AMIRAL GESTION

Sextant Peak Oil

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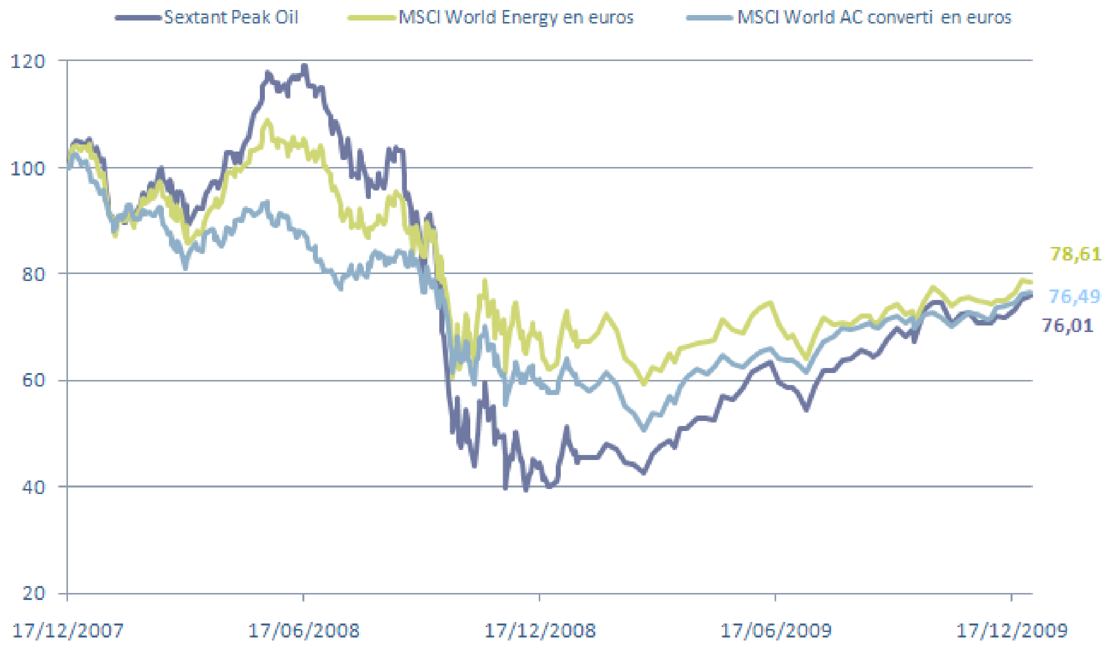
Management report at 31 December 2009

PERFORMANCE

On 31 December 2009, the total value of the fund's assets was 10.86 million euros. The per unit value rose 73.18% in 2009, compared with a 28.04% rise for the MSCI World AC converted into euros and a 19.64% rise for the MSCI World AC Energy index, likewise in euro terms.
Since its launch on 17 December 2007, Sextant Peak Oil posts a 23.99% decline versus a 23.51% decline for the MSCI World AC converted into euros and a 21.39% decline for the MSCI World AC Energy converted into euros.
The long-term goal of the fund is not to replicate an index but to profit from the structural constraints weighing on the long-term supply of oil. We believe that this investment approach produces long-term outperformance.

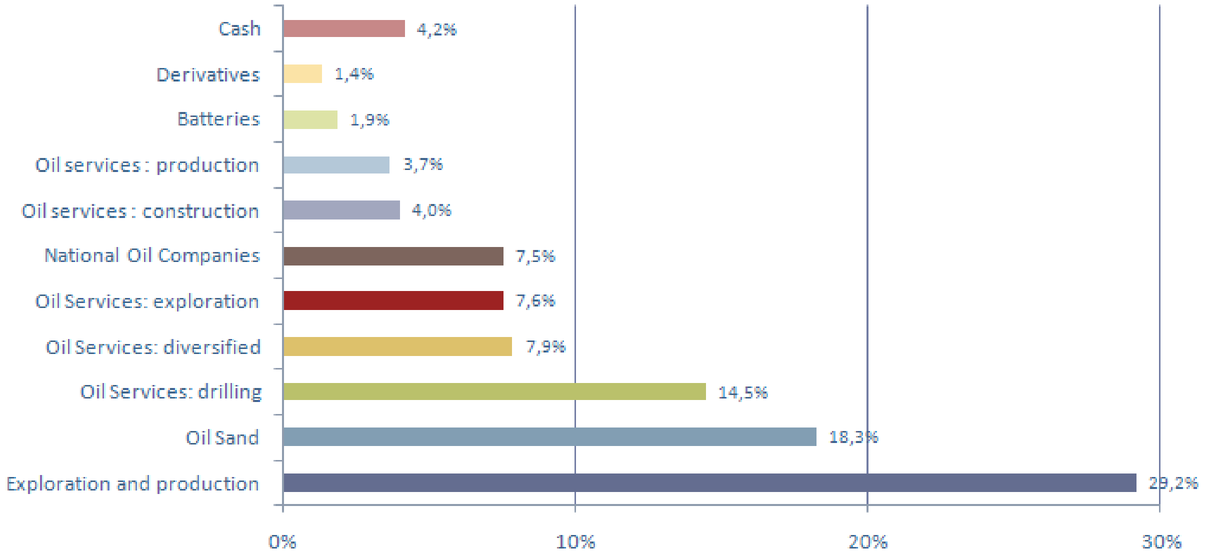


Note: *Past performance is not necessarily a guide to the future results of the Fund; performance may vary over time.*

TEN LEADING POSITIONS AS AT 31 DECEMBER 2009

Name	% of net assets	Country	Sector	Market capitalization
UTS Energy Corp.	9.89%	Canada	Oil sands	Mid caps
Petrobank Energy & Resources	9.09%	Canada	Exploration and production	Large caps
TGS Nopec Geophysical Co ASA	7.57%	Norway	Petroleum services: exploration	Large caps
Maurel et Prom	6.77%	France	Exploration and production	Large caps
Noble Corp	5.82%	United States	Petroleum services: drilling	Large caps
Canadian Oil Sands	4.58%	Canada	Oil sands	Large caps
Transocean	4.52%	United States	Petroleum services: drilling	Large caps
Whiting Petroleum Preferred 6.250%	4.26%	United States	Exploration and production	Large caps
Fred Olsen Energy ASA	4.13%	Norway	Petroleum services: drilling	Large caps
Petrobras	4.11%	Brazil	State oil company	Large caps

Sector allocation of assets



2009 was another volatile year for oil prices, and for your fund, still mainly invested in equities related to this sector. After continuing to fall from $44 in January to $34 in the depths of the financial crisis, the oil price returned to $80 per barrel at the end of the year, despite the scepticism of many players regarding the sustainability of the recovery. Although some may be tempted to see this as a speculative bubble, our interpretation of the fundamentals leads us to consider the current price as the sign of potentially major tensions in the future, in a context of global economic recovery.

While the first part of the year was marked by a significant decline in consumption of petroleum products, in the second half global demand picked up sharply, partly due to a pickup in automotive traffic and partly due to restocking by the various players. All in all, global consumption fell by between 1% and 1.5% relative to 2008. That's not much in the end, given the upheavals created by this crisis.

Faced with a very low oil price and the need for many of them to consolidate their balance sheets, exploration-production companies slashed their investments in both exploration and development, thereby aggravating the already gloomy outlook for growth in supply. Now, the projections for demand, boosted by emerging-market growth and by the recovery in the OECD, are currently for a return to the highs of 2008 around the middle of 2011. This could lead to a new supply crunch in the very near future.

Even in China, where investment nevertheless remained at high levels, domestic production declined for the first time this year, by 0.5%. The fifth largest producer in the world, China is also the second largest consumer, and its domestic demand increased by a further 6.6% in 2009. As an inevitable consequence, in 2009 China imported more oil than it produced, for the first time. It is easy to understand the country's hunger for obtaining secure resources beyond its borders. The number of acquisition deals in the sector by Chinese players should therefore no doubt remain at a high level over the coming years.

The outlook for the supply is hardly encouraging, despite a 1% rebound in non-OPEC production in 2009 because there were no hurricanes in the Gulf of Mexico and as several projects that had been in preparation for some years came into production. According to a study by Goldman Sachs, 2009 is expected to have been the last year of an increase in non-OPEC production, and the decline, after resuming in 2010, is expected to accelerate from 2011, exceeding 2% per year. OPEC could be short of production capacity as of 2011 if the economic recovery scenario materializes. This could create very significant pressure on supply, with prices then being subjected to an auctioning system to ration demand.

Longer-term, the extra supply from Iraq will be essential to meet growth in demand from the emerging countries. The objectives set when signing service contracts recently with the international oil companies have the merit of being ambitious, but the country still has a lot of challenges to face before it can hope to achieve them.

Exploration and production companies

During the last quarter we increased our position in **UTS Energy**, that we introduced into the portfolio in May 2009 at a price of $1.5. The major shareholders had just blocked a hostile takeover bid by Total at $1.75. The company, which has several licences in oil sands in Canada, surprised us positively by selling one of them to Exxon for $250m. Following this disposal, the company has around $1 net cash per share, i.e. 40% of the current share price. The market values the company's other mining rights very cheaply due to uncertainty concerning their development time frame, but we think that, once this uncertainty has been settled, it is relatively easy to see an asset value of $4 to $5 per share.

Petrobank, which we tell you about regularly, made a major step forward this quarter in the validation of its new "THAI" technology for heavy oil extraction, designed to be cleaner and more economical. The good results achieved on its Kerrobert project in Canada will lead it to expand development of the field from the third quarter of this year.

Canadian Oil Sands is the biggest shareholder in the Syncrude project, and an historical player in mining production from oil sands in the Canadian state of Alberta. The technical improvements made by the operator Exxon in the past three years are starting to bear fruit in the form of increased production, and could lead to a gradual revaluation of the share price.

We have established a position in **Bonterra Oil&Gas**. This company, which customarily drilled vertical wells in the huge Canadian field of Cardium, recently began applying the most recent technology, horizontal drilling, which was spearheaded by Petrobank, among others, in the Bakken field. These new techniques could enable it to double the in-situ oil recovery rate.

Finally, we have reduced our position in **Detnor** due to the lack of a clear management team strategy.

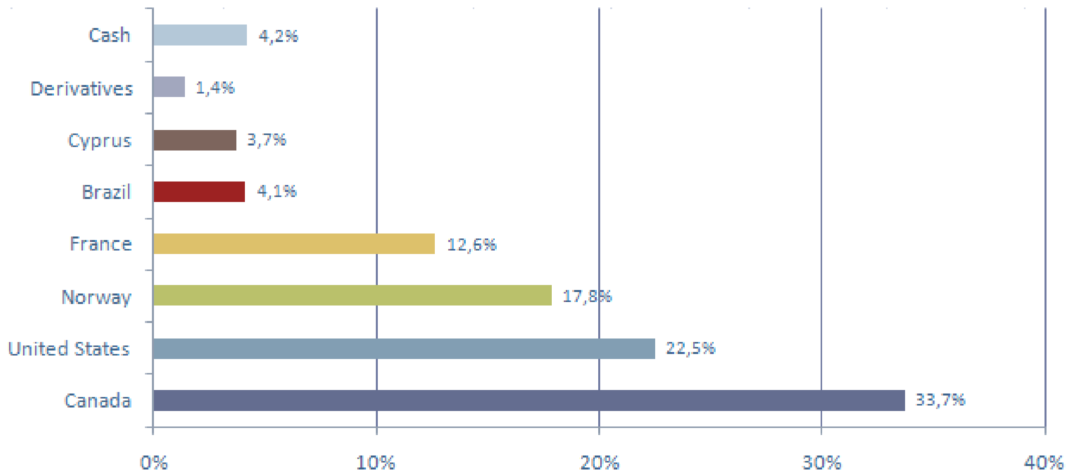
Service companies

Deepwater drilling companies remain a major theme of the fund. Their large order backlogs signed at high prices in recent years give excellent visibility on their future earnings and valuations are still very low, with PEs of less than 10.

In this sector, we have built up our position in the world leader **Transocean**, which is reinforcing its fleet with new ultra-modern platforms.

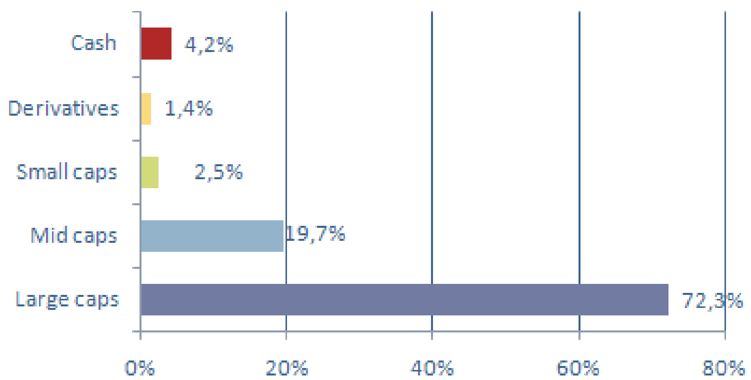
TGS Nopec remains one of the fund's leading positions following another strong performance in the last quarter. As we explained in our last report, **TGS Nopec** comes out of this crisis in a stronger position. TGS was the only company in the sector to invest massively in 2009 at the cycle low and is very well positioned to profit fully from this in 2010, a significant year for the granting of exploration licences off Greenland, in the North Sea and in the Gulf of Mexico. These grants are ideal opportunities for **TGS Nopec** to sell its seismic data. The company's management proved extremely foresighted by investing well before the others in studies in Greenland, which is now regarded as an Eldorado for the oil industry. Although the share price has been multiplied by more than three in less than a year, the valuation relative to cycle-low profits 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.

Geographic allocation of assets



The geographic allocation is merely the reflection of our stock picking strategy and did not fundamentally change during the past quarter.

Allocation by market capitalization



The fund has good liquidity despite its small size, since most of the component companies are large caps.

Use of derivatives: We purchased an EUR/USD reverse certificate in order to hedge our dollar exposure for 25% of the portfolio. Practically all the companies in the portfolio depend on the level of oil prices and their revenues are dollar-denominated. The portfolio is therefore almost 100% exposed to a fall in the US dollar. However, we believe that any decline in the dollar will be offset by a rise in the oil price, since the oil-producing countries will not accept the United States being able to reduce its energy bill inexpensively in this way. The impact is therefore neutral on the

exploration-production companies. We have nevertheless chosen to hedge this dollar exposure partially, because some companies in the portfolio, especially the drillers (**Noble**, **Transocean**, etc.), have substantial order books at fixed prices denominated in US dollars over several years (until 2018 for some contracts). In their case, the dollar decline represents a real loss of revenue that should be hedged against.
We did not use any other derivatives in your fund.