



Monthly Calendar October 2009

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All prices as of September 29, 2009 unless otherwise indicated

BEST IDEAS OF THE MONTH

F&C Asset Management (FCAM LN) (United Kingdom)

BUY Price: £0.765 Target: £1.25 Upside: 63%

- FCAM share price has significantly lagged peers since de-merger
- Stronger market environment, weaker GBP offer upside surprise potential when 3Q 2009 AUM is reported
- Strong balance sheet and expected 2010 EPS rebound should protect high-yielding dividend
- FCAM is deep value proposition, with target valuation below peer group valuations – BUY

Julius Baer Group (BAER VX) (Switzerland)

BUY Price: Sfr.38.3 Target: Sfr.46.2-Sfr.50.7 Upside: 21%-32%

- De-merged BAER VX provides investors with opportunity to invest in uniquely clean private bank
- BAER VX has succeeded in generating net new client money inflows through financial crisis
- Superior financial performance relative to private banking peers deserves premium valuation
- Well-capitalized and well-positioned to enhance value further as consolidator in industry -BUY

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*EXCLUSIVE MARKETERS OF
THE GLOBAL SPIN-OFF REPORT*

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Index of Pending and Recent Global Tax-Free Spin-Offs

Parent	Spin-Off	Parent Industry	Spin-Off Industry	Parent Country	Spin-Off Country	Parent Mkt. Cap. (US\$, mn)	Spin-Off Mkt. Cap. (US\$, mn)	Target / Estimate / Actual Spin-Off Date	Page
Europe Pending Spin-Offs									
The Carphone Warehouse	TalkTalk Broadband	Retail	Telecom	UK	UK	\$2,800	\$1,500*	Mar-10	7
Europe Possible Spin-Offs									
Accor SA	Accor Services	Hotel	Services	France	France	\$5,900	N/A	Possible	8
Cable & Wireless	Cable & Wireless Intl.	Telecom	Telecom	UK	UK	\$5,800	N/A	Possible	9
Europe Recent Spin-Offs									
Julius Baer Holding (GAM Holding)	Julius Baer Group	Asset Mgmt.	Private Banking	Switz.	Switz.	\$7,600	\$2,400	1-Oct-09	10, 26
Friends Provident	F&C Asset Mgmt.	Insurance	Investment	UK	UK	\$3,100	\$600	3-Jul-09	11, 25
Jelmoli Holding	Athris Holding	Real Estate	Investment	Switz.	Switz.	\$1,700	\$500	30-Mar-09	12
Securitas AB	Loomis AB	Security Svcs.	Security Svcs.	Sweden	Sweden	\$3,300	\$700	9-Dec-08	13
Co. Financiere Richemont	British Am. Tobacco	Luxury Goods	Tobacco	Switz.	UK	\$14,700	\$62,400	3-Nov-08	14
Americas (ex-U.S.) Pending Spin-Offs									
EnCana	Cenovus Energy	Oil & Gas	Oil & Gas	Canada	Canada	\$42,900	\$17,000*	30-Nov-09	15
Americas (ex-U.S.) Possible Spin-Offs									
ACE Aviation Holdings	Air Canada	Holding Co.	Transport.	Canada	Canada	\$200	\$200	On Hold	16
Asia / Australasia Pending Spin-Offs									
CSR Ltd.	Sugar & Renew. Energy	Building Products	Sugar	Aus.	Aus.	\$2,100	N/A	Mar-10	17
Asia / Australasia Possible Spin-Offs									
Macquarie Infrastructure Group	SpinCo.	Transportation Svcs.	Investment	Aus.	Aus.	\$4,200	N/A	Possible	18
Orica	Consumer Prods. Div.	Mining Svcs.	Consumer Goods	Aus.	Aus.	\$7,300	N/A	Possible	19
Asia / Australasia Recent Spin-Offs									
Singapore Airlines	Sing. Airport Term. Svcs.	Airline	Airport Mgmt.	Singapore	Singapore	\$11,600	\$1,700	1-Sep-09	20
Hutchison Telecom Intl.	Hutchison Telecom. HK Hold.	Telecom	Telecom	HK	HK	\$1,000	\$800	8-May-09	21
Africa Pending Spin-Offs									
Mvelaphanda Resources	Northam Platinum	Mining Investment	Platinum	S. Africa	S. Africa	\$1,100	\$1,500	Mar-10	23
Africa Recent Spin-Offs									
Telkom SA	Vodacom Group	Telecom	Telecom	S. Africa	S. Africa	\$2,900	\$10,900	18-May-09	24

* Institutional Research Group estimate

** New additions

Source: Thomson One and Institutional Research Group



Foreword: Parent Company and Spin-Co Returns Performance

In this section of our *Global Spin-Off Report Monthly Calendar*, we include data on capital returns from global tax-free spin-offs. As our starting point, we include all spin-offs that occurred during the course of 2008. We also provide comparable data for the parent companies. New spin-offs are added to the database as they occur. Emphasizing that this new feature is a work in progress, we encourage your feedback and welcome your suggestions as to how we can improve the presentation of the data.

Presentation of the data

- The data include only spin-offs whose parent companies were capitalized at over US\$200 million at the time of the spin-off announcement.
- The data focus on returns from the date of spin-off over one, three, six, nine, and twelve months, and performance to date.
- We present local currency and US dollar returns.
- We segregate the spin-offs by region – i.e., North America, Europe, Asia/Australasia, Latin America, and Africa.
- We provide a regional summary table.

Observations

- Based on our criterion for market capitalization size for the parent company at the time of the spin-off announcement, our database includes 54 spin-co’s from 51 parent companies. (Two of the parent companies were merged with other companies as part of their spin-off transactions. Bajaj Holdings [India] spun off two companies, while IAC Interactive Corp. [US] spun off four companies.)
- The majority of the spin-offs in 2008 occurred during the second half of the year, a tumultuous period for stock markets everywhere – hence the poor performance of most companies’ share prices, both parents and spin-co’s.
- Among the spin-co’s, the best performer is South Korea’s Samsung Digital Imaging (108070 KS), which has generated a positive return of 450% in local currency terms, and 617% in US\$ terms, since its listing on March 10, 2009. The outperformance of this stock is based, in part, on the nature of its listing date which coincided with the March 2009 trough of most global equity markets.

Regional Share Price Performance Summary

		1 Month Perf. (Lcl. Curr.)	1 Month Perf. (US\$)	1 Month Count	3 Month Perf. (Lcl. Curr.)	3 Month Perf. (US\$)	3 Month Count	6 Month Perf. (Lcl. Curr.)	6 Month Perf. (US\$)	6 Month Count	9 Month Perf. (Lcl. Curr.)	9 Month Perf. (US\$)	9 Month Count	12 Month Perf. (Lcl. Curr.)	12 Month Perf. (US\$)	12 Month Count	Perf. Since S.O. (Lcl. Curr.)	Perf. Since S.O. (US\$)	S.O. Count
North America	ParentCo.	-9%	-9%	26	-14%	-15%	24	-23%	-26%	21	-29%	-31%	17	-39%	-42%	14	2%	1%	25
	SpinCo.	-13%	-14%	31	-25%	-26%	29	-27%	-28%	26	-16%	-17%	23	-36%	-37%	19	10%	10%	31
Europe	ParentCo.	-2%	-3%	11	-15%	-19%	9	-30%	-36%	8	-45%	-52%	7	-39%	-49%	6	1%	-1%	11
	SpinCo.	-5%	-6%	11	-6%	-13%	9	-29%	-34%	8	-42%	-50%	7	-54%	-61%	6	-9%	-11%	11
Asia/Australasia	ParentCo.	-4%	-4%	11	0%	-3%	10	-18%	-22%	9	-33%	-44%	8	-23%	-34%	7	8%	8%	11
	SpinCo.	18%	21%	12	48%	56%	11	6%	22%	10	-43%	-49%	9	-29%	-34%	8	30%	38%	12
L.America	ParentCo.	0%	1%	2	5%	6%	2	5%	-1%	2	-13%	-34%	2	-32%	-47%	2	-41%	-55%	2
	SpinCo.	-5%	-4%	2	-16%	-15%	2	-22%	-28%	2	-48%	-62%	2	-40%	-53%	2	-34%	-50%	2
Africa	ParentCo.	-8%	-9%	3	-5%	-10%	3	-7%	-29%	2	-1%	-16%	2	5%	-1%	2	20%	24%	3
	SpinCo.	-37%	-40%	3	-10%	-14%	3	-12%	-33%	2	-32%	-40%	2	-12%	-16%	2	-6%	-2%	3
World	ParentCo.	-6%	-7%	53	-6%	-12%	48	-21%	-26%	42	-31%	-38%	36	-32%	-39%	31	2%	1%	52
	SpinCo.	-6%	-6%	59	-6%	-6%	54	-20%	-19%	48	-28%	-32%	43	-36%	-40%	37	9%	9%	59

Source: Company reports, Thomson One, Bloomberg, Reuters Knowledge, and Institutional Research Group



Spin-Offs Completed in 2008 from Parent Companies with Market Value Over US\$200 Million at Time of Spin-Off Announcement

Parent Company	Ticker	Country	Industry	1mo. Perf. (Lcl. Curr.)	1mo. Perf. (US\$)	Index 1mo. Perf.	3mo. Perf. (Lcl. Curr.)	3mo. Perf. (US\$)	Index 3mo. Perf.	6mo. Perf. (Lcl. Curr.)	6mo. Perf. (US\$)	Index 6mo. Perf.	9mo. Perf. (Lcl. Curr.)	9mo. Perf. (US\$)	Index 9mo. Perf.	12mo. Perf. (Lcl. Curr.)	12mo. Perf. (US\$)	Index 12mo. Perf.	Perf. Since S.O. (Lcl. Curr.)	Perf. Since S.O. (US\$)	Index Perf. Since S.O.	Spin Company	Ticker	Country	Industry	Spin-Off Date	1mo. Perf. (Lcl. Curr.)	1mo. Perf. (US\$)	Index 1mo. Perf.	3mo. Perf. (Lcl. Curr.)	3mo. Perf. (US\$)	Index 3mo. Perf.	6mo. Perf. (Lcl. Curr.)	6mo. Perf. (US\$)	Index 6mo. Perf.	9mo. Perf. (Lcl. Curr.)	9mo. Perf. (US\$)	Index 9mo. Perf.	12mo. Perf. (Lcl. Curr.)	12mo. Perf. (US\$)	Index 12mo. Perf.	Perf. Since S.O. (Lcl. Curr.)	Perf. Since S.O. (US\$)	Index Perf. Since S.O.		
NORTH AMERICA PARENT																						NORTH AMERICA SPIN COMPANY																								
Dish Network Corp	DISH	US	Tech.	-6%	-6%	-5%	-6%	-6%	-6%	-16%	-16%	-13%	-39%	-39%	-23%	-63%	-63%	-36%	-40%	-40%	-27%	Echostar Corp.	SATS	US	Tech.	1/2/2008	-4%	-4%	-5%	-7%	-7%	-6%	-7%	-7%	-13%	-28%	-28%	-23%	-56%	-56%	-36%	-48%	-48%	-27%		
Brookfield Asset Management	BAM-A-T	Canada	Financial	-12%	-12%	3%	1%	-1%	7%	7%	3%	3%	-35%	-47%	-26%	-36%	-48%	-34%	-27%	-33%	-13%	Brookfield Infrastructure Partners LP	BIP	US	Utilities	1/31/2008	-11%	-11%	-3%	-5%	-5%	2%	-10%	-10%	-8%	-28%	-28%	-30%	-38%	-38%	-40%	-21%	-21%	-23%		
Belo Corp	BLC	US	Cyclical G&S	-17%	-17%	-1%	-24%	-24%	5%	-44%	-44%	-3%	-86%	-86%	-33%	-90%	-90%	-38%	-64%	-64%	-21%	A.H. Belo Corp	AHC	US	Cyclical G&S	2/11/2008	-16%	-16%	-1%	-34%	-34%	5%	-63%	-63%	-3%	-80%	-80%	-33%	-86%	-86%	-38%	-76%	-76%	-21%		
Altria Group, Inc	MO	US	Industrial	-6%	-6%	6%	-10%	-10%	-3%	-15%	-15%	-16%	-33%	-33%	-34%	-28%	-28%	-40%	-23%	-23%	-20%	Philip Morris International Inc.	PM	US	Non-Cyclical G&S	3/28/2008	0%	0%	6%	-3%	-3%	-3%	-8%	-8%	-16%	-15%	-15%	-34%	-31%	-31%	-40%	-10%	-10%	-20%		
Verizon Communications	VZ	US	Tech.	8%	8%	7%	-3%	-3%	-3%	-14%	-14%	-12%	-7%	-7%	-32%	-17%	-17%	-40%	-18%	-18%	-20%	Fairpoint Communications	FRP	US	Tech.	3/31/2008	5%	5%	7%	-22%	-22%	-3%	-5%	-5%	-12%	-64%	-64%	-32%	-90%	-90%	-40%	-95%	-95%	-20%		
Hi-Rom Holdings	HRC	US	Healthcare	-4%	-4%	3%	2%	2%	-6%	13%	13%	-15%	-36%	-36%	-32%	-62%	-62%	-41%	-18%	-18%	-23%	Hillenbrand Inc	HI	US	Healthcare	4/1/2008	-10%	-10%	3%	5%	5%	-6%	-3%	-3%	-15%	-17%	-17%	-32%	-26%	-26%	-41%	-6%	-6%	-23%		
Quanex Corp / Gerdau S.A.		US	Basic Material																			Quanex Building Products Corp	NX	US	Basic Material	4/4/2008	5%	5%	6%	-8%	-8%	-8%	-15%	-15%	-25%	-43%	-43%	-37%	-44%	-44%	-37%	-12%	-12%	-20%		
Cadbury Schweppes plc	CBRY-LN	UK	Non-Cyclical G&S	4%	4%	-6%	-6%	-7%	-13%	-12%	-30%	-30%	-19%	-39%	-31%	-19%	-38%	-30%	24%	1%	-18%	Dr. Pepper Snapple	DPS	US	Non-Cyclical G&S	5/7/2008	-8%	-8%	-2%	-22%	-22%	-9%	-16%	-16%	-33%	-40%	-40%	-38%	-24%	-24%	-35%	6%	6%	-24%		
Loews Corp.	L	US	Financial	-8%	-8%	-8%	-17%	-17%	-9%	-44%	-44%	-34%	-62%	-62%	-47%	-44%	-44%	-31%	-32%	-32%	-22%	Lorillard	LO	US	Cyclical G&S	6/10/2008	-8%	-8%	-8%	-4%	-4%	-9%	-20%	-20%	-34%	-28%	-28%	-47%	-17%	-17%	-31%	-6%	-6%	-22%		
The EW Scripps Co	SSP	US	Cyclical G&S	-24%	-24%	-8%	-25%	-25%	-7%	-81%	-81%	-34%	-88%	-88%	-44%	-78%	-78%	-29%	-22%	-22%	-21%	Scripps Network Interactive	SNI	US	Cyclical G&S	6/12/2008	-4%	-4%	-8%	-4%	-4%	-7%	-50%	-50%	-34%	-52%	-52%	-44%	-31%	-31%	-29%	-13%	-13%	-21%		
Applied Biosystems		US	Healthcare																			Celera Corporation	CRA	US	Healthcare	7/1/2008	15%	15%	-2%	27%	27%	-10%	-5%	-5%	-27%	-36%	-36%	-37%	-31%	-31%	-28%	-45%	-45%	-18%		
Fidelity National Information Services	FIS	US	Financial	-11%	-11%	-1%	-18%	-18%	-12%	-24%	-24%	-26%	-16%	-16%	-34%	-5%	-5%	-29%	21%	21%	-16%	Lender Processing Services	LPS	US	Financial	7/2/2008	-2%	-2%	-1%	-7%	-7%	-12%	-19%	-19%	-26%	-3%	-3%	-34%	-19%	-19%	-29%	16%	16%	-16%		
FMC Technologies, Inc	FTI	US	Energy	-21%	-21%	1%	-43%	-43%	-24%	-52%	-52%	-35%	-43%	-43%	-31%	-32%	-32%	-22%	-17%	-17%	-17%	John Bean Technologies Corp	JBT	US	Non-Cyclical G&S	7/31/2008	-6%	-6%	1%	-40%	-40%	-24%	-34%	-34%	-35%	-20%	-20%	-31%	-1%	-1%	-22%	30%	30%	-17%		
Tec Cominco	TCK-B-T	Canada	Basic Material	-6%	-8%	-3%	-70%	-73%	-25%	-88%	-90%	-33%	-63%	-67%	-25%	-30%	-34%	-17%	-30%	-33%	-14%	Lumina Copper Corp.	LCC-V	Canada	Basic Material	8/5/2008	-13%	-15%	-3%	-78%	-80%	-25%	-60%	-67%	-33%	-53%	-59%	-25%	-53%	-55%	-17%	-43%	-45%	-14%		
Laramide Resources Ltd	LAM-T	Canada	Basic Material	-47%	-48%	-1%	-77%	-80%	-35%	-49%	-57%	-37%	-33%	-39%	-23%	-56%	-58%	-18%	-55%	-56%	-13%	Treasury Metals Inc.	TML-T	Canada	Basic Material	8/19/2008	-84%	-84%	-1%	-94%	-95%	-35%	-91%	-92%	-37%	-91%	-92%	-23%	-91%	-91%	-18%	-84%	-84%	-13%		
IAC Interactive Corp	IACI	US	Cyclical G&S	2%	2%	-6%	-10%	-10%	-37%	-18%	-18%	-42%	-16%	-16%	-30%	15%	15%	-20%	11%	11%	-17%	HSN	HSN	US	Cyclical G&S	8/21/2008	-26%	-26%	-6%	-71%	-71%	-37%	-73%	-73%	-42%	-31%	-31%	-30%	-21%	-21%	-20%	7%	7%	-17%		
																						Interval Leisure Group	ILG	US	Cyclical G&S	8/21/2008	-25%	-25%	-6%	-67%	-67%	-37%	-73%	-73%	-42%	-38%	-38%	-30%	-21%	-21%	-20%	-17%	-17%	-17%		
																						Ticketmaster	TKTM	US	Cyclical G&S	8/21/2008	-39%	-39%	-6%	-80%	-80%	-37%	-79%	-79%	-42%	-67%	-67%	-30%	-55%	-55%	-20%	-46%	-46%	-17%		
																						Tree.com	TREE	US	Financial	8/21/2008	0%	0%	-6%	-70%	-70%	-37%	-47%	-47%	-42%	73%	73%	-30%	44%	44%	-20%	8%	8%	-17%		
PDX Resources	PLG-T	Canada	Basic Material	-41%	-47%	-27%	-57%	-64%	-31%	4%	-14%	-37%										Acquired																								
Cypress Semiconductor Corp	CY	US	Tech.	-10%	-10%	-16%	-26%	-26%	-21%	29%	29%	-29%	73%	73%	-16%				89%	89%	-4%	SunPower Corp (B shares)	SPWRB	US	Tech.	9/29/2008	-49%	-49%	-16%	-51%	-51%	-21%	-67%	-67%	-29%	-61%	-61%	-16%								
iGATE Corp	IGTE	US	Tech.	-5%	-5%	-14%	8%	8%	-12%	-49%	-49%	-21%	0%	0%	-15%				28%	28%	0%	Mastech Holdings Inc	MHH	US	Industrial	10/6/2008	-2%	-2%	-14%	0%	0%	-12%	-17%	-17%	-21%	33%	33%	-15%								
The Brink's Company	BCO	US	Industrial	-20%	-20%	-10%	0%	0%	-14%	12%	12%	-8%	8%	8%	0%				-3%	-3%	12%	Brink's Home Security	CFL	US	Industrial	10/17/2008	-29%	-29%	-10%	-1%	-1%	-14%	5%	5%	-8%	29%	29%	0%								
Pollatch Corp	PCH	US	Basic Material	-8%	-8%	-11%	-23%	-23%	-15%	-14%	1%								-2%	-2%	17%	Clearwater Paper Corp	CLW	US	Basic Material	12/17/2008	-58%	-58%	-11%	-69%	-69%	-15%	15%	15%	1%											
PDL BioPharma Inc	PDLI	US	Healthcare	-6%	-6%	-9%	-7%	-7%	-13%	16%	16%	4%							17%	17%	19%	Facet Biotech Corporation	FACT	US	Healthcare	12/18/2008	-41%	-41%	-9%	-37%	-37%	-13%	-28%	-28%	4%											

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Spin-Offs Completed in 2008 from Parent Companies with Market Value Over US\$200 Million at Time of Spin-Off Announcement

Parent Company	Ticker	Country	Industry	1mo. Perf. (L.L. Curr.)	1mo. Perf. (U.S.)	Index 1mo. Perf.	3mo. Perf. (L.L. Curr.)	3mo. Perf. (U.S.)	Index 3mo. Perf.	6mo. Perf. (L.L. Curr.)	6mo. Perf. (U.S.)	Index 6mo. Perf.	9mo. Perf. (L.L. Curr.)	9mo. Perf. (U.S.)	Index 9mo. Perf.	12mo. Perf. (L.L. Curr.)	12mo. Perf. (U.S.)	Index 12mo. Perf.	Perf. Since S.O. (L.L.)	Perf. Since S.O. (U.S.)	Index Perf. Since S.O.	Spin Company	Ticker	Country	Industry	Spin-Off Date	1mo. Perf. (L.L. Curr.)	1mo. Perf. (U.S.)	Index 1mo. Perf.	3mo. Perf. (L.L. Curr.)	3mo. Perf. (U.S.)	Index 3mo. Perf.	6mo. Perf. (L.L. Curr.)	6mo. Perf. (U.S.)	Index 6mo. Perf.	9mo. Perf. (L.L. Curr.)	9mo. Perf. (U.S.)	Index 9mo. Perf.	12mo. Perf. (L.L. Curr.)	12mo. Perf. (U.S.)	Index 12mo. Perf.	Perf. Since S.O. (L.L.)	Perf. Since S.O. (U.S.)	Index Perf. Since S.O.			
EUROPE PARENT																						EUROPE SPIN COMPANY																									
Egdon Resources plc	EDR-LN	UK	Energy	-1%	-1%	1%	-25%	-24%	1%	-33%	-32%	-10%	-74%	-77%	-31%	-68%	-76%	-30%	-45%	-56%	-13%	Portland Gas plc	PTG-LN	UK	Energy	1/17/2008	8%	8%	1%	23%	24%	1%	-5%	-3%	-10%	-35%	-43%	-31%	-76%	-82%	-30%	-51%	-60%	-13%			
Sonae SGPS SA	SON-LB	Portugal	Cyclical G&S	-4%	-2%	-1%	-10%	-4%	0%	-41%	-37%	-23%	-63%	-69%	-48%	-62%	-66%	-42%	-26%	-27%	-24%	Sonae Capital	SONC-LB	Portugal	Financial	1/28/2008	7%	10%	-1%	8%	15%	0%	-33%	-28%	-23%	-47%	-54%	-48%	-68%	-71%	-42%	-35%	-36%	-24%			
Prosafe SE	PRS-OS	Norway	Energy	-6%	-6%	-8%	-12%	-18%	-19%	-55%	-67%	-58%	-54%	-67%	-59%	-36%	-47%	-39%	-44%	-51%	-35%	Prosafe Production Public Ltd	PROD-OS	Norway	Energy	6/2/2008	-30%	-29%	-8%	-34%	-38%	-19%	-75%	-82%	-58%	-70%	-78%	-59%	-60%	-67%	-39%	-63%	-68%	-35%			
Hexagon	HEXA-B-SE	Sweden	Industrial	-13%	-14%	-11%	-14%	-24%	-12%	-62%	-73%	-28%	-69%	-80%	-36%	-39%	-54%	-20%	-29%	-40%	-6%	Hexopol AB	HPOL-B-SK	Sweden	Basic Material	6/9/2008	-21%	-22%	-11%	-20%	-30%	-12%	-70%	-78%	-28%	-71%	-81%	-36%	-47%	-60%	-20%	-23%	-35%	-6%			
Altri SGPS SA	ALTR-LB	Portugal	Industrial	28%	24%	-4%	-20%	-30%	-24%	9%	-5%	-24%	-7%	-21%	-26%	5%	-7%	-19%	98%	83%	-2%	Ramada Investimentos	RAM-LB	Portugal	Basic Material	7/8/2008	-13%	-16%	-4%	-41%	-48%	-24%	-49%	-56%	-24%	-51%	-59%	-26%	-43%	-49%	-19%	-28%	-34%	-2%			
GDF Suez	GSZ FP	France	Utilities	-12%	-18%	2%	-29%	-42%	-24%	-28%	-41%	-34%	-41%	-52%	-30%	-36%	-43%	-24%	-28%	-34%	-12%	Suez Environment	SEV FP	France	Utilities	7/22/2008	-2%	-8%	2%	-23%	-37%	-24%	-37%	-48%	-34%	-33%	-45%	-30%	-30%	-37%	-24%	-14%	-21%	-12%			
Compagnie Financiere Richemont	CFR-VX	Switzerland	Cyclical G&S	-31%	-35%	-17%	-32%	-32%	-14%	-20%	-21%	-18%	-7%	1%	-9%					13%	25%	2%	British American Tobacco	BATS-LN	UK	Cyclical G&S	10/21/2008	1%	-11%	-11%	15%	-5%	-4%	0%	-13%	-6%	14%	11%	6%					25%	18%	21%	
Securitas AB	SECUB-SK	Sweden	Non-Cyclical G&S	-4%	-5%	0%	-11%	-24%	-10%	-8%	-7%	12%								-2%	8%	31%	Loomis AB	LOOM-B-SK	Sweden	Non-Cyclical G&S	12/9/2008	-13%	-14%	0%	9%	-6%	-10%	34%	35%	12%									17%	30%	31%
ASIA/AUSTRALASIA PARENT																						ASIA/AUSTRALASIA SPIN COMPANY																									
S&T Holdings Co	036530-SE	Korea	Cyclical G&S	-15%	-19%	-2%	12%	2%	9%	-19%	-28%	-11%	-61%	-75%	-42%	-56%	-72%	-35%	-14%	-30%	-1%	S&T Corp.	100840-SE	Korea	Industrial	2/22/2008	-12%	-17%	-2%	19%	8%	9%	13%	1%	-11%	-30%	-55%	-42%	-37%	-60%	-35%	36%	10%	-1%			
Seoul Broadcasting System	034120-SE	Korea	Cyclical G&S	3%	4%	9%	-2%	-5%	3%	-26%	-35%	-10%	-42%	-56%	-32%	-44%	-59%	-26%	-21%	-33%	1%	SBS Holdings Co	101060-SE	Korea	Financial	3/24/2008	8%	9%	9%	-8%	-10%	3%	-36%	-44%	-10%	-60%	-69%	-32%	-51%	-65%	-26%	-91%	-92%	1%			
Telekom Malaysia Bhd	TM-KU	Malaysia	Tech.	-13%	-14%	-1%	-10%	-12%	-10%	-13%	-21%	-29%	-14%	-24%	-31%	5%	-4%	-21%	-11%	-19%	-5%	Axiata Group (Ex TM International)	AXIAT-A-KU	Malaysia	Tech.	5/2/2008	4%	3%	-1%	-11%	-12%	-10%	-34%	-40%	-29%	-56%	-61%	-31%	-66%	-69%	-21%	-55%	-59%	-5%			
Bajaj Holdings	BJHI IN	India	Financial	-28%	-28%	-12%	-22%	-24%	-11%	-56%	-62%	-45%	-61%	-66%	-46%	-36%	-43%	-17%	-14%	-23%	5%	Bajaj Finserv	BFIN IN	India	Financial	5/26/2008	16%	15%	-12%	4%	1%	-11%	-81%	-84%	-45%	-69%	-73%	-46%	-38%	-45%	-17%	-45%	-51%	5%			
Piramal Healthcare	PIHC IN	India	Healthcare	-14%	-15%	-17%	-5%	-8%	-11%	-38%	-47%	-46%	-43%	-53%	-47%	-27%	-34%	-10%	8%	-3%	5%	Bajaj Auto	BJAUT IN	India	Cyclical G&S	5/26/2008	-18%	-18%	-12%	-7%	-10%	-11%	-45%	-53%	-45%	-14%	-26%	-46%	56%	40%	-17%	152%	126%	5%			
Hite Holdings Co	000140-SE	Korea	Non-Cyclical G&S	-35%	-41%	-10%	-52%	-63%	-31%	-64%	-74%	-26%	-27%	-43%	-13%	-16%	-31%	-3%	-23%	-34%	6%	Piramal Life Sciences	PLSL IN	India	Healthcare	5/29/2008	-17%	-18%	-17%	-46%	-48%	-11%	-80%	-83%	-46%	-85%	-88%	-47%	-79%	-81%	-10%	-71%	-74%	5%			
Toll Holdings	TOL-AU	Australia	Industrial	5%	1%	1%	-15%	-38%	-32%	-32%	-50%	-34%	-2%	-12%	-25%	13%	7%	-14%	25%	24%	-6%	Hite Brewery Co.	103150-SE	Korea	Industrial	7/30/2008	8%	-1%	-10%	-6%	-28%	-31%	-19%	-41%	-26%	-3%	-23%	-13%	-11%	-27%	-3%	-10%	-23%	6%			
AWE Energy	AWE-AU	Australia	Energy	-24%	-30%	-7%	-28%	-45%	-30%	-33%	-50%	-38%	-17%	-21%	-25%					-22%	-21%	-10%	Virgin Blue Holdings	VBA-AU	Australia	Cyclical G&S	8/22/2008	-8%	-12%	1%	-25%	-45%	-32%	-50%	-11%	-34%	-46%	-51%	-25%	-5%	32%	-14%	-6%	-7%	-6%		
																						Buru Energy	BRU-AU	Australia	Energy	9/1/2008	-7%	-13%	-7%	-43%	-57%	-30%	-42%	8%	-38%	-25%	9%	-25%					-40%	-39%	-10%		
LATIN AMERICA PARENT																						LATIN AMERICA SPIN COMPANY																									
Grupo Mexicano de Desarrollo SA	GMD-MX	Mexico	Industrial	0%	1%	10%	5%	10%	19%	8%	17%	3%	-6%	-24%	-30%	-53%	-63%	-28%	-77%	-81%	9%	GMD Resorts	GMDR-MX	Mexico	Cyclical G&S	1/22/2008	5%	6%	10%	-8%	-4%	19%	-23%	-17%	3%	-58%	-66%	-30%	-65%	-73%	-28%	-74%	-79%	9%			
Telefonos de Mexico	TELMEX-L-MX	Mexico	Tech.	-1%	0%	-9%	5%	2%	-16%	3%	-19%	-30%	-20%	-45%	-42%	-12%	-32%	-18%	-6%	-29%	-4%	Telmex Internacional	TELIN-TL-MX	Mexico	Tech.	6/10/2008	-15%	-14%	-9%	-25%	-27%	-16%	-22%	-38%	-30%	-39%	-58%	-42%	-15%	-34%	-18%	5%	-20%	-4%			
AFRICA PARENT																						AFRICA SPIN COMPANY																									
Imperial Holdings	IPL-JO	S. Africa	Cyclical G&S	-10%	-15%	-3%	-16%	-18%	-16%	-15%	-37%	-39%	-5%	-27%	-36%	-5%	-14%	-32%	36%	36%	-23%	Epstra Holdings	EQS-JO	S. Africa	Industrial	5/12/2008	-20%	-24%	-3%	-20%	-21%	-16%	-42%	-57%	-39%	-58%	-67%	-36%	-59%	-63%	-32%	-56%	-56%	-23%			
Tiger Brands	TBS-JO	S. Africa	Non-Cyclical G&S	6%	0%	-7%	7%	-17%	-24%	1%	-21%	-30%	3%	-4%	-16%	16%	13%	-6%	19%	19%	-7%	Adecock Ingram Holdings	AIP-JO	S. Africa	Healthcare	8/25/2008	-1%	-6%	-7%	-3%	-25%	-24%	18%	-8%	-30%	-7%	-13%	-16%	35%	32%	-6%	41%	41%	-7%			

CONTINUED ON NEXT PAGE



Spin-Offs Completed in 2009 from Parent Companies with Market Value Over US\$200 Million at Time of Spin-Off Announcement

Parent Company	Ticker	Country	Industry	1mo. Perf. (L.L. Curr.)	1mo. Perf. (U.S.)	Index 1mo. Perf.	3mo. Perf. (L.L. Curr.)	3mo. Perf. (U.S.)	Index 3mo. Perf.	6mo. Perf. (L.L. Curr.)	6mo. Perf. (U.S.)	Index 6mo. Perf.	9mo. Perf. (L.L. Curr.)	9mo. Perf. (U.S.)	Index 9mo. Perf.	12mo. Perf. (L.L. Curr.)	12mo. Perf. (U.S.)	Index 12mo. Perf.	Perf. Since S.O. (L.L. Curr.)	Perf. Since S.O. (U.S.)	Index Since S.O.	Spin Company	Ticker	Country	Industry	Spin-Off Date	1mo. Perf. (L.L. Curr.)	1mo. Perf. (U.S.)	Index 1mo. Perf.	3mo. Perf. (L.L. Curr.)	3mo. Perf. (U.S.)	Index 3mo. Perf.	6mo. Perf. (L.L. Curr.)	6mo. Perf. (U.S.)	Index 6mo. Perf.	9mo. Perf. (L.L. Curr.)	9mo. Perf. (U.S.)	Index 9mo. Perf.	12mo. Perf. (L.L. Curr.)	12mo. Perf. (U.S.)	Index 12mo. Perf.	Perf. Since S.O. (L.L. Curr.)	Perf. Since S.O. (U.S.)	Index Since S.O.								
NORTH AMERICA PARENT																						NORTH AMERICA SPIN COMPANY																														
The Phoenix Companies Inc	PNX	US	Financial	-39%	-39%	-11%	-44%	-44%	-10%	-52%	-52%	-4%							3%	3%	13%	Virtus Investment Partners Inc	VRTS	US	Financial	1/2/2009	-33%	-33%	-11%	-28%	-28%	-10%	66%	66%	-4%								77%	77%	13%							
Time Warner Inc.	TWX	US	Cyclical G&S	10%	10%	5%	29%	29%	14%										47%	47%	30%	Time Warner Cable	TWC	US	Tech.	3/27/2009	8%	8%	5%	27%	27%	14%													73%	73%	30%					
Walter Energy	WLT	US	Basic Material	43%	43%	9%	99%	99%	14%										171%	171%	27%	Walter Investment Mgmt.	WAC	US	Financial	4/20/2009	66%	66%	9%	81%	81%	14%													100%	100%	27%					
Myriad Genetics	MYGN	US	Healthcare	-33%	-33%	-7%	-18%	-18%	10%											-27%	-27%	12%	Myriad Pharm.	MYRX	US	Healthcare	6/12/2009	-40%	-40%	-7%	-8%	-8%	10%														-16%	-16%	12%			
Cardinal Health	CAH	US	Healthcare	9%	9%	4%														5%	5%	3%	CareFusion Corp.	CFN	US	Healthcare	8/21/2009	15%	15%	4%																		18%	18%	3%		
Pride Int'l.	PDE	US	Energy	18%	18%	2%														23%	23%	3%	Seahawk Drilling	HAWK	US	Energy	8/25/2009	22%	22%	2%																			20%	20%	3%	
EUROPE PARENT																						EUROPE SPIN COMPANY																														
Jelmoli Holding	JELN-EB	Switzerland	Financial	15%	15%	11%	20%	27%	14%										36%	49%	33%	Athris Holding	ATRI-EB	Switzerland	Financial	3/30/2009	-5%	-5%	11%	7%	13%	14%															32%	45%	33%			
Groupe Casino	CO-FR	France	Food Retailer	-8%	-8%	-8%														15%	17%	12%	Mercialys	MERY-FR	France	Industrial & Office REITS	6/2/2009	3%	3%	-8%																			28%	31%	12%	
Friends Provident	FP-LN	UK	Financial	11%	15%	11%														18%	11%	21%	F&C Asset Mgmt.	FCAM-LN	UK	Financial	7/3/2009	12%	16%	11%																			17%	14%	21%	
ASIA/AUSTRALASIA PARENT																						ASIA/AUSTRALASIA SPIN COMPANY																														
Samsung Techwin	012450-SE	Korea	Tech.	27%	48%	22%	71%	109%	30%	115%	169%	51%							133%	203%	53%	Samsung Digital Imaging	108070-SE	Korea	Tech.	3/10/2009	224%	276%	22%	617%	775%	30%	434%	568%	51%													450%	617%	53%		
Hutchison Telecom Intl.	2332-HK	Hong Kong	Tech.	39%	39%	5%	49%	49%	17%											20%	20%	21%	Hutchison HK Intl. Hol.	215-HK	Hong Kong	Tech.	5/8/2009	17%	17%	5%	39%	39%	17%																	40%	40%	21%
Singapore Airlines	SIA SP	Singapore	Transport.	6%	9%	3%														6%	9%	2%	Singapore Airport Terminal Svcs.	SATS SP	Singapore	Transport.	9/1/2009	2%	4%	3%																			2%	4%	2%	
AFRICA PARENT																						AFRICA SPIN COMPANY																														
Telkom SA	TRG-JO	S. Africa	Tech.	-20%	-14%	1%	-6%	3%	11%										5%	18%	14%	Vodacom Group	VOD-JO	S. Africa	Tech.	5/18/2009	-90%	-89%	1%	-6%	3%	11%																	-5%	7%	14%	

The indexes used to compare performance in each country are: US- S&P 500 Index (SPX-E); Canada- S&P/TSX Composite Index (FTT-T); UK- FTSE 100 Index (UKX-LN); Portugal- PSI 20 Index (PSI20-LB); Norway- Oslo Bors Benchmark Index (OSEBX-OS); Sweden- OMX Stockholm 30 Index (OMXS30-SK); France- CAC 40 Index (CAC40-FR); Switzerland- Swiss Market Index (SMI-EB); Korea- KOSPI Index (KCI-SE); Malaysia- Kuala Lumpur Composite Index (COMPOSITE-KU); India- BSE Sensex 30 Index (SENSEX-BY); Hong Kong- Hang Seng Index (HSI-HK); Australia- All Ordinaries Index (XAO-AU); Mexico- Mexico Bolso Index (IPC-MX); S. Africa- FTSE/JSE Africa All Shares Index (J203-IO).

Source: Company reports, Thomson One, Bloomberg, Reuters Knowledge, and Institutional Research Group



The Carphone Warehouse Group plc / TalkTalk Broadband Unit

Company	Ticker	Price	Mkt. Cap.	Country	Industry	Transaction	Events	Dates
The Carphone Warehouse Group	CPW LN	£1.93	£1,800	UK	Retail	De-Merger	Announcement on Potential Separation	18-Nov-08
TalkTalk Broadband Unit				UK	Telecom		Update on Corporate Review of Separation De-merger	22-Apr-09 Mar-10

In 1989, UK-based Carphone Warehouse Group launched itself as an independent retailer of mobile products throughout Europe. It has since diversified into the UK’s third-largest provider (2.8 million subscribers) of mainly residential broadband services (under the TalkTalk brand name). On May 8, 2009, Carphone announced that it intended to purchase the UK assets of Tiscali for £236 million, an acquisition that will catapult Carphone into a position as the leading broadband supplier to the residential market in the UK. The purchase was approved by the European Union antitrust authorities on June 30, 2009, and completed on July 6, 2009.

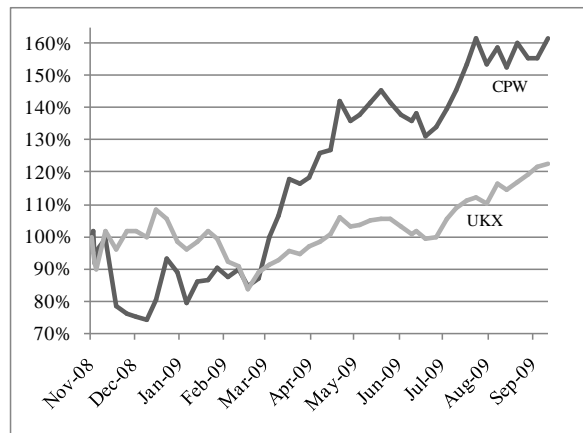
In May 2008, Carphone, the largest mobile products retailer in Europe, sold 50% of its retail business to Best Buy (NYSE: BBY) for £1.1 billion, creating a 50/50 joint venture (Best Buy Europe, or BBE) comprising more than 2,400 stores operating across nine European countries. Carphone continues to hold 100% of its TalkTalk broadband and fixed-line telecom business.

On November 18, 2008, Carphone announced that its Board of Directors had initiated a formal review of the company’s corporate structure with a view to separating its two businesses, BBE and TalkTalk. On April 22, 2009, Carphone confirmed plans for a de-merger of its retail and telecommunications businesses, and on June 5, 2009, it reiterated its intention to proceed with splitting the company into two separately listed entities. In its June update, management indicated that the de-merger process had taken significant steps forward since the April 2009 briefing. First, the United Kingdom Listing Authority (UKLA) had given its blessing to the listing of the entity containing BBE, successfully deflecting any concerns about the UKLA with respect to its “control over assets” requirement. Second, Carphone confirmed that it had received commitments from creditor banks to provide funding facilities (totaling £925 million) for the de-merged entities and that it is close to agreeing to arrangements for the retail entity. The company has also finalized the structure of the two entities. The TalkTalk Group will incorporate its UK broadband business (strengthened by the acquisition of Tiscali UK), Carphone’s freehold properties, and its 48.5% interest in virtual mobile operator Virgin Mobile France (VMF), leaving the stub with the 50%-owned BBE.

At its AGM held on July 23, 2009, Carphone reiterated that the de-merger process was on track. After confirming that banking facilities were now in place for BBE, management indicated that it was optimistic that the de-merger would be implemented in March 2010. The next opportunity for an update on the de-merger process will be on October 8, 2009, when Carphone is scheduled to make its trading statement for the second quarter of 2009.

For a more detailed analysis of the prospective split of Carphone’s businesses, please refer to our *Global Spin-Off Report* on Carphone and TalkTalk, dated May 28, 2009, which we intend to update nearer the time of execution. Our current estimated valuation for the bundled Carphone Group is £1.69 per share, although we believe that there is potential for further corporate activity post the de-merger, which raises our sum-of-the-parts valuation to £2.10 per share. At the current share price levels, we rate the stock NEUTRAL.

CPW: Share Performance versus the UK Stock Exchange since November 18, 2008



Source: Thomson Reuters, Institutional Research Group.



Accor SA (Hospitality) / Accor Services

Company	Ticker	Price	Mkt. Cap.	Country	Industry	Transaction	Events	Dates
Accor SA	AC-FR	€37.95	€8,500	France	Hotels	De-Merger	Announcement	27-Aug-09
Accor Services				France	Services		Decision on De-Merger	1Q 2010

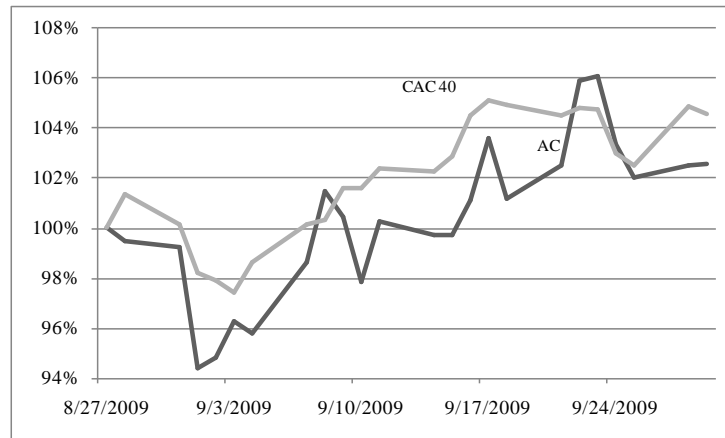
French-based Accor, a constituent of the CAC 40 and capitalized at c. €8 billion, operates in two core business areas with a global presence: Hotels (Accor Hospitality) and prepaid services (Accor Services). Accor Hospitality, which incorporates the hotel business, is the larger of the two operations, generating almost 90% of Accor’s total revenue of €7.7 billion and c.80% of its EBITDA of €2.3 billion in 2008. Since its creation in 1967, Accor has emerged as Europe’s leading hotel group, operating more than 4,000 hotels and 500,000 rooms in 90 countries with ten brands covering all segments of the market from budget to luxury. Accor’s hotel brands include the Sofitel and Pullman hotel chains in the luxury/upscale segment, the Novotel chain in the mid-scale segment, and the Ibis and Motel6 franchises within the economy/budget segment.

Accor Services incorporates the company’s prepaid service business. Originally started as a complementary business to hotels, the prepaid business has developed from a single product offering (i.e., Ticket restaurant meal vouchers) to a multi-product offering, which includes gift vouchers, prepaid vouchers to claimants of government social security benefits programs, and childcare services. Accor Services operates in 40 countries with 30 million users and 430,000 corporate clients. In 2008, Accor Services reported €78 million of revenue and EBITDA of €26 million, generating a margin in excess of 40%, making it a more profitable business than hotels, which produced a margin of c.32% in 2008.

On August 27, 2009, Accor announced that it would conduct a review into the proposed de-merger of the two business operations into two independent and separately listed companies, each with its own strategy and resources for growth. Management has indicated that a final decision on the de-merger proposal may be taken within the next six months. The next opportunity for an update on the corporate review could be October 15, 2009, when Accor releases its third quarter of 2009 trading statement.

The company suggested that developments in both the hotel and prepaid services businesses over the past three years, which had accentuated their unique characteristics in very different sectors, thus limiting the synergies between the two businesses, had prompted the strategic review. The decision to consider seriously the option to separate the businesses is a reversal of the position taken by Accor in February 2009, giving rise to speculation that the re-think has been prompted by activist shareholders.

AC: Share Performance versus the CAC 40 since August 27, 2009



Source: Thomson Reuters, Institutional Research Group.



Cable & Wireless plc / Cable & Wireless International

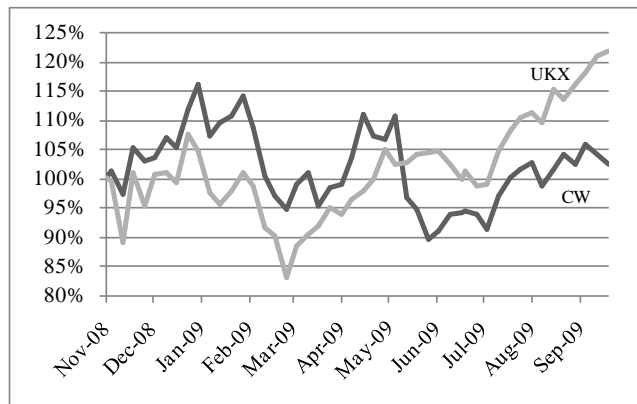
Company	Ticker	Price	Mkt. Cap.	Country	Industry	Transaction	Events	Dates
Cable & Wireless	CW LN	£1.44	£3,600	UK	Telecom	De-Merger	Decision Postponed	11-Nov-08
Cable & Wireless Int'l.				UK	Telecom			

Cable & Wireless is a UK-based telecommunications company with global operations contained in two operating divisions. The C&W Europe, Asia, and US business unit provides IP services, mainly to large customers in the UK, but also to customers in the US, continental Europe, and Asia. Seventy-five percent of its sales are generated in the UK, with more than 40% of revenue accounted for by IP, data, and hosting products. The other operating division, C&W International, serves 39 predominantly small to mid-sized countries, offering mobile, broadband, and domestic and international fixed-line services to residential and business users. The International business has 6.4 million mobile customers and is a market leader in 19 of its 26 mobile markets and in 28 of its 34 fixed-line markets.

C&W management has been effectively preparing the company for de-merger as part of a value realization process since 2006, when it restructured the group as two stand-alone divisions. Part of the process had been aimed at restoring profitability to C&W's UK operations.

Amid some speculation during the summer months of 2008 that a formal announcement about the planned de-merger would be made, on November 11, 2008, C&W announced that, owing to the stock market's turmoil, it had postponed its decision on the potential separation of the two businesses as part of its value realization program. On May 21, 2009, on announcing its financial results for the fiscal year ended March 2009, the company indicated that while de-merger remains a firm goal, its realization will have to wait for a sustained period of calm in the financial and credit markets. At that time, management continued to be of the opinion that the markets had not yet reached that point. At its AGM held on July 17, 2009, the company offered no comments on a possible de-merger timetable, but there have been recent murmurings in the market that the de-merger plan might be revived soon. We understand that much of the de-merger groundwork has already been laid. This suggests that rapid progress toward de-merger could be made once management deems market conditions to be appropriate to proceed.

CW: Share Performance versus the UK Stock Exchange since November 11, 2008



Source: Thomson Reuters, Institutional Research Group.



GAM Holding Ltd. (Julius Baer Holding Ltd.) / Julius Baer Group Ltd.

Company	Ticker	Price	Mkt. Cap.	Country	Industry	Transaction	Events	Dates
GAM Holding (Julius Baer Holding)	BAER VX	CHF 51.75	CHF 10,700	Switzerland	Asset Management	Spin-Off	Separation Announcement	20-May-09
Julius Baer Group				Switzerland	Private Banking		Publication of Information Brochure	3-Jun-09
							Shareholders Approval Granted at EGM	30-Jun-09
							Obtained SIX listing for BAER	7-Jul-09
							Regulatory Approvals	Mid Sept
							Distribution and Listing	30-Sep-09

Julius Baer Holding (BAER VX), founded in 1890 and listed on the Swiss Stock Exchange since 1980, is the leading dedicated wealth manager in Switzerland. Julius Baer concentrates exclusively on private banking and asset management for private and institutional clients. Its total client assets were SFr.367 billion as of June 30, 2009. On May 20, 2009, the company announced its intention to split up its private banking and asset management businesses into two independent entities. Both were to be listed on the Swiss Stock Exchange, replacing the current bundled entity. Julius Baer Holding’s private banking business and certain related activities were to be transferred to newly founded Julius Baer Group, while the asset management businesses (GAM, Artio Global, and JBAM) was to be retained in the existing entity Julius Baer Holding, which would be renamed GAM Holding. Under the de-merger plan, Julius Baer Holding would distribute Julius Baer Group shares in a ratio of 1:1, in the form of a dividend-in-kind to its shareholders. On October 1, 2009, GAM Holding (GAM VX) and Julius Baer Group (BAER VX) began trading on the Swiss Stock Exchange following the separation of the asset management and private banking businesses of the now defunct Julius Baer Holding. Based on their inaugural closing prices, we rate both BAER VX and GAM VX BUY.

Julius Baer Group – The Private Bank

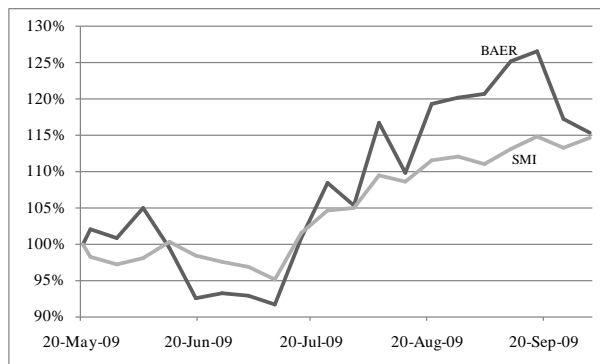
Julius Baer Group shares closed on their first day of trading at Sfr.38.3, capitalizing the company at c.Sfr.7.9 billion. This compares with our target share price range of Sfr.46.2 –Sfr.50.7, which assumes a 0%-10% 2010 earnings multiple premium (rationalized in our *Global Spin-Off Report* on the de-merger, dated September 14, 2009) over Bank Sarasin’s (BASN SW) valuation of 16.6x (as of October 1, 2009), and incorporates an additional Sfr.1.5 per share, reflecting proceeds received from the Artio Global (ART US) IPO. This implies a share price upside of 21% to 32%. We rate BAER VX a BUY. Please see our Best Ideas on page 25 of this report.

GAM Holding – The Asset Manager

GAM Holding shares closed on the day of their debut at Sfr.12.0, capitalizing the company at c.Sfr.2.5 billion. This is below our sum-of-the-parts valuation target of Sfr.15.5 per share. With a near-30% upside to our target price, we rate GAM VX a BUY, although we expect some near-term selling pressure, which should enhance the buy opportunity. As Julius Baer Holding was a constituent of the Swiss Stock Exchange’s blue-chip index of Switzerland’s top 20 publicly-listed companies, both Julius Baer Group and GAM Holding have been included in the index, bringing the number of constituents in the top-20 index temporarily to 21. However, as GAM Holding is currently only Switzerland’s 33rd largest stock, it is expected to drop out of the index. Thus, we expect some selling pressure from index funds as well from investors who had been invested in Julius Baer Holding for the private bank.

For more detailed analysis, please refer to our *Global Spin-Off Report* on the Julius Baer Holding split, dated September 14, 2009, and our follow-up *Flashes*, dated September 29, 2009 and October 1, 2009.

BAER: Share Performance versus the SIX Swiss Stock Exchange since May 20, 2009



Source: Thomson Reuters, Institutional Research Group.



Friends Provident plc / F&C Asset Management plc

Company	Ticker	Price	Mkt. Cap.	Country	Industry	Transaction	Events	Dates
Friends Provident	FP LN	£0.85	£2,000	UK	Insurance	Pro-Rata Distribution	Announcement	31-Oct-08
F&C Asset Management	FCAM LN	£0.77	£400	UK	Investment		Information document	26-May-09
							EGM for Shareholder Approval	12-Jun-09
							Distribution of FCAM Shares	3-Jul-09

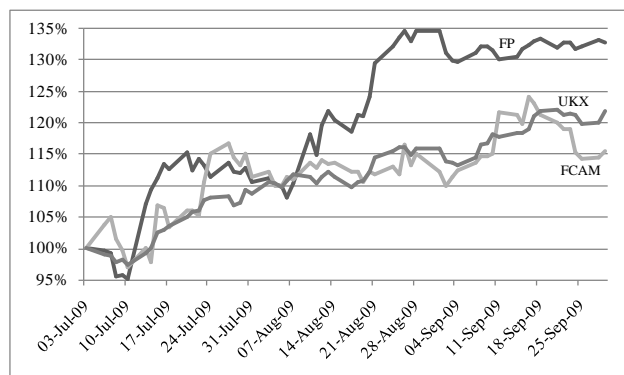
On July 3, 2009, UK-based life insurer Friends Provident (FP LN) completed the de-merger of its c.52% stake in asset manager F&C Asset Management (FCAM LN). Since the distribution, FCAM shares have recovered some of their losses seen in the weeks ahead of the de-merger, but have underperformed the benchmark FTSE-100 by c.6% (as of September 29, 2009) and have lagged the shares of many of FCAM'S peers.

On August 5, 2009, FCAM reported its first set of results as an independent company. FCAM reported a £4.4 billion drop in AUM during the second quarter of 2009 (versus a £5.9 billion drop in the first quarter of 2009), reducing AUM to £88.3 billion as of the end of June 2009 from £92.7 billion as of the end of March 2009 and £98.6 billion as of the end of 2008. At the same time, FCAM reported a sharp drop in underlying earnings for the six-month period ended June 30, 2009, with results mainly undermined by a negative foreign exchange impact, lower average equity and bond market levels, and significantly lower interest income. While the decline in AUM and the drop in earnings may have been underwhelming results, these were largely anticipated. More important are the following: a) the interim dividend was maintained at 2 pence even though it is currently uncovered, suggesting that the company will tolerate an uncovered dividend on a temporary basis – consensus 2009 EPS estimates for FCAM appear to have settled at c.6 pence post the interim results, which covers a maintained 6 pence full-year dividend; and b) management conveyed an optimistic view of the future. Justifying this mood of optimism, FCAM indicated that thirty investment consultants now have the asset manager on their recommendation lists, the highest level ever, and that it has consequently built up a £1.4 billion pipeline of new institutional mandates that are yet to be funded but are expected to show up on the books within the next nine months. These developments, against the background of more favorable equity markets and currency movements (i.e., the recent weakening of the GBP against the Euro), suggest that the outlook for funds flow looks positive.

In a balance-sheet-strengthening exercise, on August 26, 2009, the company announced a debt swap, whereby FCAM will exchange half its £260 million subordinated loan notes due 2026 for new guaranteed notes due 2016. The swap offers bondholders a higher coupon rate (9% versus 6.75%) and a shorter maturity rate, but will have a neutral impact in terms of cash interest costs. However, the move is an overall positive for FCAM, as it reduces net debt by £32.5 million and will enable the company to book an accounting profit for that amount in 2009 and thereby raise net book value by the said amount.

We continue to rate FCAM a BUY with a target price of £1.25 per share (see Best Idea section on page 25). Potential catalysts for the share price going forward are the company's investor day for analysts and shareholders on October 21, 2009, followed by the release of third quarter of 2009 AUM and business flows on October 30, 2009. Our target price puts FCAM on an EV/AUM of 0.78%, which would be lower than Legg Mason's current valuation of 0.90%, the lowest valuation on this measure among FCAM's peers. In order to arrive at an EV/AUM valuation similar to that of Legg Mason, our target price would imply AUM of £77 billion, some 13% below FCAM's reported AUM as of the end of the second quarter of 2009. (Please see our Best Ideas on page 25 of this report.)

FP and FCAM: Share Performance versus the UK Stock Exchange since July 3, 2009



Source: Thomson Reuters, Institutional Research Group.



Jelmoli Holding / Athris Holding

Company	Ticker	Price	Mkt. Cap.	Country	Industry	Transaction	Events	Dates
Jelmoli Holding	JELN SW	SFr. 449	SFr. 1,800	Switz.	Real Estate	Spin-Off	Announcement	9-Apr-08
Athris Holding	ATRI SW	SFr. 1,050	SFr. 500	Switz.	Investment		Information Brochure Distributed	8-Oct-08
							Extraordinary General Meeting	23-Jan-09
							Regulatory Filings	Jan-09 / Feb-09
							Listing Approval	9-Mar-09
							Distribution & Trading	30-Mar-09

On March 30, 2009, Jelmoli Holding (JELN SW) and Athris Holding (ATRI SW) began trading on the SIX Swiss Stock Exchange following the division of the old Jelmoli Holding (JEL SW), now de-listed, into two separately listed companies: one a real estate company and the other an investment company. Swiss Prime Site (SPSN SW) has recently won control of JELN, with the c.67% threshold required under Swiss takeover rules to implement a full merger within reach. Athris, as we had anticipated, is in the process of being privatized. Based on the offer prices for both JELN and Athris, the theoretical bundled Jelmoli Holding is trading at SFr.3,298.5 per bearer share as of September 29, 2009, versus SFr.2,875 per bearer share as of April 9, 2008, when the plan to split the company into two was originally announced. The c.15% increase in value of the bundled entity over this period compares with a c.15% drop in the value of the local market, generating an outperformance of c.30%. However, given the probable acquisition and delisting of both entities, we discontinue our investment recommendations of both JELN and ATRI immediately.

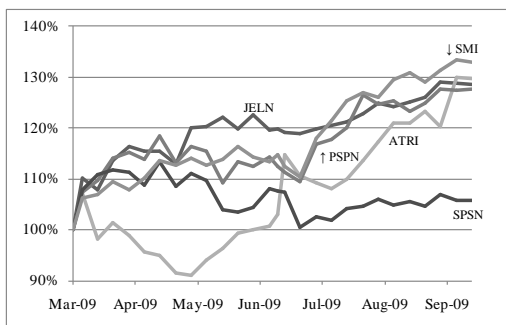
Jelmoli Holding – SPSN’s takeover is done and almost dusted

Within three months of the split, JELN became an acquisition target. On June 2, 2009, JELN’s largest shareholder, Pelham, a private investment holding company, agreed to sell its near-30% stake in the company to Swiss Prime Site (SPSN SW) for a cash and share consideration equivalent to SFr.392 per JELN registered share. After initially rejecting an all-share bid by SPSN for the remaining shares (7.7 SPSN shares for one JELN share), on June 12, 2009, the JELN Board recommended that shareholders accept an improved all-share offer of 8.1 SPSN shares per JELN share. In a gesture to win over dissenting shareholders, on September 14, 2009, SPSN raised its all-share offer price for the second time to 8.2 SPSN shares, resulting in an extension of the offer period to September 25, 2009 (from September 14, 2009). On September 25, 2009, SPSN declared that its stake in JELN totals c.64.4%. SPSN also announced that an additional acceptance period of ten trading days for late acceptance of the offer would run from October 2, 2009, until October 15, 2009, with the definitive results of the offer declared on October 21, 2009. As of September 29, 2009, the SPSN offer values JELN at c.SFr.450 per share, a c.4% premium over JELN’s latest reported book value of SFr.431 per share. It now seems likely that SPSN will secure the two thirds of JELN’s capital it needs to implement a full merger.

Athris Holding – Privatization process under way

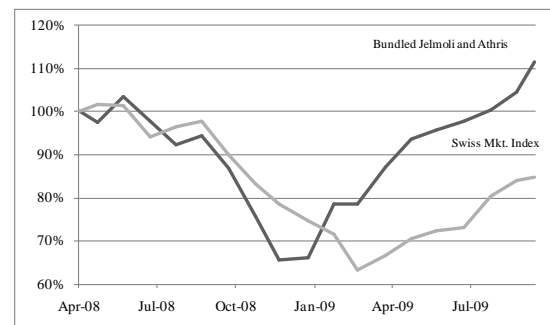
On September 18, 2009, Athris announced that its principal shareholder, Pelham Investments, had made a cash offer for the outstanding shares it did not already own. Pelham currently owns c.91% of the voting shares and c.84% of the share capital. Pelham has offered minority shareholders SFr.1,050 per bearer share and SFr.210 per registered share, representing a c.29% discount to the latest reported NAV of SFr.1,487.5/SFr.297.5 per share (the offer price compares with the original buyback offer price at the time of the split of c.SFr1,121.7/SFr.224.3 per share, or a 15% discount to the then-reported book NAV). The offer document will be published on October 14, 2009, with the offer period commencing on October 29, 2009, to continue through November 11, 2009.

JELN, ATRI, PSP Swiss Property (PSPN SW), and SPSN: Share Performance versus SMI since March 30, 2009



Source: Thomson Reuters, Institutional Research Group.

JELN and ATRI: Bundled Share Performance versus SMI since April 9, 2009



Source: Thomson Reuters, Institutional Research Group.



Securitas AB / Loomis AB

Company	Ticker	Price	Mkt. Cap.	Country	Industry	Transaction	Events	Dates
Securitas AB	SECUB SS	SEK 68.80	SEK 23,900	Sweden	Security Svcs.	Spin-Off	Announcement	9-Feb-06
Loomis AB	LOOMB SS	SEK 68.50	SEK 4,800	Sweden	Security Svcs.		Prospectus Made Public	14-Nov-08
							Extraordinary General Meeting	3-Dec-08
							Record Date	8-Dec-08
							Distribution and Listing	9-Dec-08

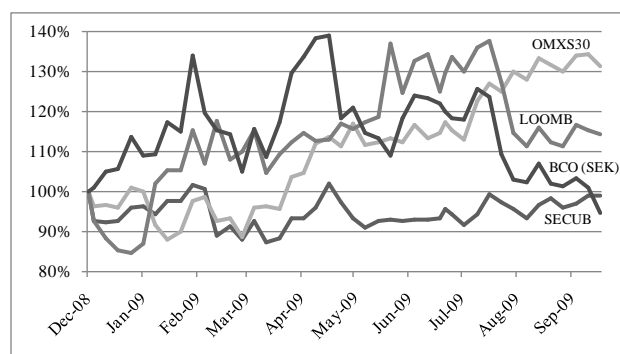
On December 9, 2008, Loomis AB was de-merged from Securitas AB (SECUB SS), and its B shares began to trade on the OMX Stockholm Stock Exchange. The shares closed on the day of their debut at SEK58.75 but lost 20% of their value over the following month, largely as a result of forced selling by index funds. The share price bottomed at SEK47 on January 8, 2009, recovering to a closing high of SEK82 on June 2, 2009. As of September 29, 2009, the shares are trading at SEK68.5 per share.

On July 31, 2009, Loomis reported somewhat disappointing interim results for the six-month period ended June 30, 2009. A 17% year-on-year increase in revenue due to favorable currency effects (i.e., weaker SEK) masked a 2% decline in organic revenue. The second quarter saw an acceleration of the decline seen in the first quarter (4% versus 1%). While the company cited the impact of the economic downturn in some of its markets (although the majority of its markets are still showing resilience), about half the negative growth was not related to the business environment, but was due to lower fuel surcharges passed on to customers in the wake of lower diesel prices as well as a lower number of work days compared with the corresponding period in 2008. The company's European operations experienced a 3% year-on-year decline in organic revenue in the first half of 2009 (4% in the second quarter), primarily due to the impact of recession in Spain and the UK. After reporting 2% organic revenue growth in the first quarter, the US saw a surprisingly large 4% reversal in the second quarter, due to negative economic factors and lower fuel surcharges. Moreover, the hoped-for increase in outsourcing trends by US banks has yet to materialize.

Loomis's operating margin saw an overall improvement in the first half of 2009 compared with the corresponding period in 2008, rising to 5.9% from 5.7%, with Europe up from 7.6% to 7.9% and the US up from 4.4% to 5.3%. However, the US operations disappointingly suffered a setback to Loomis's margin turnaround ambitions in the second quarter 2009, with margin down slightly to 5.2% from 5.3% in the second quarter 2008. Management admitted that the US operations did not succeed in adjusting costs quickly enough in an environment of weaker than expected revenues. However, Loomis, which has recently strengthened its US management team, with the company CFO now also directly responsible for US operations, has promised to intensify its restructuring efforts to get the US margin recovery back on track. In spite of the slower than expected progress in the US, and given the stronger seasonal margin impact in the second half of the year, Loomis is definitely committed to achieving its operating margin target of at least 8% by 2010 at the latest.

The next opportunity to gauge the company's progress will be on October 29, 2009, when Loomis reports its third quarter of 2009 results. Following the second quarter financial disclosures, we revised our earnings estimates downward by c.3% and c.2% for 2009 and 2010, respectively, and consequently lowered our DCF valuation from SEK78 per share to SEK75 per share. We maintain our NEUTRAL rating, but would consider reinstating a BUY recommendation for a return in excess of 20% should the share price fall below SEK62.

SECUB, LOOMB, and The Brink's Co. (BCO US): Share Performance versus the OMX Stockholm 30 Index since December 9, 2008



Source: Thomson Reuters, Institutional Research Group.



Compagnie Financiere Richemont / British American Tobacco

Company	Ticker	Price	Mkt. Cap.	Country	Industry	Transaction	Events	Dates
Co. Financiere Richemont	CFR VX	SFr. 29.34	SFr. 15,300	Switz.	Luxury Goods	Spin-Off of Minority Holding	Announcement	8-Aug-08
Remgro Ltd.	REM SJ	ZAR 87.66	ZAR 38,500	S.Africa	Investment	Spin-Off of Minority Holding	Remgro/Richemont SA/CFR EGMs	7/8/9-Oct-08
Brit. Am. Tobacco	BATS LN	£19.85	£39,600	UK	Tobacco		Separation of CFR & Richemont SA (Reinet)	20-Oct-08
							Trading of De-twinned CFR and Reinet Shares	21-Oct-08
							Distribution of BATS Shares	3-Nov-08

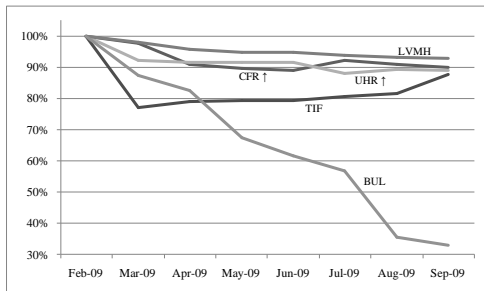
CFR VX

Swiss watch exports, a key health indicator for CFR's principal market, recorded a 22% year-on-year drop in August 2009, which represents an improvement on the previous months, but still indicates a sharply declining trend. This was the tenth consecutive month of year-on-year declines. On September 9, 2009, in a trading update at its AGM, CFR reported a 16% decline in year-on-year sales (a c.21% drop at constant exchange rates) for the first five months of its fiscal year ending March 2010. While the sales figures were close to the market's expectations, management maintained its cautious outlook for the operating environment in the period ahead.

CFR's share price has so far ignored the anecdotal evidence at its peril and seems to be benefiting from "irrational exuberance," with the share price more than double its SFr.14.23 low of March 3, 2009, strongly outperforming the Swiss SMI Index and its peers save Tiffany (TIF). Apart from being a beneficiary of the flight to cyclical stocks in the current equity markets rally, CFR has also benefited from the company's share buyback program, which was completed in July 2009. In the meantime, analysts have continued to apply the red pen to earnings estimates of luxury goods companies during the course of their share price rebounds, although CFR has suffered less than most in this respect, which may go some way to explain the stock's relative performance. However, this may expose CFR to greater risk of earnings disappointment when its interim financial results for the fiscal year ending March 2010 are reported on November 13, 2009.

In spite of its healthy financial condition, and although we have been saying this for some time, we see little to justify CFR's current valuation given the continuing uncertainty over the timing and extent of any prospective recovery, and even less to justify its 40%-plus valuation EV/EBIT premium over the likes of LVMH (MC FP) or Swatch (UHR VX). Applying Swatch-like valuations to CFR would imply a fair value target price of SFr.21 per share, a downside of c.28%. We retain our SELL recommendation.

Luxury Goods Cos.: Trend in EBIT Downgrades Since End-Feb 2009



Source: Thomson Reuters, Institutional Research Group.

BUL, CFR, UHR, TIF, MC: Comparative Valuations

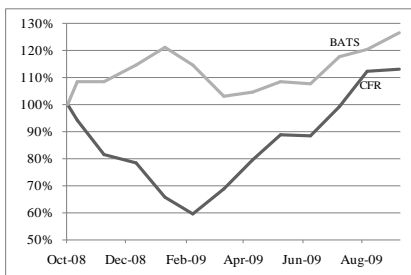
	Share Perf. Since 3/3/09	EBIT 2009E Downward Revision Since 2/28/09	EV/EBIT 2009E	2010 P/E
Bulgari	72%	-67%	56.7	N/M
CFR	106%	-10%	22.5	29.0
Swatch	96%	-12%	16.1	17.7
Tiffany	121%	-12%	13.4	22.0
LVMH	58%	-7%	12.1	18.6

Source: Thomson One and Institutional Research Group

BATS LN

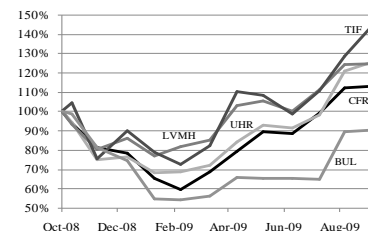
The company's results for the six-month period to June 30, 2009, confirmed that there was little evidence of the global recession having any impact on BATS's trading environment. The results reported on July 30, 2009, were robust, with earnings c.10% above consensus. The impact of acquisitions made in 2008, a firming tobacco pricing environment, and favorable currency movements in the form of a weak GBP were contributory factors to the strong set of results. While the positive currency impact will lessen if the recent GBP strengthening is sustained, positive product pricing momentum is expected to continue in the second half of 2009. Further earnings upgrades are in the pipeline, and continued double-digit growth in the dividend is guaranteed following a 26% increase in the proposed interim payout. With the company's 2009 dividend yield in excess of 5%, we continue with our BUY rating, with our DCF-based target price of £21.60 offering c.10% upside.

BATS and CFR: Share Performance since October 21, 2008



Source: Thomson Reuters, Institutional Research Group.

CFR, Bulgari SpA (BUL IM), Swatch Group (UHR VX), Tiffany & Co. (TIF US), and LVMH (MC FP): Share Performance since October 21, 2008



Source: Thomson Reuters, Institutional Research Group.



EnCana Corporation (EnCana Gas-Co) / Cenovus Energy

Company	Ticker	Price	Mkt. Cap.	Country	Industry	Transaction	Events	Dates
EnCana Corp.	ECA CN	CAD 62.00	CAD 46,500	Canada	Oil & Gas	Spin-Off	Announcement	11-May-08
Cenovus Energy				Canada	Oil & Gas		Decision Postponed	15-Oct-08
							Plan Revived	10-Sep-09
							Information Circular	Late-Oct
							EGM	25-Nov-09
							Regulatory Approvals	Nov-09
							Distribution & Listing	30-Nov-09

On September 10, 2009, Canada-based EnCana Corporation, a leading unconventional natural gas producer and one of the foremost oil-sands companies in North America, revived its plan (originally announced in May 2008, but postponed in October 2008 as the financial crisis was beginning to unfold) to split the company into two separately listed entities on the Toronto Stock Exchange (TSE) and the New York Stock Exchange (NYSE). The split creates two differentiated energy companies, one a natural gas producer retaining the EnCana name, and the other an integrated oil company named Cenovus Energy. Under the Plan of Arrangement, Cenovus will pay EnCana \$3.5 billion for assets to be transferred to it. Below we detail the planned allocation of assets between the two entities.

The main reason given by EnCana’s management for the resurrection of the corporate restructuring plan is the renewed access the credit markets at reasonable cost, exemplified by Cenovus’s ability to tap the debt markets, a key requisite for the split to go ahead. In this respect, Cenovus recently completed in three tranches a \$3.5 billion private offering of debt securities, with interest rates in the 4.5%-6.75% range and maturities ranging from five to thirty years. Cenovus had earlier arranged a commitment for revolving credit facilities in the amount of C\$2 billion. The funds raised will go toward the purchase of assets from EnCana.

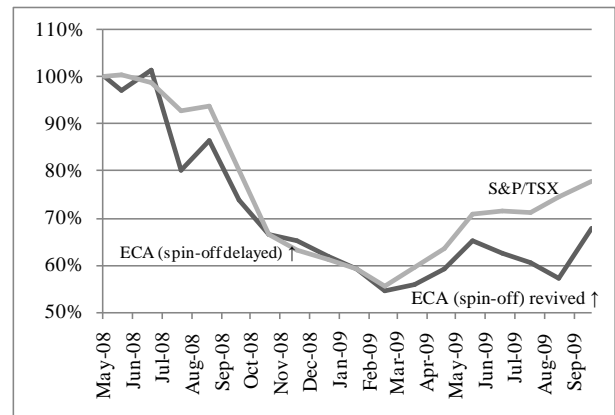
Under the terms of the revived proposals, EnCana Corporation ordinary shareholders will retain their EnCana shares and receive one Cenovus share for each EnCana share held. Thus, it is expected that c.750 million Cenovus shares will be distributed to EnCana shareholders. The planned spin-off is subject to shareholder, regulatory, and court approvals. EnCana has already received favorable rulings from the Canadian and US tax authorities, whereby the transaction has been awarded tax-free status at the corporate and shareholder levels. An EGM has been scheduled for shareholder approval (two thirds of the present capital is required for approval), to take place on November 25, 2009. The distribution and listing of Cenovus shares are expected to occur on November 30, 2009. We intend to publish a report on the pending split shortly.

Pro Forma Cenovus and EnCana (Gas-Co) Information

	Cenovus	EnCana (GasCo)
North American production (after royalties, 2009F)		
Natural gas (MMcf/d)	820	2815
Oil and NGLs (Mbbbls/d)	111	27
Total (MMcf/d)	1,490	2,975
Total (MBOE/d)	248	496
Proved reserves (year-end 2008)		
Natural gas (Bcf)	1885	11822
Oil and NGLs (MMbbls)	909	97
Total (Befe)	7,309	12,402
Total (MMBOE)	1,218	2,067
Land (year-end 2008, millions net acres)		
Developed	4.5	5
Undeveloped	3.6	10.6
Total	8.1	15.6
Operating cash flow (2009F, US\$ billions)	3.5	6
Upstream operating costs (2009F)	7.5 US\$/BOE	0.9 US\$/Mcf
Number of employees (estimated)	~ 2,200	~ 3,800
Divisions	Integrated Oil Canadian Plains	Canadian Foothills USA
Key Resource Plays	Foster Creek Christina Lake Shallow Gas Weyburn Pelican Lake	CBM Bighorn Greater Sierra Cutbank Ridge Jonah Piceance East Texas Fort Worth
Refineries – net capacity (bbls/d)	Wood River-153,000 Borger-73,000	
Refining total – net capacity (bbls/d)	226,000	

Source: Company Reports

ECA: Share Performance versus the S&P/Toronto Stock Exchange since May 11, 2008



Source: Thomson Reuters, Institutional Research Group.



ACE Aviation Holdings / Air Canada

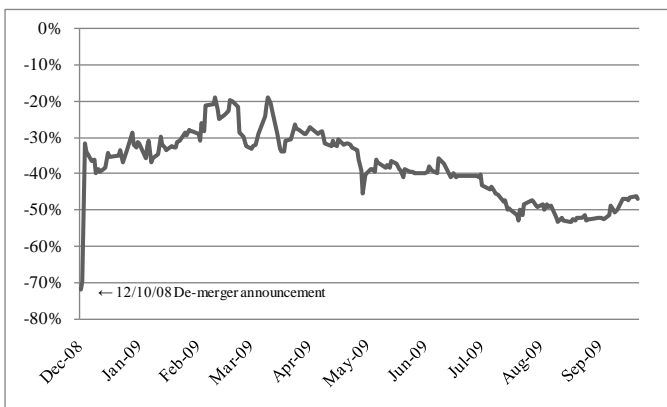
Company	Ticker	Price	Mkt. Cap.	Country	Industry	Transaction	Events	Dates
ACE Aviation Holdings	ACE/A CN	CAD 4.97	CAD 170	Canada	Holding Co.	Spin-Off	Spin-Off Announcement	10-Dec-08
Air Canada	AC/A CN	CAD 1.83	CAD 180	Canada	Transportation		Information Document Distributed	2-Mar-09
							EGM Postponed	7-Apr-09
							Plan on Hold	7-Aug-09

ACE Aviation Holdings (ACE) is an investment holding company with a 75% stake in Air Canada and a 27.8% stake in ACTS, an aircraft maintenance and repair firm. ACE was created within Air Canada, the country’s flag carrier, which is the fourteenth-largest commercial airline in the world, carrying more than 30 million customers annually to more than 150 destinations. It maintains a fleet of more than 200 aircraft.

On February 8, 2008, ACE stated that it was considering all potential means of divesting its stake in loss-making Air Canada, its principal asset, in order to wind itself down. Having repeatedly stated that it intended to come to a decision on its planned wind-down before the close of the year, the company announced on December 10, 2008, that it would seek court and shareholder approvals to distribute its assets to shareholders and thereafter voluntarily dissolve itself. However, in the face of publicly stated opposition to the plan from certain ACE shareholders, presentation of the asset distribution and dissolution plan, originally scheduled for February 27, 2009, was postponed and rescheduled for April 7, 2009, and then postponed again without a new date being offered.

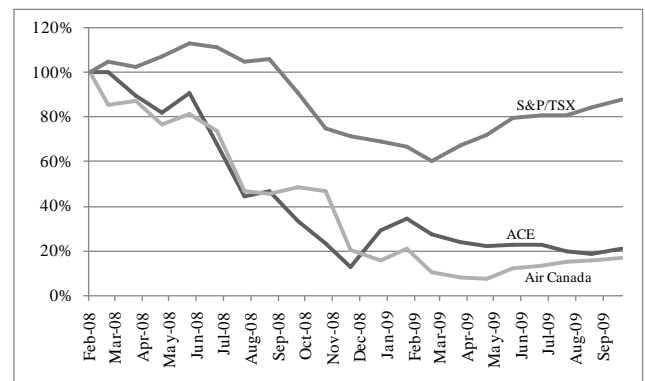
Following prolonged uncertainty over the status of the plan, on August 7, 2009, ACE posted its second quarter of 2009 results on a going-concern basis rather than a liquidation basis. In doing so, ACE announced that following the company’s participation in Air Canada’s credit facility (which has at least temporarily lifted the threat of bankruptcy hanging over the airline), it is unlikely that ACE would pursue the liquidation of its net assets in the near term. Thus, while the plan remains a long-term goal, it has been formally put on hold for now. On September 21, 2009, ACE announced that it had repurchased all of the outstanding 3.2 million preferred shares at C\$23 per share for C\$73.6 million. The buyback removes one of the outstanding obstacles should ACE go ahead with the distribution and dissolution plan at a later time.

ACE: Discount to NAV since December 9, 2008



Source: Thomson Reuters, Institutional Research Group.

ACE and Air Canada: Share Performance versus the S&P/Toronto Stock Exchange since February 8, 2008



Source: Thomson Reuters, Institutional Research Group.



CSR Limited / Sugar and Renewable Energy Business

Company	Ticker	Price	Mkt. Cap.	Country	Industry	Transaction	Events	Dates
CSR Ltd.	CSR AU	AUD 1.87	AUD 2,400	Australia	Building Prods.	De-Merger	Announcement	17-Jun-09
Sugar & Renewable Energy Business				Australia	Sugar		De-Merger	Mar-10

CSR Limited (CSR AU) is a leading diversified manufacturing company in Australia, with exposure to sugar, renewable energy, building materials, aluminum, and property. Outside of Australia, the company has operations in New Zealand and Asia.

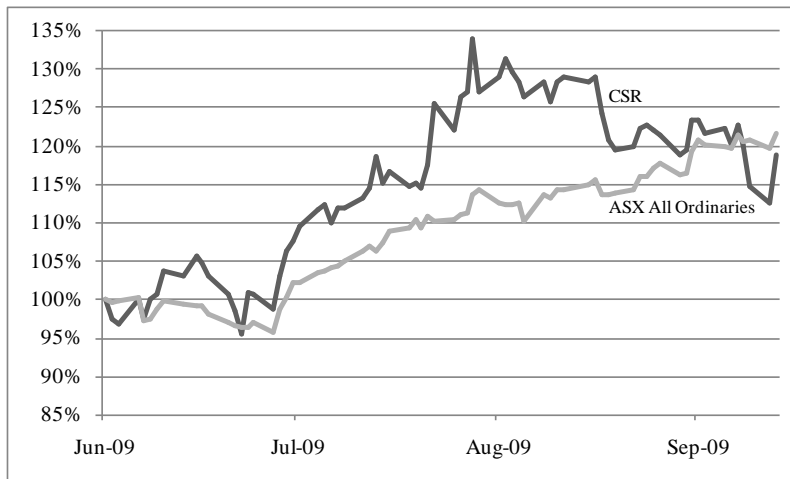
On June 17, 2009, CSR Limited (CSR AU) announced that it is proceeding with the final evaluation and due diligence to confirm the benefits of separating the company’s Sugar and Renewable Energy business from its Australasian Building Products business, Aluminum business, and Property business. The Sugar and Renewable Energy business is expected to be listed on the Australian Stock Exchange. On September 24, 2009, CSR announced that the de-merger due diligence process remained on track and indicated that it would present further details on the plan on November 4, 2009, when CSR reports its interim results for the fiscal year ending March 31, 2010. With the price of sugar at multi-year highs, the de-merger is expected to proceed and to be completed before the end of CSR’s current fiscal year.

CSR originally planned to de-merge the businesses in 2008, but the decision to proceed was delayed by the deteriorating economic environment. In this respect, CSR has already laid the foundations for a separation by creating more independent management teams within each business and adding directors to the CSR Board with skills relevant to a stand-alone sugar business.

The Sugar and Renewable Energy business operates as a sugar miller, sugar refiner, ethanol producer, and as a co-generator of renewable energy. The business accounted for 40% and 26%, respectively, of the company’s revenue and operating segment profit for the fiscal year ended March 31, 2009. As of the same date, the Sugar and Renewable Energy business held A\$1,379 million in assets and A\$342 million in liabilities on the company’s books.

Following the de-merger, CSR will retain its Building Products business, Australia’s second largest, and will also hold a stake in an aluminum smelter through a joint venture with Gove Aluminum Finance. The Building Products business manufactures and sells insulation products, plasterboard, fiber cement, roof tiles, etc., and accounted for 43% and 38%, respectively, of the company’s revenue and operating segment profit in the fiscal year ended March 31, 2009. CSR will also retain its Property business, which sells developed industrial land.

CSR: Share Performance versus ASX since June 17, 2009



Source: Thomson Reuters, Institutional Research Group.



Macquarie Infrastructure Group / Spin-Co.

Company	Ticker	Price	Mkt. Cap.	Country	Industry	Transaction	Events	Dates
Macquarie Infrastructure Group	MIG-AU	AUD 1.48	AUD 3,540	Australia	Transportation Services	Split-Off	Intention Announced	20-Aug-09
SpinCo.				Australia	Investment Bank		Annual General Meeting Distribution & Listing?	Oct-09 Dec-09

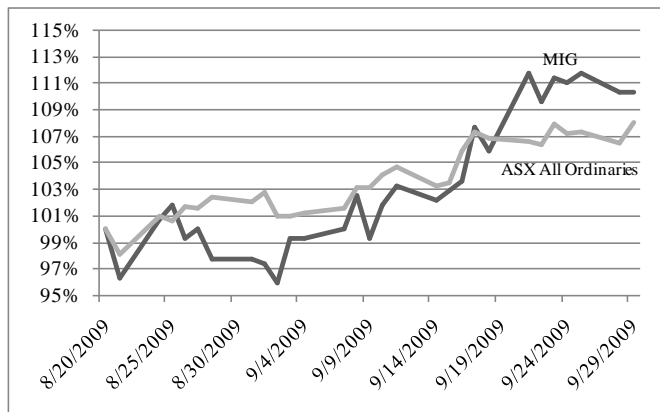
Macquarie Infrastructure Group (MIG) is an Australia-based investment fund, listed on the Australian Stock Exchange and capitalized at c.A\$3 billion, that is focused on global toll road investments. It is one of the world’s largest private developers and operators of toll roads, with a portfolio of nine toll roads in six countries – four in the US, one in Canada, one in the UK, one in France, one in Germany, and one in Australia. While MIG owns a 100% equity stake in its toll road investment (M6 Motorway) in the UK and 70% of its German investment (the Warnow Tunnel in Rostock), the more typical stakes held by MIG are between 20% and 50%. As of June 30, 2009, MIG’s 30% stake in an all-electronic toll highway (407 ETR) in the Toronto area alone accounted for c.64% of the total net asset value of the company’s investment portfolio (c.A\$5.1 billion).

Amid concerns about the level of indebtedness of the company, MIG began a strategic review in early 2009 with a view to enhance shareholder value. On August 20, 2009, on presentation of its financial results for the fiscal year ended June 30, 2009, MIG indicated that splitting the vehicle into two separately listed entities was a preferred option over 1) the status quo, which does not deliver any potential for improvement in shareholder value, 2) asset sales, which are unlikely to achieve value-generating outcomes in the current environment, or 3) raising capital for early de-leveraging, which would be potentially dilutive and neither earnings accretive nor economically rational at this time.

Management sees the benefits of the split as follows: 1) it will address the leverage in assets and the potential drag this exerts on the value of better-performing assets; 2) both vehicles will hold a more concentrated and defined portfolio of assets, generating greater transparency; 3) it will preserve the opportunity to benefit from the potential improvement in external conditions; 4) it will ‘free up’ part of the portfolio, thus realizing its inherent value; and 5) it enables the preservation and continuity of management personnel and intellectual property.

MIG has indicated that, should the plan be executed, the split will be effected via an in-specie dividend distribution. Details about how the two companies will be structured and a definitive timetable for the process are currently lacking, as the proposal remains contingent on a detailed review of debt documents, concession agreements, shareholder contracts, and regulatory requirements, as well as the need to address the external management contracts with Macquarie Group (MQG AU), which manages MIG. However, MIG has suggested that the de-merger could occur by the end of 2009. We expect to get a clearer picture after MIG’s AGM to be held on October 30, 2009.

MIG: Share Performance versus ASX since August 20, 2009



Source: Thomson Reuters, Institutional Research Group.



Orica Ltd. / Consumer Products Business

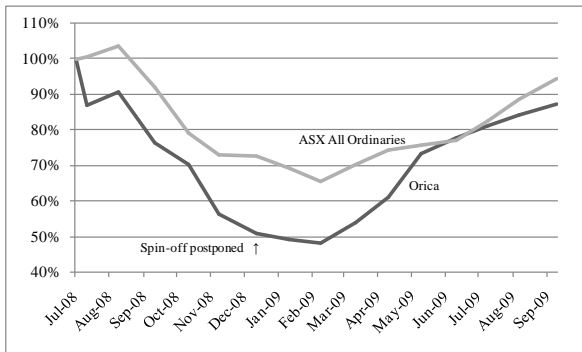
Company	Ticker	Price	Mkt. Cap.	Country	Industry	Transaction	Events	Dates
Orica Ltd.	ORI AU	AUD 23.50	AUD 8,400	Australia	Mining Sector Svcs.	Spin-Off	Announcement	21-Jul-08
Consumer Products Division				Australia	Consumer Products		Regulatory Filings Spin-Off Postponed	Nov/Dec-08 7-Nov-08

With ORI's business strategy primarily focused on the mining services sector, on July 21, 2008, the company announced its intention to de-merge its Consumer Products business (OCP), accounting for 13% of total revenue and 12% of EBIT in fiscal year 2008, into a separate ASX-listed company. However, amid the turmoil in the global financial markets, on November 7, 2008, ORI announced that it had decided to suspend indefinitely the planned spin-off. ORI confirmed that the strategic reasons for the de-merger remain and that it had not changed its view that ultimately OCP should be separated. Toward this end, Orica's CEO has indicated on more than one occasion that the de-merger will be revived at the appropriate time. Indeed, an ORI spokesperson was quoted by the Australian media in June 2009 as saying that the company was continuing preparatory work for a possible revival of the de-merger plan.

Given the improving economic environment in Australia and evidence that the credit markets have become more accessible (the company announced on September 4, 2009, that it had successfully renegotiated and extended its bilateral debt facilities with its existing bank debt providers), the prospect of ORI's announcing the revival of its de-merger plan cannot be ruled out when it presents its financial results for the fiscal year ended September 30, 2009, on November 9, 2009.

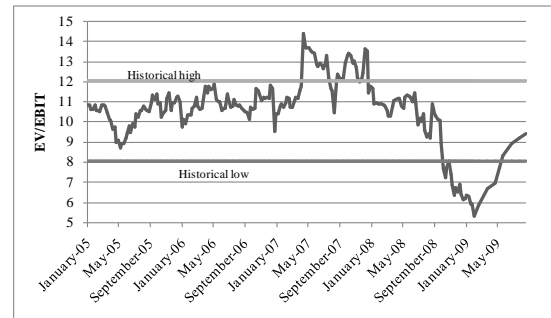
Following its impressive share price outperformance since March 2009, supported by improved sentiment in the commodity markets, the historically low valuation that was witnessed at the end of 2008/start of 2009 has been eliminated (see charts). We rate the stock NEUTRAL.

ORI: Share Performance versus ASX since July 21, 2008



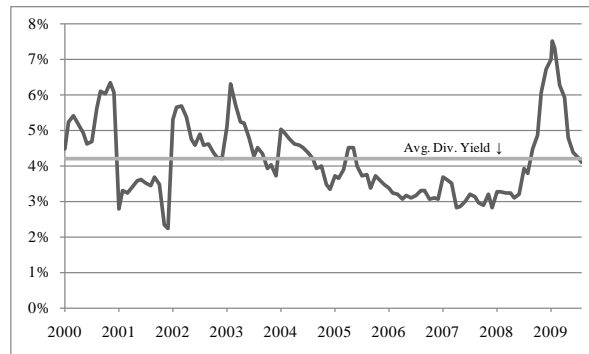
Source: Thomson Reuters, Institutional Research Group.

ORI EV/EBIT Valuation since January 1, 2005



Source: Company reports, Thomson One, Institutional Research Group.

ORI Historical Dividend Yield



Source: Company reports, Thomson One, and Institutional Research Group.



Singapore Airlines / Singapore Airport Terminal Services

Company	Ticker	Price	Mkt. Cap.	Country	Industry	Transaction	Events	Dates
Singapore Airlines	SIA SP	SGD 13.78	SGD 16,400	Singapore	Airline	Spin-Off	Announcement	14-May-09
Singapore Airport Terminal Svcs.	SATS SP	SGD 2.26	SGD 2,400	Singapore	Airport Mgmt.		Shareholder Vote	31-Jul-09
							Record Date	17-Aug-09
							Distribution	1-Sep-09

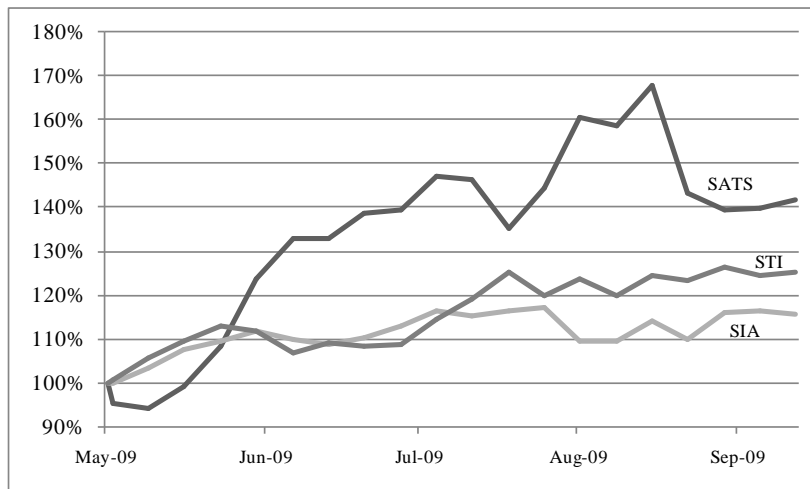
On September 1, 2009, Singapore Airlines (SIA SP) completed the distribution of substantially all of its 80.6% equity stake in Singapore Airport Terminal Services (SATS SP). Following the distribution SIA retains a 0.6% interest in SATS.

As we had anticipated, there was some retraction in the SATS share price in the wake of the distribution. Following announcement of the de-merger on May 14, 2009, the SATS share price surged c.71% from S\$1.55 to a closing high of S\$2.65 on August 27, 2009, just two trading days ahead of the distribution. The distribution prompted significant selling pressure, with the shares giving up 22% of their value. On September 2, 2009, the share price closed at S\$2.07, a level we identified as an attractive entry point in our detailed *Global Spin-Off Report* on the de-merger, published on August 11, 2009. Consequently, we upgraded our recommendation from NEUTRAL to BUY. Since then, the share price has recovered to S\$2.26 as of September 30, 2009.

While not impervious to the negative trends in the aviation sector, SATS remains one of the most profitable airport services companies in the world, and until its de-merger, the best-performing and most profitable asset within SIA. Moreover, its recent diversification into the non-aviation food solutions sector gives it some protection from the ill winds of the current aviation downdraft, and SATS should see both revenue and earnings increase in the current financial year. That said, the aviation sector will continue to represent more than half of the company's business. Although we expect its profit margins to continue trending down from comparatively high levels, SATS is an attractive aviation play over the long term, without the risks inherent in investing in airlines. Furthermore, SATS is well positioned in Asia, the region expected to see the biggest demand for air travel within the next decade.

We maintain our BUY recommendation, with a further 15% upside to our DCF-based share price target of S\$2.60.

SIA and SATS: Share Performance versus the Straits Times Index (STI) since May 14, 2009



Source: Thomson Reuters, Institutional Research Group.



Hutchison Telecommunications International / Hutchison Telecommunications Hong Kong Holdings

Company	Ticker	Price	Mkt. Cap.	Country	Industry	Transaction	Events	Dates
Hutchison Telecom Intl.	2332 HK	HKD 1.60	HKD 7,700	HK	Telecom	Spin-Off	Announcement	4-Mar-09
Hutchison Telecom HK	215 HK	HKD 1.30	HKD 6,300	HK	Telecom		Approval from HK Stock Exchange	9-Apr-09
							Distribution Record Date	30-Apr-09
							Shares Commenced Trading	8-May-09

Hutchison Telecommunications Hong Kong Holding (HTHK) –BUY

On May 8, 2009, Hutchison Telecommunications Hong Kong Holdings or HTHKH (215 HK) was de-merged from Hutchison Telecommunications International or HTIL (2332 HK / NYSE: HTX) and began to trade on the Hong Kong Stock Exchange. The shares of HTHKH, which operates mobile phone services in Hong Kong and Macao as well as a fixed-line service in Hong Kong, closed on the day of their debut at HK\$0.93, capitalizing the company at c.HK\$4.5 billion. The stock price has since risen by c.40% to HK\$1.30 per share as of September 30, 2009, sharply outperforming both the local stock market index and former parent HTIL.

In its 2009 interim earnings report on August 12, 2009, HTHKH reported c.4% earnings growth and declared an interim dividend of c.HK\$0.01 per share, as was flagged in the listing document. In the aftermath of HTHKH’s interim earnings release, consensus is projecting 2009 EPS of HK\$0.10 per share and a dividend of HK\$0.07 per share, representing a 70% payout ratio. As we had argued in our *Global Spin-Off Report* on the de-merger, published on April 24, 2009, HTHKH’s value will be driven by dividend considerations. The company’s listing document indicated that it would pay out up to 75% of its earnings. Consensus earnings would imply a dividend payout of up to c.HK\$0.075 per share, yielding 5.8%. We had argued in our report that a 5% yield could prove adequate in the context of the Hong Kong market, which is currently offering a prospective yield of c.3% on consensus forecasts. Thus, assuming a 2009 dividend of HK\$0.07-HK\$0.075 per share, we calculate a fair value range for HTHKH of HK\$1.40-HK\$1.50. While HTHKH has probably seen the best of its share price re-rating, there remains a further 15% to the upper end of our target price range. Given this and the prospect of a 5% yield from the 2009 final dividend, we maintain our BUY rating.

Hutchison Telecommunications International Holding (HTIL) – NEUTRAL

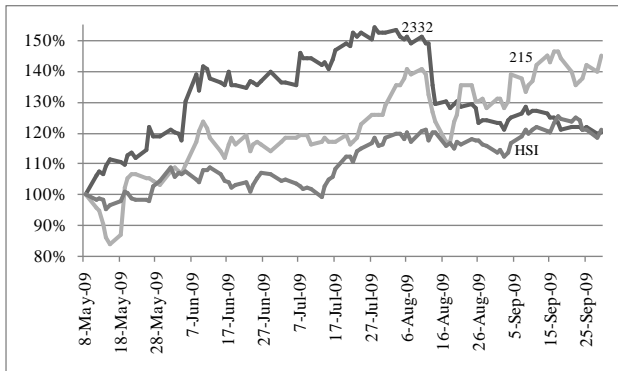
On August 12, 2009, Hutchison Telecommunications International (HTIL) announced that it had entered into a conditional agreement to sell its entire 51.3% stake (c.78.94 million shares) in Israeli mobile phone operator, Partner Communications (PTNR TV/PTNR US), to Israeli investment firm Scailex Corporation (SCIX IT). The total consideration for the transaction is c.HK\$10.71 billion (c.\$1.38 billion), equivalent to \$17.50 (or NIS67.025) per Partner share, which will yield HTIL a pre-tax profit of c.HK\$7.75 billion (\$1 billion). The deal was approved by HTIL shareholder approvals at an EGM on September 16, 2009, and awaits Israeli regulatory approval. Subject to this condition being satisfied, HTIL expects the deal to be completed in November 2009.

The market had been anticipating the sale for several weeks prior to the formal announcement, with the Partner share price trading close to the agreed transaction price in the days preceding the announcement. While the deal has some positive aspects, chiefly that it is a cash transaction, there are also attendant uncertainties associated with it. First, the company is anticipating some capital gains tax liability, although it expects this to be well below the headline 25% rate charged in Israel. Second, estimating an appropriate valuation for the remaining businesses within HTIL at this point is challenging, as none of the emerging businesses is generating profit and all are draining cash. In attempting to arrive at a valuation for HTIL, we have simply taken the book value of HTIL ex-Partner as of the end of 2008 and adjusted the figure for the current run-rate of EBITDA losses, arriving at a 2009 NAV of HK\$0.78 per share. Third, we expect HTIL to pay a special dividend on completion of the transaction, but we are not sure how much of the net proceeds HTIL will pay out. The problem for HTIL is that Partner is its only cash-generating asset and source of funding following the de-merger of HKHTH in May 2009.

Taking these uncertainties into consideration, the exhibits below provide a sensitivity analysis based on different discounts the market might apply to our estimated value for HTIL’s emerging businesses and to different assumptions with respect to the special dividend, assuming a 5% and 10% capital gains charge on the transaction. Our inclination is to suggest that the market will apply a heavy discount to the value of the emerging businesses (50%-80%), given the lack of visibility and perceived risks, and to assume that 25%-75% of the net disposal proceeds will be paid out as a special dividend. We have applied a 50% discount to the cash not paid out, as this will largely be retained for investment in HTIL’s emerging operations. The highlighted areas provide an overall valuation range of HK\$1.44-HK\$2.26 per share. Since the announcement the shares have dropped by c.20%, so much of the risk on the downside is now discounted. We rate the stock NEUTRAL (having upgraded our stock recommendation from SELL in the September 2009 *Global Spin-Off Calendar*).

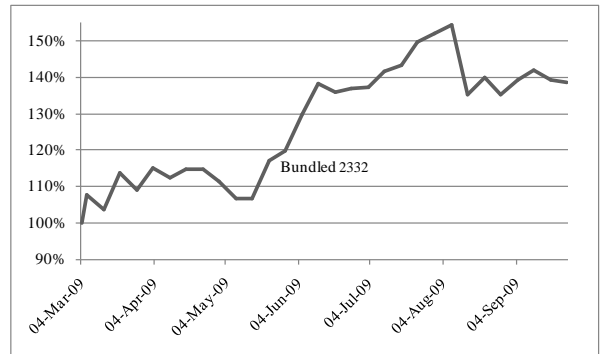


2332 and 215: Share Performance versus the Hong Kong Hang Seng Index since May 8, 2009



Source: Thomson Reuters, Institutional Research Group.

Bundled 2332 and 215 Share Performance since March 4, 2009



Source: Thomson Reuters, Institutional Research Group.

HTIL Valuation Sensitivity Analysis

Assuming 5% Capital Gains Tax

Discount to Ex Partner NAV	Special Dividend Payout Ratio				
	100%	75%	50%	25%	0%
40%	2.61	2.34	2.07	1.81	1.54
50%	2.53	2.26	2.00	1.73	1.46
70%	2.37	2.11	1.84	1.57	1.30
80%	2.30	2.03	1.76	1.49	1.23
90%	2.22	1.95	1.68	1.42	1.15

Assuming 10% Capital Gains Tax

Discount to Ex Partner NAV	Special Dividend Payout Ratio				
	100%	75%	50%	25%	0%
40%	2.53	2.27	2.01	1.76	1.50
50%	2.45	2.19	1.94	1.68	1.42
70%	2.29	2.04	1.78	1.52	1.26
80%	2.22	1.96	1.70	1.44	1.19
90%	2.14	1.88	1.62	1.37	1.11

Source: Institutional Research Group.



Mvelaphanda Resources / Northam Platinum

Company	Ticker	Price	Mkt. Cap.	Country	Industry	Transaction	Events	Dates
Mvelaphanda Resources	MVL SJ	ZAR 40.00	ZAR 8,600	S.Africa	Mining Investment	De-Merger	Announcement	19-Feb-09
Northam Platinum	NHM SJ	ZAR 33.80	ZAR 12,200	S.Africa	Platinum		Distribution	1Q 2010

Mvelaphanda (Mvela) Resources Limited (MVL SJ) is a South African-based mining investment holding company, focused on investments in the precious metals and diamond sectors. Mvela Resources’ principal assets are equity stakes in three mining companies listed on the Johannesburg Stock Exchange (JSE): 1) a 7.1% stake in the world’s fourth-largest gold producer, Gold Fields Ltd (GFI SJ); 2) a 62.8% interest in platinum miner Northam Platinum (NHM SJ); and 3) a 20.3% equity holding in Trans Hex Group (TSX SJ), which mines and markets rough diamonds.

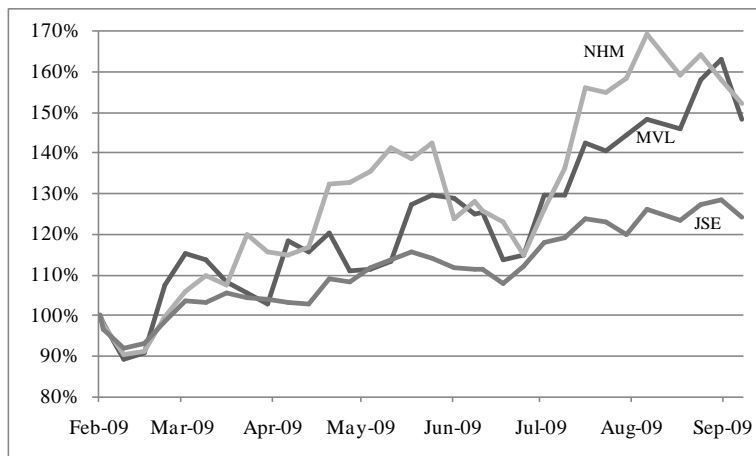
Under JSE rules, a listed firm should not generate more than half its earnings from an investment in another listed company, or have more than 75% of its net asset value tied up in another listed entity. Under the rule, such a company is classified as a ‘pyramid company,’ and must de-list. With Northam contributing more than half the company’s earnings, Mvela Resources is deemed a ‘pyramid company’ and therefore contravenes JSE listing requirements. Given this, Mvela Resources was asked to present a plan for a resolution to the JSE by August 2009.

In that context, the company announced on February 19, 2009, that it would likely pursue a de-merger of its stake in Northam by way of a tax-free distribution of the holding to its shareholders, as part of a process which could lead to the winding down and de-listing of Mvela Resources.

On May 12, 2009, Mvela announced that it was involved in negotiations that could lead to a “significant” acquisition, which could have removed the requirement for Mvela to de-list and altered plans for a potential spin-off of Northam. However, on June 4, 2009, Mvela indicated that these negotiations had been terminated without agreement and that the company had set in motion the process to spin off Northam and de-list itself. As a precursor to the Northam spin-off and the de-listing of Mvela, the company has announced that it will sell its holdings in Gold Fields and Trans Hex to retire its debt and collapse the corporate holding structure, and then recapitalize Northam by way of a rights issue.

On September 17, 2009, on announcing its financial results for the fiscal year ended June 30, 2009, Mvela reiterated its commitment to the strategy of de-merging the Northam stake and dissolving Mvela, without providing more detail about the progress of the plan. However, management has indicated that it is targeting completion of the process by the end of the first quarter of 2010.

MVL and NHM: Share Performance versus JSE since February 19, 2009



Source: Thomson Reuters, Institutional Research Group.



Telkom SA / Vodacom Group

Company	Ticker	Price	Mkt. Cap.	Country	Industry	Transaction	Events	Dates
Telkom SA	TKG SJ	ZAR 43.21	ZAR 22,500	S.Africa	Telecom	Spin-Off	Talks with Vodafone Announced	2-Jun-08
Vodacom Group	VOD SJ	ZAR 56.00	ZAR 83,300	S.Africa	Telecom		Vodafone Makes Offer for 15% Vodacom Stake	9-Oct-08
							Information Document Distributed	2-Mar-09
							EGM	26-Mar-09
							Regulatory Approvals	Mar/Apr-09
							Distribution and Listing	18-May-09

On May 18, 2009, Vodacom (VOD SJ) shares began trading on the Johannesburg Stock Exchange. Until then, the listing had been in doubt after the telecoms regulator, the Independent Communications Authority of South Africa (ICASA), unexpectedly declared on May 15, 2009, that it had rescinded an earlier ruling that it only required to be notified of the Vodacom sale and de-merger transaction and that it did not need to approve it. However, an application by ICASA and COSATU (the Congress of South African Trade Unions) to stop the transaction and listing was rejected by a South African High Court ruling on May 17, 2009.

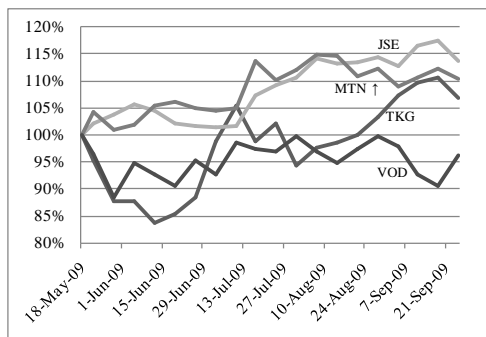
Vodacom: Pair trade recommendation still valid – Long MTN, Short Vodacom

Vodacom closed its first day of trading at ZAR58.80 per share, capitalizing the company at ZAR87.5 billion. The shares have since been trading mainly within the ZAR53-ZAR58 per share range. In our *Global Spin-Off Report* post de-merger update, published on July 15, 2009, we argued the relative merits of MTN Group (MTN SJ) over Vodacom, and in the context of a pair trade, recommended a long position in MTN and a short position in Vodacom. Since then, MTN has outperformed Vodacom by c.6%. We believe the pair trade remains valid, with MTN’s forward EV/EBITDA multiple simply moving from a slight discount valuation to par with Vodacom’s forward multiple of c.5x. Meanwhile, we see the end of MTN’s exclusive discussions with India’s Bharti (BHART IN) over a possible tie-up as no bad outcome for MTN, as it was never made clear what the strategic benefits to Africa’s largest mobile phone service provider would be from such a tie-up. The only potential upside from the deal might have been an improvement for MTN’s minority shareholders on the initial share swap terms. The downside from a failure to reach an agreement is, in our view, limited. Based on our fundamental assessment, we expect the MTN shares to continue to outperform Vodacom’s, with a 20% forward EV/EBITDA multiple being a justifiable premium.

Telkom SA: Rated NEUTRAL

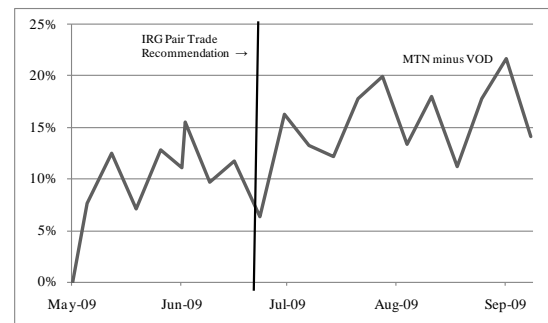
Telkom SA closed its first day as an unbundled entity at ZAR41.00 on an ex-special ZAR19 per share dividend basis. The unbundled Telkom SA has been trading mainly in the ZAR34-ZAR44 per share range, well below our sum-of-the-parts valuation assessment of ZAR52.8 per share, implying a management discount. While the company is ostensibly trading at a cheap valuation relative to our appraised worth of its underlying assets, following our post de-merger review we believe the stock risks being a value trap for the foreseeable future. In the aforementioned update report, we downgraded our recommendation on Telkom SA from BUY to NEUTRAL, with a target value range of ZAR37-ZAR42 per share, assuming a management discount of 20%-30%. In the absence of a revival of corporate interest in Telkom SA, there may be little to suggest that the market will move to eliminate the apparent management discount anytime soon. Telkom SA is not an immediate earnings turnaround story, and although some elements of top management have recently been replaced, the market will require tangible evidence that this is making a difference. The first test will not be until November 24, 2009, when Telkom SA is scheduled to report its financial results for the first half of fiscal year 2010.

TKG, VOD, and MTN SJ: Share Performance versus JSE since May 18, 2009



Source: Thomson Reuters, Institutional Research Group.

MTN Relative to VOD: Share Performance since May 18, 2009



Source: Thomson Reuters, Institutional Research Group.



Best Idea of the Month

F&C Asset Management (FCAM LN) £0.765

Recommendation: BUY

Target Price: £1.25

Since the de-merger from Friends Provident (FP LN), the FCAM share price has recovered some of its losses suffered in the weeks ahead of the de-merger, but has underperformed the benchmark FTSE-100 by c.6% (as of September 29, 2009) and has lagged many of its peers (see below). We believe there are several reasons for the underperformance. First, since the release of the group's interim results for 2009 on August 5, 2009, the market has downgraded earnings, increasing concern over the safety of FCAM's high-yielding dividend of £0.06 per share. Second, the continuing downward AUM trend has disappointed investors. Finally, FCAM's share price performance is not untypical of spin-co's as a result of some overhang from the de-merger.

While the consensus 2009 EPS forecast of £0.059 implies an uncovered dividend, we believe that the strength of FCAM's balance sheet should allow the company's Board of Directors to tolerate the situation temporarily and maintain the dividend. The consensus EPS projection for 2010 is for a c.17% rebound. In terms of AUM performance, there is potential for upside surprise in the third quarter of 2009 as a result of a stronger market environment and a return to GBP weakness against the Euro. Since the end of June 2009, the GBP has depreciated by c.8% against the Euro. Moreover, assuming no repeat of the exceptional client outflows experienced in the second quarter, and taking into account recognition of some of the £1.4 billion of new institutional mandates in FCAM's pipeline, we would expect AUM to rise in the third quarter of 2009.

We continue to rate FCAM a BUY with a target share price of £1.25. Our target price would put FCAM on an EV/AUM of 0.78%, which would be lower than Legg Mason's (LM) current valuation of 0.90%, the lowest value on this measure among FCAM's fixed-income-oriented asset manager peers. In order to arrive at an EV/AUM valuation similar to that of Legg Mason, our target price would imply AUM of £77 billion, some 13% below FCAM's reported £88.3 billion as of the end of June 2009.

Comparative Valuation Table

Company	Ticker	Country	Equity	F.I.	Other	AUM (mn)	Price	Mkt. Cap. (mn)	EV (mn)	EV/AUM	2009E P/E	2009E P/B	2009E Div. Yield	2009E Payout Ratio
BlackRock	BLK	US	27%	42%	31%	\$1,373,160	\$214.12	\$28,556	\$28,161	2.05%	37.3	2.2	1.5%	54%
Aberdeen Asset Mgmt.	ADN LN	UK	28%	42%	25%	£101,300	£1.54	£1,545	£1,766	1.74%	20.8	2.0	3.8%	79%
Henderson Group plc	HGG LN	UK	36%	43%	20%	£53,000	£1.30	£1,070	£1,099	2.07%	19.2	4.1	4.1%	79%
Legg Mason	LM	US	20%	56%	23%	\$656,900	\$31.43	\$4,498	\$5,898	0.90%	32.4	1.0	0.4%	12%
Fixed Income Avg.										1.69%	27.4	2.3	2.4%	56.3%
F&C Premium (Discount) to Fixed Income Avg.										-70%	-52%	-71%	223%	85%
Eaton Vance	EV	US	60%	28%	12%	\$136,300	\$27.15	\$3,162	\$3,402	2.50%	28.0	10.3	2.4%	66%
T. Rowe Price	TROW	US	72%	28%	0%	\$315,600	\$45.25	\$11,842	\$11,175	3.54%	35.4	4.7	2.2%	77%
Franklin Resources	BEN	US	48%	32%	21%	\$451,200	\$101.25	\$23,328	\$21,115	4.68%	37.4	3.2	0.8%	29%
Waddell & Reed	WDR	US	86%	12%	4%	\$55,611	\$28.44	\$2,471	\$2,208	3.97%	26.8	7.3	2.6%	70%
Janus Capital Group	JNS	US	56%	3%	41%	\$132,600	\$14.28	\$2,269	\$3,157	2.38%	47.6	1.7	0.7%	33%
Schroders plc	SDR-LN	UK	43%	13%	44%	£113,300	£11.06	£2,500	£1,567	1.38%	25.9	1.9	2.7%	70%
Equity Avg.										3.08%	33.5	4.9	1.9%	57.5%
F&C Premium (Discount) to Equity Avg.										-83%	-61%	-86%	318%	81%
Total Avg.										2.33%	34.5	2.8	1.5%	48%
F&C Asset Mgmt.	FCAM LN	UK	25%	61%	14%	£88,300	£0.765	£378	£451	0.51%	13.2	0.7	7.9%	104%

Source: company reports, Bloomberg, Reuters Knowledge, Thomson One and Institutional Research Group

Competitor Share Performance since March 3, 2009, and July 3, 2009

<i>(In US\$ terms)</i>		Performance Since:		<i>(In £ terms)</i>		Performance Since:	
Company	Ticker	3/3/2009	7/3/2009	Company	Ticker	3/3/2009	7/3/2009
BlackRock	BLK	136%	28%	BlackRock	BLK	102%	27%
Aberdeen	ADN-LN	40%	26%	Aberdeen	ADN-LN	19%	25%
Henderson	HGG-LN	106%	39%	Henderson	HGG-LN	76%	38%
Legg Mason	LM	171%	31%	Legg Mason	LM	131%	30%
F.I. Average		113%	31%	F.I. Average		82%	30%
T.Rowe	TROW	112%	15%	T.Rowe	TROW	81%	14%
Eaton Vance	EV	72%	6%	Eaton Vance	EV	47%	6%
Janus	JNS	247%	25%	Janus	JNS	196%	25%
Franklin	BEN	132%	45%	Franklin	BEN	98%	44%
Waddell & Reed	WDR	123%	10%	Waddell & Reed	WDR	91%	9%
Schroders	SDR-LN	86%	36%	Schroders	SDR-LN	59%	36%
Equity Average		129%	23%	Equity Average		95%	22%
Total Average		123%	26%	Total Average		90%	25%
F&C	FCAM-LN	28%	17%	F&C	FCAM-LN	9%	16%

Source: Thomson One and Institutional Research Group



Julius Baer Group (FCAM LN) Sfr.38.3 Recommendation: BUY Target Price: Sfr.46.2-Sfr.50.7

The listing of Julius Baer Group on October 1, 2009 provides investors with an opportunity to invest in a uniquely clean and stable private banking entity, with growth attractions. Given the absence of pure comparables, we reference three listed Swiss wealth managers (EFG International, Bank Sarasin, and Vontobel) as the closest comparables in order to arrive at a fair value share price target for Julius Baer Group.

Julius Baer’s private banking business performance through the financial crisis compares favorably with its peer group across a variety of financial criteria. Thus, we believe that it would be fair for the market to assign a valuation premium to Julius Baer Group, which would also be justified by its uniqueness as a genuinely pure private banking play and its relatively large scale. Our group of selected comparables trades on an average 2010 earnings multiple of 13.9x as of October 1, 2009, with Bank Sarasin being the highest valued at 16.6x (see below).

Peer Group 2010 P/E Multiple Valuations

Company	Ticker	Price (10/1/09)	Mkt. Cap. (mn.)	2010 EPS	P/E
Bank Sarasin	BSAN SW	SFr. 41.55	SFr. 2,084	SFr. 2.51	16.6x
EFG International	EFGN SW	SFr. 18.40	SFr. 2,699	SFr. 1.48	12.4x
Vontobel Holding	VONN SW	SFr. 33.90	SFr. 2,204	SFr. 2.67	12.7x
Average					13.9x

Source: Thomson One and Institutional Research Group.

Historically, Julius Baer Holding has more often than not traded at a P/E premium over Bank Sarasin, averaging c.25% since 2006. Assuming a 0%-10% 2010 earnings multiple premium over Bank Sarasin’s valuation of 16.6x and incorporating an additional Sfr.1.5 per share to reflect the \$300 million proceeds received from the recently executed Artio Global (ART US) IPO, our fair value share price target range is Sfr.46.2 –Sfr.50.7. Julius Baer Group shares closed their first day of trading at Sfr.38.3, implying share price upside of 21% to 32% to our target range.

Moreover, as an independent entity, Julius Baer Group sees itself as a consolidator within the private banking industry and is well positioned to achieve further value-accretion. A BIS tier one ratio of 19% leaves Julius Baer Group with excess capital greater than Sfr.800 million. The company believes that it has a 9-12 month window to make value-enhancing acquisitions, suggesting that there will likely be some activity within this period. We rate Julius Baer Group a BUY.

For more detailed analysis, please refer to our *Global Spin-Off Report* on the Julius Baer Holding split, dated September 14, 2009, and our follow-up *Flashes*, dated September 29, 2009 and October 1, 2009.