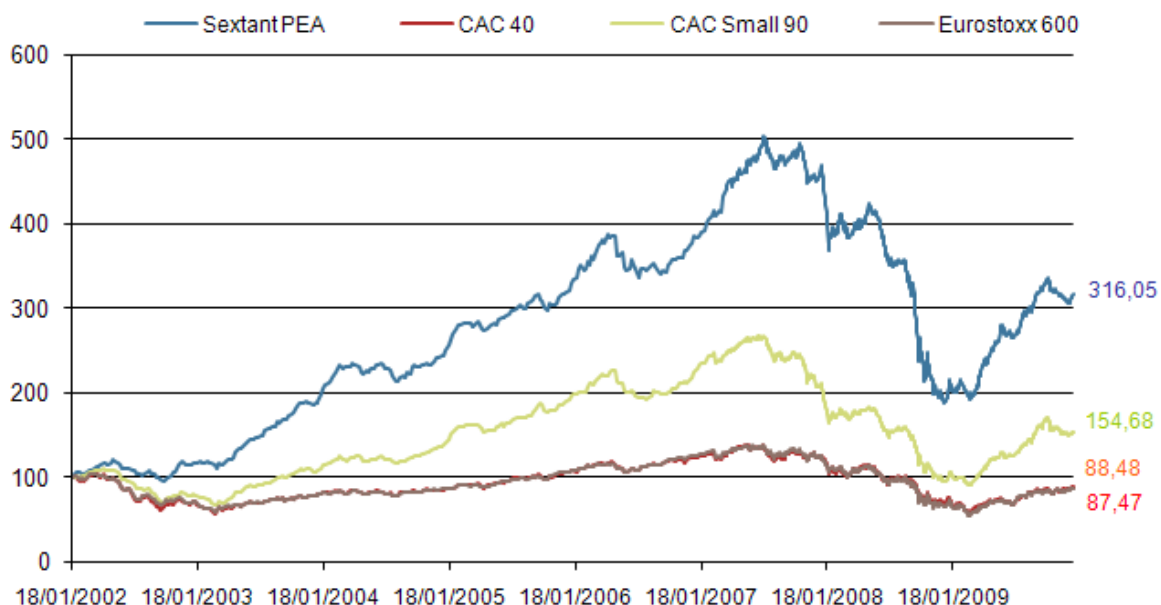


Sextant PEA Annual Management Report 2009

PERFORMANCE

The value of the Sextant PEA fund's assets on 31 December 2009 was 120.2 million euros. Over full-year 2009, the Sextant PEA fund posts a rise of 61.80%, while over the same period the CAC 40 is up 22.33%, the Dow Jones Stoxx 600 index is up 27.99% and the CAC Small 90 index has risen 58.69%. Since its launch on 18 January 2002, Sextant PEA posts a rise of 216.05% compared with a 54.68% rise for the CAC Small 90 index and falls of 11.52% and 12.53% for the Euro Stoxx 600 and the CAC 40 index respectively.



Note: Past performance is not necessarily a guide to the future results of the Fund; performance may vary over time.

2009 will remain a year full of paradoxes for investors, starting in extreme tension and then ending with an inexorable rise. Following a dreadful year for all markets in 2008, from March 2009 all asset classes rose: equities, bonds, convertibles, oil and commodities... The stockmarket indices closed the year on highs.

Central banks, providing liquidity in historically unrivalled proportions, helped refinance the economy and reduced market volatility. Against this backdrop, the best-performing assets were the most cyclical sectors such as banks, the automotive industry and commodities, and less liquid asset classes such as convertible bonds and small-cap shares. Your fund was heavily invested on all these themes. Our outperformance relative to the equity indices was therefore substantial. The decision that we took in the last quarter of 2008 not to expose more than 25% of the portfolio to a single sector or a single theme, in order to better control our risk, did not penalize our performance in 2009, in the phase of a rebound in energy and commodity prices, which is a satisfaction for us.


TEN LEADING POSITIONS AS AT 31 DECEMBER 2009

Name	Country	Sector
Gameloft	France	Leisure
Boiron	France	Healthcare
Mille Mercis	France	Media / Internet
TGS Nopec Geophysical	Norway	Energy
Entrepose Contracting	France	Energy
OL Groupe	France	Leisure
Maurel et Prom	France	Energy
Compagnie des Alpes	France	Leisure
Google	United States	Media / Internet
Petrobank Energy & Resources	Canada	Energy

The 10 leading companies account for 45% of the portfolio and the 20 leading companies 69%, which shows a good concentration of investments.

Although **Gameloft** is a company that we have been monitoring closely since 2004, its more recent position at the head of the portfolio can be explained by extremely favourable conditions for growth in its sales. The rapid success of the iPhone has stimulated development of the use of games downloaded on mobile phones. It is only in 2010 that **Gameloft** will reap the first results of a patient strategy of re-investing its profits in R&D.

Boiron is the world leader in homeopathy and related specialty products (OTC) that it sells in 17 countries. It has high growth potential, benefiting from major barriers to entry (R&D and industrial facilities) and long-term visibility. But Boiron is also completing its restructuring, following the successful integration of Laboratoires Dolisos. Strong operating leverage is expected over the coming years due to growth in self-medication and OTC specialties (Oscillocoquinum, Coryzalia). The valuation is the same as three years ago for revenues and profits that have doubled. The enterprise value is no more than 8 times 2010 operating profits.

TGS Nopec: Now world leader in the field of multi-client seismic studies, TGS's profits have proved remarkably resilient this year (25% decline). This is due to two factors. Firstly, multi-client seismic studies are more resilient in a cycle low than proprietary seismic studies, because they enable the client oil companies to share the costs of studies carried out by TGS. Secondly, the company has continued to gain market share against its competitors (CGG-Veritas, PGS, Schlumberger). Buffeted by the overcapacity in ships which reduced their profits to almost zero, the priority of these companies this year was debt reduction, and they invested very little in multi-client studies. TGS did so in their place and will therefore come out of this crisis stronger. Its valuation relative to deteriorated cycle-low earnings remains very low for a company that has little capital employed, with a 2009 PE of 12 and with 15% of the market capitalization covered by cash holdings.

Entrepose Contracting, present in our portfolio since 2007, is a project engineering company in the oil and gas sector experiencing strong growth due to the globalization of its network and the addition of related new businesses. The orders backlog, at an historical high, ensures us of revenue growth exceeding 20% in 2009 and no doubt in 2010. The PE is less than 10X 2010, and the company has a large cash pile.

Compagnie des Alpes: This company runs two very different businesses, as ski resort operator and leisure park manager (Parc Astérix, Musée Grévin, etc.). While the high-altitude ski resorts generate high operating profit margins, this is partially masked by the poor profitability of the leisure parks. The restructuring underway could provide major profit leverage, while the current financial ratios (PE of 10.4X 2009, 4% yield) are very conservative for a concession operation business.

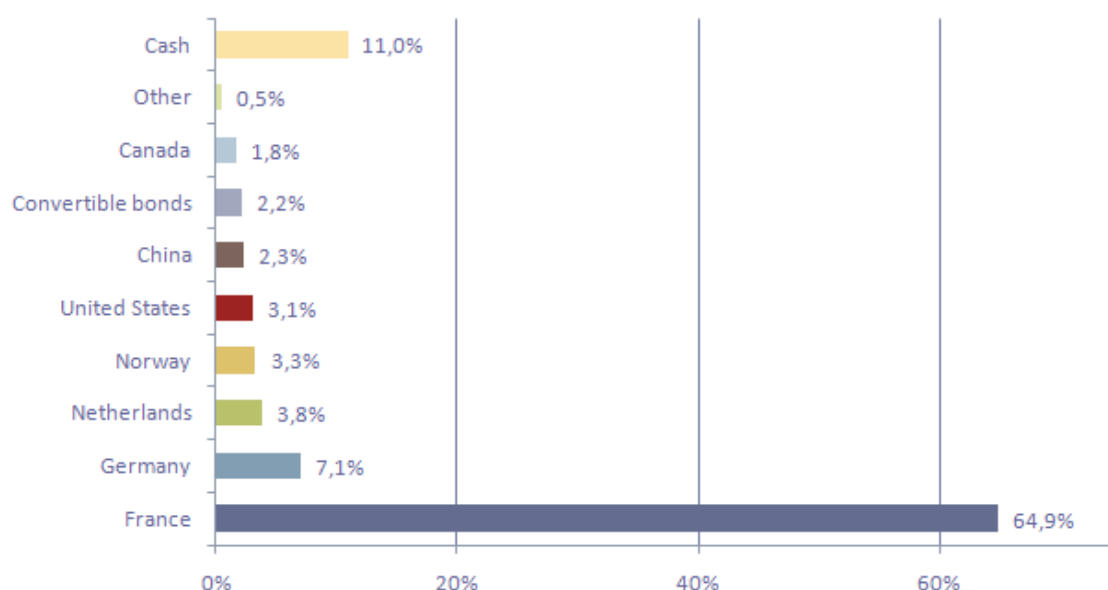
Petrobank remains our favourite share in the Exploration-Production sector. The company has announced the merger of its Canadian subsidiary with the Tristar company, increasing visibility on the long-term development of the prolific Bakken field. Moreover, the major potential of the THAI technology, currently overlooked by the market, could take a more concrete form in the coming months. After several years of tests, the company recently started full-scale application of its technology on several Canadian projects.

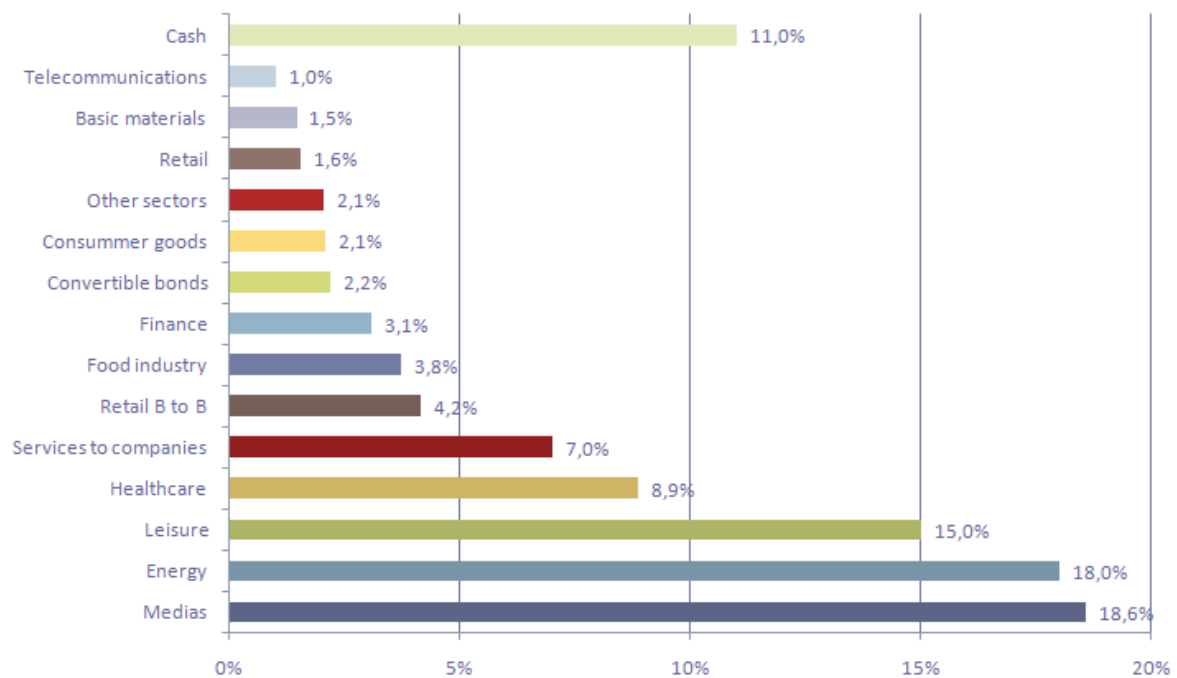
Sales:

The weighting in the portfolio was reduced for shares that performed strongly in 2009, such as **Recylex**, **Arcelor** and **Volkswagen** for the more cyclical companies, and also **Petrobras**, **Google** and **Maisons France Confort**.

At mid-year, we liquidated our position in **convertible bonds** (**Infinéon** and **Kloeckner**), which represented up to 7% of the portfolio. Their performance exceeded 50% due to the narrowing of credit spreads.

GEOGRAPHIC ALLOCATION OF ASSETS



SECTOR ALLOCATION OF ASSETS

Internet:

The weighting of this sector has not changed greatly since 2006. The partial lightening up on **Google** was offset by accumulation of shares in **Mille Mercis**, valued at seven years of operating profits, and the introduction of the Chinese online gaming company **Shanda Games**. The Internet companies in our portfolio mostly have large cash piles relative to their market capitalization. Their ability to generate recurring cash flows allows them to ride out the crisis with relatively few worries.

Energy:

At end December, the energy sector accounted for 18% of assets, versus 12% at the start of the year.

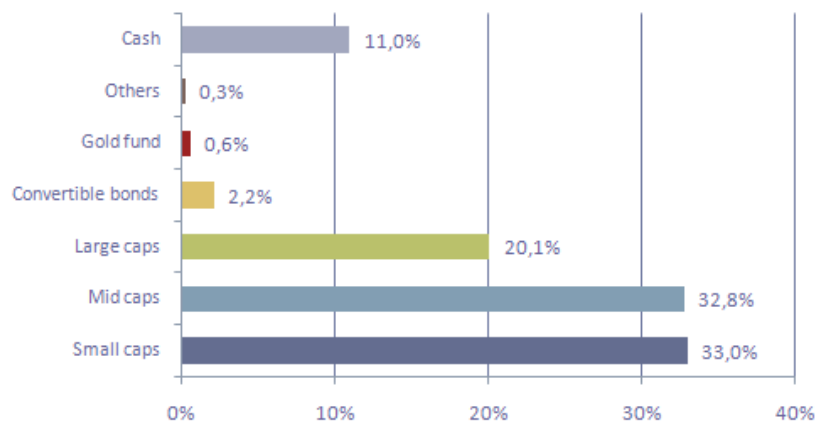
This growth can be explained by the good relative performance of the companies in the sector, but also by the build-up of our positions in **Maurel et Prom**, **Aker Exploration** and **Petrobank**.

Leisure:

Alongside our stake in **OL Groupe**, we have added the investments, described earlier, in **Gameloft** and **Cie des Alpes**.

Healthcare:

We have traditionally been absent from this sector, since its products are hard to understand and it is subjected to growing pressure from governments of developed economies looking for savings. **Boiron** (OTC products) and **Pharmagest** (management software) escape these regulatory constraints while profiting from the sector's growth.


ALLOCATION BY MARKET CAPITALIZATION


Sextant PEA still has high exposure to small and mid caps. Over two-thirds of the portfolio are invested in capitalizations of less than one billion euros. This contrarian choice of the Amiral managers is based on very attractive valuations. Most of the companies picked have a positive cash position. The fund's conservative nature is reinforced by cash holdings close to 11%.

Use of derivatives

We bought a euro/dollar reverse certificate of maturity November 2010 covering 25% of the part of the portfolio exposed to the US dollar. The maximum risk of loss is limited to the premium invested, i.e. 0.40% of the portfolio.

ANALYSIS AND OUTLOOK

2009 was an opportunity for Sextant PEA to readjust: we drew lessons from 2008. At present one-third of your portfolio is invested in small caps, one-third in mid caps and one-third in large caps and cash and cash equivalents. This precaution is designed to achieve better control of our liquidity risk. Another important figure is that half of the portfolio is invested in companies that experienced organic growth in 2009, in the midst of an historic recession: we are still finding growth companies at attractive prices without having to assume an optimistic macroeconomic scenario. Our investments in countries outside Europe (Canada, China) move in step with another readjustment in which, over the past decade now, emerging countries and major commodity producers (Brazil, Canada, Middle East) have grown two or three times faster than the developed countries. We are continuing our research efforts to find throughout the world entrepreneurs who are able to exploit this new situation.

Amiral Gestion