

**Fund Information**

Jurisdiction: The Netherlands, semi-open ended FGR  
 Inception date: November 2<sup>nd</sup>, 2006  
 Subscriptions: Quarterly  
 Redemptions: Quarterly  
 Notice period: 45 days  
 Min. investment: EUR 250'000 Feeder - ISIN NL0000687044  
 Master - ISIN NL0000687036  
 Administrator: Fastnet Netherlands  
 Custody Bank: Kas Bank N.V., The Netherlands  
 Auditor: Ernst & Young  
 Manager: Deminor Investment Management BV  
 Fees: 1.50% mgt fees & 20% performance fee above Euribor 3 months + 200 bp & high watermark  
 Web site: www.dagfund.com

**Investment Philosophy**

The Deminor Active Governance Fund (DAGF) aims to generate long term positive absolute returns by investing in undervalued listed companies with clear value improvement potential, to be unlocked via active shareholder engagement.

The DAGF invests in European companies that represent sound business fundamentals, yet are valued at a substantial discount towards their peers.

Furthermore, the discount must be attributable to clearly identifiable governance factors which can be improved through active engagement or external catalysts.

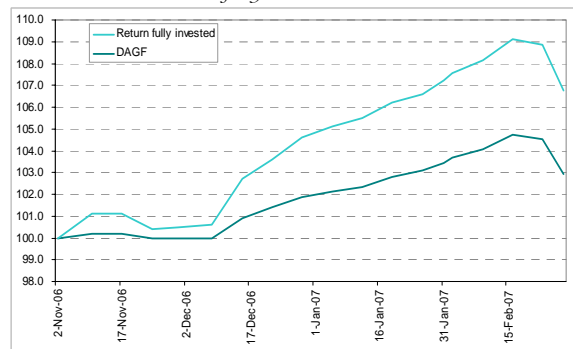
**Deminor Active Governance Fund – fund performances in EUR since inception on November 2, 2006**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
<b>2006</b>											0.0%	+1.9%	+1.9%
<b>2007</b>	+1.5%	-0.5%											+1.0%

DAGF performances differ from the return fully invested since investments are made progressively.

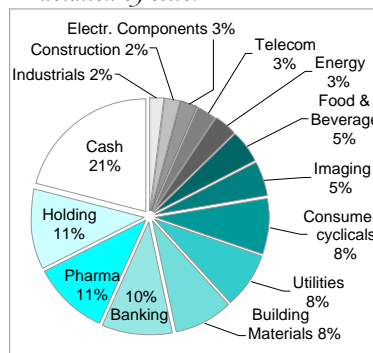
**Cumulative Performance since inception**

*DAGF versus Return fully invested*

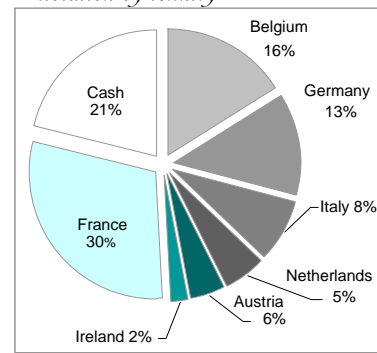


**Current DAGF Allocation**

*Allocation by sector*



*Allocation by country*



**Monthly review**

DAGF continued to invest gradually its cash in February and benefited from the stock market decline. The investments represented 78.9 % at the end of the month. The invested part of the fund includes a convertible bond representing 2.7 % of the assets. The return of the fund amounted to -0.5 % while the return of the invested part of the fund amounted to -0.4 % ahead of the DJ Eurostoxx which declined by - 1.6 % over the month. This shows the good relative resistance of the stocks in the portfolio in adverse conditions. The cumulative outperformance of the invested part of the fund since inception compared to the DJ Eurostoxx amounts to 1.4 % at the end of February. The NAV amounted to 102.94 at end February.

The main event of the month was the strong rise of a German stock active in the solar energy business. All the stocks of this sector jumped driven by a wave of buying following President Bush's speech about renewable energies. Mr. Bush pointed out that the United States should rely more on alternative energy sources. He said that he sees these technologies on the threshold of incredible advances. The stock DAGF owns offers attractive fundamentals and trades at relative low multiples. We believe the discount is attributable to corporate governance factors that may be corrected.

To receive the prospectus and subscription documents or for more information about the Fund, please send us an e-mail at [dagf@deminor.com](mailto:dagf@deminor.com) or call us at +31-23-750.5220.

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