

# Leonardo Infrastructure Fund Europe - LIFE

Infrastructure Theme

LEONARDO INFRASTRUCTURE FUND EUROPE - LIFE:  
 Establishment date: September 21st, 2007  
 ISIN code: Part A: LU0309082369  
 Part B: LU0309082799  
 Part I: LU0309082104

JUNE 30<sup>TH</sup>, 2010

## MANAGEMENT POLICY

After a positive first half in June, equity markets once again lost their nerve, fearing the scenario of an economic relapse against the backdrop of widespread budgetary austerity in Europe. Macro-economic data (property, unemployment, confidence index, GDP, consumer sales) provide a mixed picture of the global recovery. The latter is emerging in a climate of palpable nervousness within governments and financial institutions. Consequently, investors are not according any credibility to European leaders for their reform measures or to the healthy state of the corporate sector. The 2010 interim earnings season and managements' messages on the outlook will be crucial for restoring some investor confidence in the solidity of the recovery and in the return of the profits cycle.

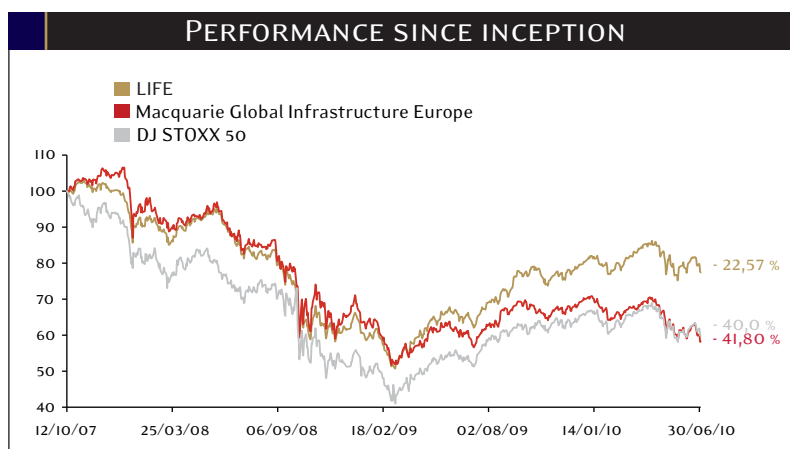
Since the beginning of the year, LIFE has posted a performance of -3.72% vs. -8.73% for the DJ Stoxx 50 and -16.83% for the Macquarie Index. We continue to invest in buoyant investment themes in Europe (demographic ageing) with the purchase of the No. 2 in retirement home (Korian). A US rail transport stock (RailAmerica) has also been included in the portfolio to capitalise on a pick-up in trade on the North American continent. Finally, Zurich Airport has been included as it is expected to benefit from the upturn in traffic and strong commercial revenues per passenger. Conversely, we withdrew from three stocks related to the energy sector in Spain (Iberdrola, Endesa) and Italy (A2A).

After these different movements, international stocks now represent more than 14.1% of assets vs. 11.2% in May. These investments were all made in the Americas region (United States, Canada, Brazil). Benefiting firstly from the currency effect in the first few months of the year, these positions could constitute the basis of the fund's future performance. Between now and the summer, equity markets are likely to remain volatile pending the publication of interim earnings and because it is not yet possible to completely rule out a "double dip" scenario at this stage. That said, companies that manage to publish increased earnings with controlled balance sheets will continue to represent good medium-term investments.

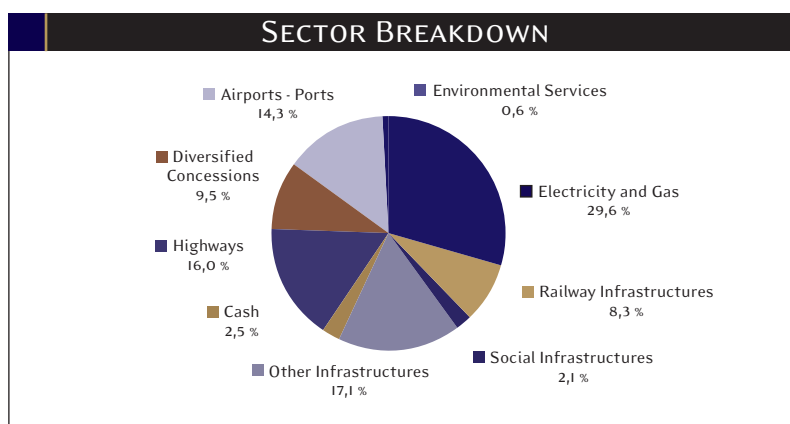
Igor de MAACK  
 Jean-Charles MERIAUX

LIFE Classe B's performance	- 3,72 %
Performances 2007 since 12/10/07: 0,21 % / 2008: - 36,70 % / 2009: 26,79 %	
MGIE**s performance	- 16,83 %
* Macquarie Global Infrastructure Europe	
NAV LIFE part B	77,43 €
NAV LIFE part I	81,04 €
Net assets LIFE	50,3 M€

The performance data features represents past performance, which is no guarantee of future results.



MAIN HOLDINGS		GEOGRAPHIC BREAKDOWN	
ATLANTIA	5,8%	FRANCE	25,3%
TERNA	5,6%	ITALY	24,0%
VINCI	5,5%	EUROPE	17,0%
ECORODOVIAS	5,4%	GERMANY	16,6%
FRAPORT	4,9%	EXCLUDING EUROPE	14,1%



### MAIN CHARACTERISTICS

PE 2010: 14,8x	EV/EBITDA 2010: 7,4x
ND/EBITDA 2009: 3,1x	Net Yield 2009: 4,1 %
Asset Beta: 0,8x	