

MANAGEMENT REPORT on 30 06 2011

The main facts and trends since 31 03 2011 are :

- The debt crisis continues to shake the euro area and is intensifying, as we forecast.
- The central banks continue to create money not backed by real wealth, particularly in the USA, without boosting growth.
- The figures show that world growth has slowed down as we anticipated, contrary to the consensus.
- For the time being the results of businesses continue to improve and their balances are globally healthier.

Fundamentally:

- The debt of the Western states is very excessive.
The government bonds in future default on the banks' and insurances' balance sheets continue to be a significant threat to the financial system and growth.
In Europe we confirm our conviction that Greece, Portugal and Ireland at least will default on their debts. The probability that these countries abandon the Euro is high.
- The tax payers will have to contribute significantly more for several years.
- With our management strategy we stay away from opaque investments.
We stay away from MUTUAL FUNDS, UNIT TRUSTS for our collective investments unless we ensure the management ourselves.

This in order to ensure our clients **transparency, security and performance.**

STRATEGY FOR 2nd QUARTER 2011

Concerning the share market we have:

- Conserved a very cautious strategy as the proportion of shares in the portfolio was below 50% even for dynamic portfolios.
- Continued to implement our medium term niche strategy for blue chip and special situations.
- Sold our positions on European values making most of their profits in emerging countries as we also forecast a slowdown in emerging countries.

Concerning the bond market we have:

- Maintained the weighting of the bonds.
- Continued to implement our niche strategy on high-return bonds of target medium and large companies.

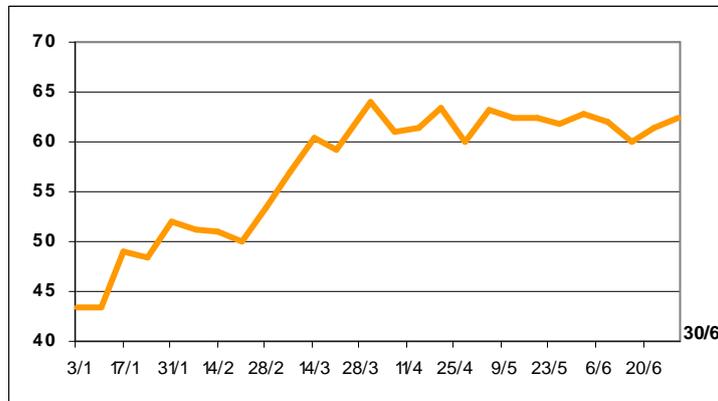
PERFORMANCE ON 30 06 2011

Our management, despite being extremely cautious, has overperformed the markets

Portfolio 100% bonds:	Portfolio 50% bonds:
+ 3.8%	+ 15.7%
Bond index € + 1.5%	Eurostock 50: + 1.8%

Our best performances on 30 06 2011 dividends included

Bonds: ORCO CV **+ 45.5%**



Shares: AFONE **+ 92%**



PROSPECTS

Macro economy

We maintain our hypothesis of a decline in world growth in 2011.

- However, we confirm that companies will continue to invest at a satisfactory level which will bring support to world growth in the medium term.
- However, a financial crisis caused by bad management of the debt problem would stop the current weak world growth.

Share market

- The creation of money by the central banks is slowing and the market has lost a prop as part of this money was reinvested in shares.
- The slowdown in growth will penalize the results of businesses.
- However, structural measures to stabilize the European situation will lead to a rise.

Bond market

- The decline in the creation of money is likely to cause an increase in rates.
- The debts of healthy companies will remain of better quality than the debts of the states as the company balance sheets are of better quality than the state budgets.