult. Lastly, the fund is rather averse to investing in too highly-priced companies. So, if your company has experienced a recent price run up and now trades at excessive P/E levels, it might make sense to target the Comstock Fund at a later date.

Portfolio Fundamentals:

- TTM Price/Earnings: 19.2
- Avg. Revenue Growth: 9.55%
- Dividend Yield: 2.0%
- Price/Book: 2.5

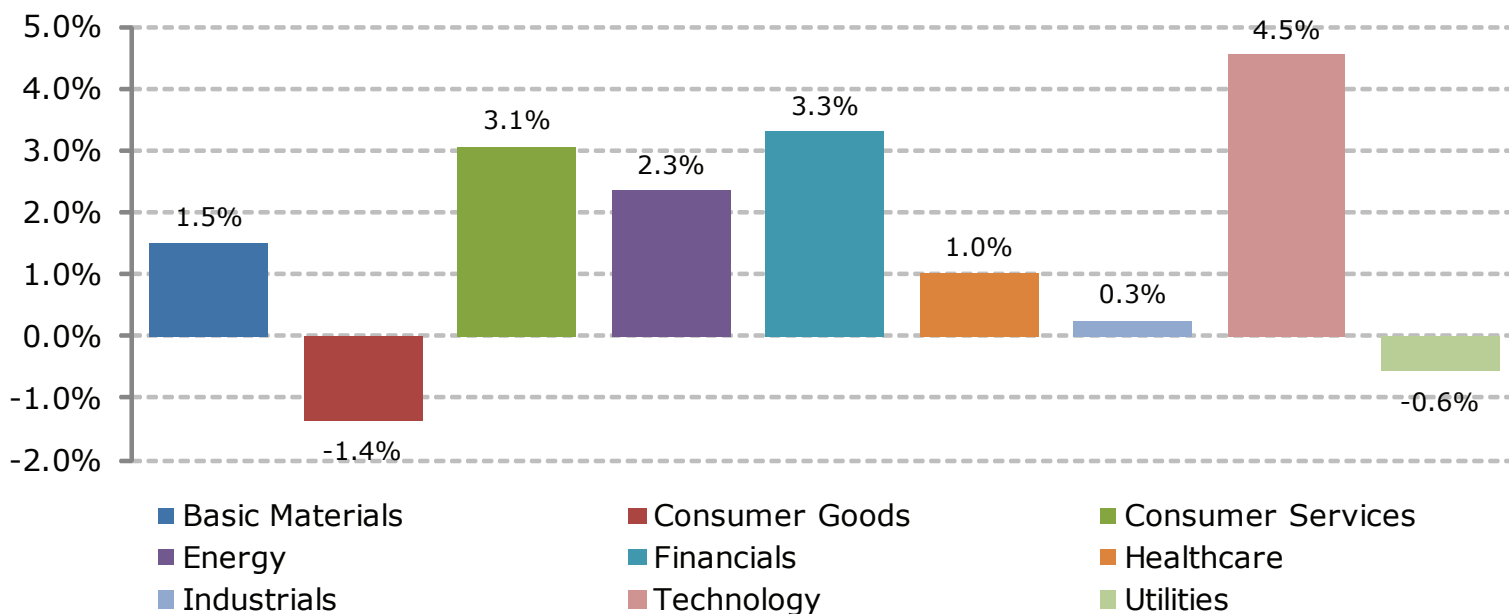
Average Equity Holding Period: 3.33 years



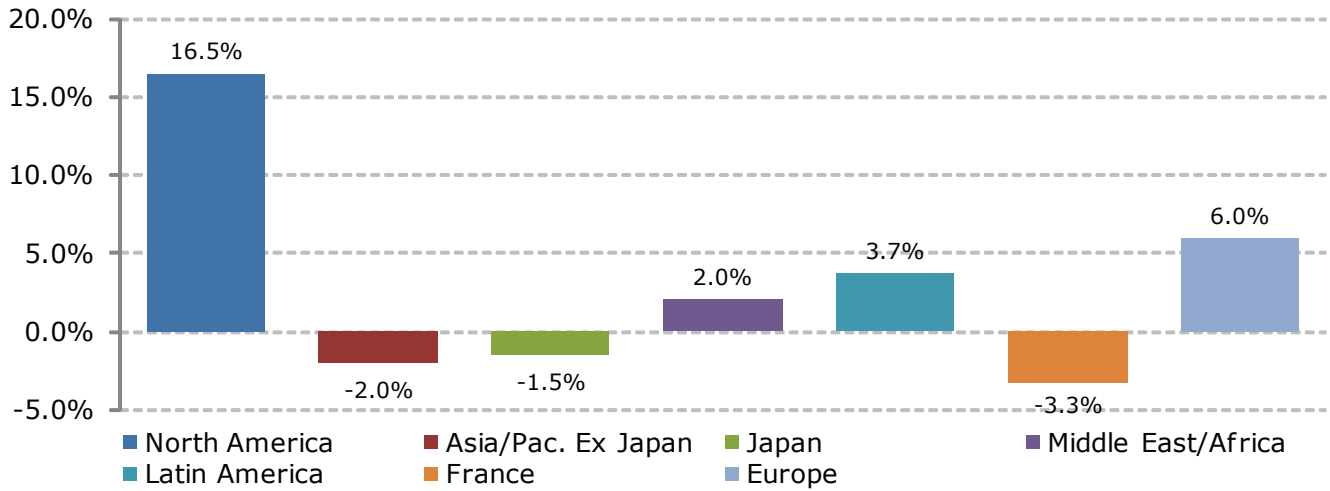
Metro Area Targeting Focus - Paris, France

Money Center Statistics	Summary Notes
<p>Reported Equity Assets (\$B): \$396.0</p> <p>QoQ Value Change: 26.1%</p> <p>Number of Institutions: 94</p> <p>World Rank: 9/155</p> <p>Top Sector Weighting: Financials</p> <p>Q2 Financials Weighting: 29.4%</p> <p>Top Region Weighting: Europe</p> <p>Q3 Europe Weighting: 79.1%</p> <p>Total Net Buying (\$B): \$19.7</p> <p>Total Net Selling (\$B): <u>-\$13.5</u></p> <p>Total Net Activity (\$B): \$6.2</p>	<p>Based on disclosed equity holdings, Paris represented the 9th-largest institutional investment market as of the end of Q3, totalling nearly \$400b in equities held, and accounting for about \$6.2b in net equity purchases over the period. New investments disclosed were concentrated in US issues, with BNP Paribas' in-house hedge fund manager BNP Paribas Arbitrage SNC making strong purchases of many U.S. blue chip issues for a total of over \$5.2b in net buying. Net activity was negative for Parisian investors in only two sectors, consumer goods and utilities, while financials represented the largest source of purchases, partially due to a large number of "primary-market" capital raises from global financials looking to strengthen balance sheets. Amongst top French sellers over Q3, Natixis Asset Management registered strong distate across personal products and retail-- a sentiment shared by much of the Paris community.</p> <p>Paris has long been characterized as a relatively conservative money center. The reputation is due to France's extensive public pension system, and former laws requiring a high percentage of home-country ownership for insurers and pension funds. Laws governing geographic allocation have relaxed in recent years, but the country still retains a high percentage of home-country ownership relative to other European countries. Bullishness across North American securities in the third quarter, however, was a promising sign that French and Parisian investors are continuing to broaden their investment horizons.</p>

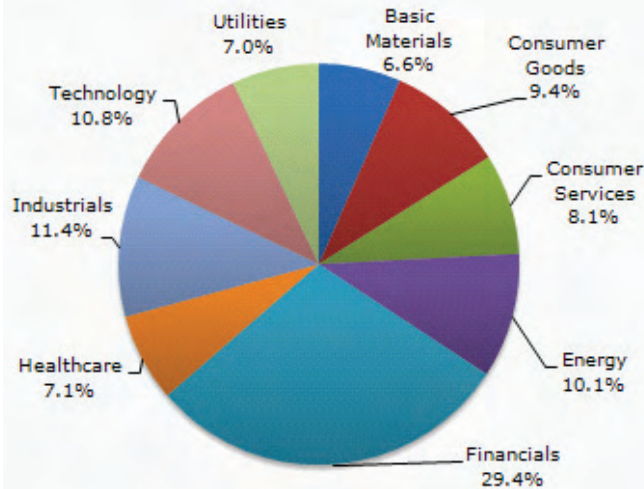
Q3 Sector New Activity (% Change)



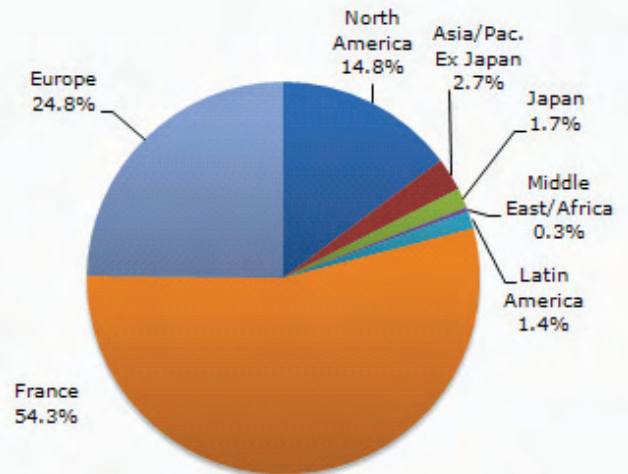
Q3 Regional New Activity (% Change)



Q3 Sector Allocation



Q3 Region Allocation



Investor	Style	Turnover	City	Q2 EQA	Net	Q1 EQA	QoQ %	
				(\$M)	Activity (\$M)	(\$M)	Δ EQA	
BUYERS	1 BNP Paribas Arbitrage SNC	Alternative	Very High	Paris	20,353.8	5,281.7	12,762.9	59.5%
	2 Crédit Agricole Asset Management S.A.	Growth	Low	Paris	61,898.0	1,389.6	48,726.1	27.0%
	3 BNP Paribas Asset Management (France)	Growth	Medium	Paris	23,405.7	1,260.0	18,699.4	25.2%
	4 CPR Asset Management S.A.	Specialty	Medium	Paris	2,419.0	494.6	1,586.3	52.5%
	5 Halbis Capital Management (France)	Value	Medium	Paris La Défens	4,910.5	287.4	3,635.9	35.1%
	6 Capital Fund Management S.A.	Alternative	Very High	Paris	1,175.2	104.6	927.8	26.7%
	7 Groupama S.A.	Ext. Managed	Low	Paris	4,823.5	99.9	3,483.9	38.5%
	8 Moneta Asset Management	Value	Medium	Paris	450.4	58.8	297.6	51.3%
	9 Robeco France	Growth	Medium	Paris	321.4	52.9	218.5	47.1%
	10 Crédit Agricole Indosuez Cheuvreux Gestions	Ext. Managed	Very High	Paris	223.1	47.9	143.7	55.3%
Sub Total:					119,980.6	9,077.5	90,482.1	

Investor	Style	Turnover	City	Q2 EQA	Net	Q1 EQA	QoQ %	
				(\$M)	Activity (\$M)	(\$M)	Δ EQA	
SELLERS	1 Natixis Asset Management	Growth	Medium	Paris	65,805.4	-3,229.8	55,418.7	18.7%
	2 SG Asset Management Alternative Investments S.A.	Specialty	High	Paris La Défens	4,877.5	-288.4	4,117.7	18.5%
	3 SG Asset Management S.A. (France)	Growth	Low	Paris La Défens	17,997.4	-202.5	14,304.9	25.8%
	4 Banque Privée 1818	Growth	High	Paris	432.9	-73.2	403.7	7.2%
	5 AXA Investment Managers (Paris)	Growth	Low	Paris	27,698.2	-68.7	21,667.8	27.8%
	6 Federis Gestion d'Actifs	Growth	Medium	Paris	2,377.1	-44.3	1,967.3	20.8%
	7 Barclays Wealth Managers France	Growth	Very High	Paris	1,777.1	-36.2	1,454.7	22.2%
	8 State Street Gestion S.A. (France)	Index	Low	Paris	15,011.8	-22.3	12,580.8	19.3%
	9 Philippe Patrimoine	Growth	Medium	Paris	70.4	-14.3	60.1	17.3%
	10 Meeschaert Gestion Privée	Growth	Medium	Paris	617.5	-13.2	512.2	20.6%
Sub Total:					136,665.2	-3,993.0	112,488.0	