

# Value Square Fund

SICAV

Semi-annual report as at 30 June 2012

Investment company with variable capital under Belgian law

Category Investments complying with the stipulation of Directive 85/611/CEE

# **Value Square Fund**

SICAV

Semi-annual report as at 30 June 2012

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No subscriptions may be accepted on the basis of this report. Subscriptions are only valid if they are made after the Key Investor Information Document or the prospectus has been provided free of charge.

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# Value Square Fund

## 1. ORGANISATION OF THE UNDERTAKING FOR COLLECTIVE INVESTMENT

### 1.1. Registered Office

Derbystraat 319  
9051 Ghent

### 1.2. Date of incorporation of the company

25th August 2008

### 1.3. Board of Directors

#### Chairman

Emiel VAN BROEKHOVEN  
Independent Director

#### Directors

Wim DESCAMPS

Member of the Board of Directors of Value Square S.A.

Wim HENNEMAN

Client manager Value Square S.A.

Bernard BUYSSCHAERT

Independent Director

#### Individuals responsible for effective management :

Wim DESCAMPS

Wim HENNEMAN

### 1.4. Management type

Self-managed SICAV

### 1.5. Auditor

Deloitte Réviseurs d'Entreprises/Bedrijfsrevisoren S.C. s.f.d. S.C.R.L.,  
with the permanent representative, Maurice VROLIX  
Berkenlaan 8b—1831 Diegem

### 1.6. Promotor

Value Square S.A.

Derbystraat 319 —9051 Ghent

### 1.7. Custodian

KBC Securities S.A.

Avenue du Port 12—1080 Brussels

### 1.8. Financial management of the portfolio

Value Square S.A.

Derbystraat 319 —9051 Ghent

### 1.9. Administrative and accounting management

RBC Dexia Investor Services Belgium S.A.  
Place Rogier 11—1210 Brussels

### 1.10. Financial service

RBC Dexia Investor Services Belgium S.A.  
Place Rogier 11—1210 Brussels

### 1.11. Distributors

Value Square S.A.

Derbystraat 319 —9051 Ghent

BinckBank S.A. : branch in Belgium S.A.

De Keyserlei 58 —2018 Antwerp

## 1. ORGANISATION OF THE UNDERTAKING FOR COLLECTIVE INVESTMENT (CONTINUED)

### 1.12. Indication of the share classes

Value Square Fund Equity World comprises 3 share classes

Class C (Capitalisation)

Class I (Capitalisation)

Class S (Capitalisation)

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# Value Square Fund

## Value Square Fund Equity World

### 2. MANAGEMENT REPORT OF THE SUB-FUND

Ladies and Gentlemen

We are pleased to present the financial statements for the half-year to 30th June 2012 of the subfund of the SICAV under Belgian law Value Square Fund.

#### 2.1. Launch date of the sub-fund and subscription price of the shares

The Equity World subfund was launched on 1st October 2008.

The initial subscription period was set from 1st September to 1st October 2008. The initial subscription price was set at 100 EUR. The shares of the class S are authorized as from 16th January 2012.

#### 2.2. Stock exchange listing

Non applicable

#### 2.3. Information for shareholders

The joint stock company Value Square Fund was established as an Open ended Mutual Investment Company (SICAV) under Belgian law, hereinafter "the Company". The Company has opted for investments that meet the conditions of Directive 85/611/EEC and is governed, as far as its functioning and investments are concerned, by the law of 20th July 2004 relating to certain forms of collective management of investment portfolios.

#### 2.4. Overview of the markets

##### Economic context: United States, Europe, Asia, Latin America

The first six months of 2012 generated changeable results. The financial crisis has certainly not run its course yet in the Western world. After a rise in many classes of assets in 2010, performance in 2011 was somewhat negative. In 2012, though, we are seeing positive returns for the time being, with only Eurostoxx 50 showing a loss. The table below provides a summary of some of the major bourse indices. In all fairness, though, we must admit that much of the increase happened on 29th June in the wake of hopeful reports from the umpteenth European summit.

In economic terms, most of the figures continue to be not really very positive. Europe, America and Japan are not succeeding in cranking up growth, which brings us to the debate between savings and growth. Economists such as Paul Krugman claim that this is the worst time to make savings and that the government has to provide much more stimulus. The German way of thinking is more along the lines that you can't have stable growth when state debt is in excess of 90% in virtually all OECD countries. What people also have to understand is that the process of recovery in European and American state debt is something that will take decades. In the meantime, the emerging economies are not standing still and are gaining in importance with every passing day. This point is made even more clear in the update of the Country Quality Index (CQI).

During 2009 we conducted a major study into the quality of countries. This macro-economic ranking analysed the 60 countries that made the biggest contribution to world GDP. We selected a range of different criteria, including a number that the well-known investor, John Templeton, referred to explicitly as being important for outlining the attractiveness of the macro-economic climate of a country. Templeton views many of these macro-economic conditions as being essential for increasing economic wellbeing. Years ago, some of these conditions were characteristic for Japan and South Korea when they were developing into economic and industrial powerhouses. These criteria also help to assess the exchange rate risk better, which is a risk inherent to investing in local markets. They are based on the belief that movements in exchange rates last for years; hence we used both historic statistics (going back to 1994), as well as more recent information from 2010 and 2011. We recently computed how the currencies of the top 10 countries moved from 1st September 2009 to the beginning of July 2012. On average, the purchasing power of these local currencies rose by 22.18% against the euro.

Our study took account of the debt level of the country, its export numbers, GDP growth figures, size of the economy, trade, political risks and economic freedom, as well as demographic considerations. This data was then put together to create a single index. The macro-economic ranking summarises these studies. The end result is structured into 8 different categories. Each of these 8 categories is weighted equally to produce a score between 0 and 100.

The result of our intensive research can be seen from the rankings shown. This bar chart shows the 10 countries that came out as the best according to our study.

# Value Square Fund

## Value Square Fund Equity World

### 2. MANAGEMENT REPORT OF THE SUB-FUND (CONTINUED)



Movements in the economy are not always entirely in step with the equity market. The market tends to follow its own path, sometimes running ahead of the economy before lagging behind again by a few months. For example, the Chinese economy continues to grow, although many Chinese stocks in Hong Kong are not doing at all well. Often the market can be on the rise, while the newspapers are in funereal mood, and vice versa. The big investors, though, don't look back at what happened yesterday, or even today, but look firmly to the future. They take future cashflows into account and define how much they are willing to pay for things today.

#### Monetary policy

In 2012, monetary policy is most likely to remain "easy", with low interest rates in America and Europe. In China, we are also currently seeing a lowering of interest rates. In Europe, chairman Draghi of the ECB has already reduced interest rates twice. This inflationary pressure seems to be the way of the world for the time being and investors in government securities are prepared to accept negative rates so that they don't have to invest in equity.

#### The foreign exchange markets

Exchange rates are difficult to forecast and so we won't chance making any concrete predictions. In January 2010 we wrote: "The negative sentiment on the American Dollar is noticeable and could provoke a sharp counter-reaction." We have since seen this counter-reaction now that Europe's problems are on the front pages of all the newspapers. The euro is around 1.23 against the American Dollar (still above its initial level of 1.17). A fall in the euro against other currencies should not necessarily be seen as negative given that it strengthens the competitiveness of export-related companies.

#### The bond markets

The rate on the debt paper of some European countries perceived as safe, such as Germany, is artificially low. Investors are accepting less than 2% interest in order to block their assets for ten years while inflation is running significantly higher. Their purchasing power is being eroded. The question is whether this sort of situation is sustainable for long. A sharp rise in interest rates could cause a real crash in bonds. It may well be safer at the moment to invest in company bonds, rather than in state loans. Shorter terms would also be punished less in the event of a rate rise.

#### The equity market

2009 was a strong year for the equity market, with average performance at between 20 and 30%. 2010 began less well for most index investors, although it ended positively. 2011 was a difficult year for the bourses, with most indices turning in a negative performance. Despite all the bad messages about the economic situation, 2012 began better and most of the share indices are showing a profit.

### 2.5. Aim and main outlines of the investment policy

#### 2.5.1. Fund objective

The sub-fund invests mainly in equities of companies which are listed on a stock exchange and in any security which bestows a stake in the capital of those companies; no geographical limitation applies.

#### 2.5.2. Fund policy

##### Authorised asset categories:

The assets of this subfund will be mostly invested:

- in shares or similar securities, such as investment certificates and warrants,
- in fixed or variable-rate securities or in similar securities,
- and/or in liquid investments and money market instruments.

The subfund's assets may also be subsidiarily invested through the other asset categories mentioned in the Articles of Association appended to this document. Any investments in collective investment organisations may not account for more than 10% of the subfund's assets.

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# Value Square Fund

## Value Square Fund Equity World

### 2. MANAGEMENT REPORT OF THE SUB-FUND (CONTINUED)

#### Authorised transactions on derivative financial instruments:/u>

The subfund may also have recourse, in accordance with prevailing legal rules, to the use of derived products such as options, futures for both investment and to hedge various risks (market, exchange, etc.). The investor must be aware that these types of derivative products are more volatile than the underlying instruments.

Specific strategy:

The sub-fund invests mainly in equities of companies which are listed on a stock exchange and in any security which bestows a stake in the capital of those companies; no geographical limitation applies. Shares are selected on the basis of fundamental analysis and a bottom-up approach which places the emphasis on the principle of "value" investment. The object of the sub-fund is to achieve the highest possible return in absolute terms rather than to outperform the share indices, and at the same time to limit the risks.

In circumstances in which the fund manager considers the underlying risk to be higher than the potential yield, the proportion of investment in equities may be reduced in favour of investments in cash and money-market instruments. When the fund manager considers the risk to be average, the sub-fund may invest up to 25% in cash and/or money-market instruments. When the manager considers the market risk to be high, the subfund may invest up to 50% in cash and/or money-market instruments. The sub-fund shall always invest at least 50% in equities.

#### Characteristics of bonds and debt securities:

Issuers of fixed or variable-rate securities are mainly considered to be of good quality. Investments will be made mainly in securities issued by governments, the public sector, the private sector and international organizations.

Although the composition of the portfolio must comply with general rules and limits set by law or the Articles of Association, this does not preclude the concentration of risks in more restricted asset categories and/or geographical sectors.

The investment policy is designed to ensure diversification of the portfolio risks. However, it is uncertain how the net asset value will develop, as it is subject to the various types of risk mentioned above. Consequently, the net asset value may be highly volatile.

#### Risk profile of the subfund:

Investors are reminded that the value of their investment may decrease or increase and that they may therefore receive less than the sum initially invested. A detailed description of the risks is reproduced in the prospectus (Part B) of the sub-fund.

### 2.6. Index(es) and Benchmark(s)

Non applicable

### 2.7. Policy followed during the year

The assets of the Equity World subfund are invested mainly in shares in listed companies, with no geographical restrictions. Shares are selected based on fundamental analysis and a bottom-up approach in which emphasis is placed on the principle of Value Investing. The aim of the subfund is to strive for as high a return as possible in absolute terms, rather than the improvement of market indices, while at the same time limiting the risks. In circumstances where the fund manager assesses the downward risk to be greater than the potential return, the part of the subfund invested in equity is reduced in favour of investments in liquid assets and money market instruments.

The investment policy was not exceeded during the accounting period of Value Square Fund Equity World subfund.

### 2.8. Future policy

We see no reasons to change the policy being conducted. Hence, as the situation presents itself at the moment, the same policy will be maintained.

### 2.9. Risk Class

*The synthetic risk and reward indicator is calculated in accordance with the conditions outlined in Regulation 583/2010, the latest version of which you can find under "Important information for Investors".*

*The synthetic risk and reward indicator classifies funds on a scale of 1 to 7 on the basis of their track record with respect to volatility, and reflects the scale of risk and reward in ascending order. However, even should a fund be classified in the lowest category, this does not necessarily make it a risk-free investment.*

The sub-fund is situated in class 6.

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**2. MANAGEMENT REPORT OF THE SUB-FUND (CONTINUED)**

**2.10. Commissions and recurring fees borne by the SICAV (in EUR)**

- Legal Life fee: 4 100 EUR (Excl. VAT) per year, payable monthly.
- Reporting fee: 4 720 EUR (Excl. VAT) per year, payable monthly.
- Financial service fee: 625 EUR (Excl. VAT) per subfund per year.
- Administrator mandate is free of charge except for the Independent Administrator paid:  
Emiel Van Broekhoven: 700 EUR (Excl. VAT) per Board Meeting / General Meeting attended

**THE BOARD OF DIRECTOR**

**Value Square Fund**  
**Value Square Fund Equity World**

**3. BALANCE SHEET**

		30/06/2012 EUR	30/06/2011 EUR
	<b>TOTAL NET ASSETS</b>	105 553 857.62	97 261 160.12
<b>I.</b>	<b>Fixed Assets</b>	0.00	1 197.61
A.	Start-up costs	0.00	1 197.61
B.	Intangible assets	0.00	0.00
C.	Tangible assets	0.00	0.00
<b>II.</b>	<b>Transferable securities, negotiable and other financial instruments</b>	102 629 799.97	88 611 747.10
A.	Bonds and other debt securities	0.00	0.00
B.	Money market instruments	0.00	0.00
C.	Shares and other similar securities	97 332 696.54	84 842 282.25
a.	Shares	97 332 696.54	84 842 282.25
a.1.	Shares	97 332 696.54	0.00
D.	Other transferable securities	5 297 103.43	3 600 481.85
E.	UCI with variable number of shares	0.00	0.00
F.	Financial derivatives	0.00	168 983.00
e.	On shares	0.00	168 983.00
i.	Option contracts (+/-)	0.00	168 983.00
<b>III.</b>	<b>Long-term receivables and payables (i.e. more than one year)</b>	0.00	0.00
A.	Receivables	0.00	0.00
B.	Payables	0.00	0.00
<b>IV.</b>	<b>Short-term receivables and payables (i.e. less than one year)</b>	136 710.79	(261 576.09)
A.	Receivables	671 659.00	380 656.72
a.	Amounts receivable	409 089.17	217 296.23
b.	Tax credits	262 569.83	163 360.49
B.	Payables	(534 948.21)	(642 232.81)
a.	Amounts payable (-)	(534 948.21)	(642 232.81)
<b>V.</b>	<b>Deposits and liquid assets</b>	2 974 530.01	9 051 978.70
A.	Sight bank deposits	2 974 530.01	9 051 978.70
B.	Term bank deposits	0.00	0.00
C.	Others	0.00	0.00
<b>VI.</b>	<b>Adjustment accounts</b>	(187 183.15)	(142 187.20)
A.	Expenses carried forward	0.00	0.00
B.	Accrued income	1 597.09	370.47
C.	Chargeable expenses (-)	(188 780.24)	(142 557.67)
D.	Income carried forward (-)	0.00	0.00
	<b>TOTAL SHAREHOLDERS' EQUITY</b>	105 553 857.62	97 261 160.12
A.	Capital	99 235 048.37	98 869 132.05
B.	Profit-sharing/dividends	692 701.91	(211 470.96)
C.	Retained earnings	0.00	0.00
D.	Result for the financial year (the half year)	5 626 107.34	(1 396 500.97)

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**4. OFF BALANCE SHEET ITEMS**

		30/06/2012 EUR	30/06/2011 EUR
<b>I.</b>	<b>Real sureties (+/-)</b>	0.00	0.00
A.	Collateral (+/-)	0.00	0.00
B.	Other real sureties	0.00	0.00
<b>II.</b>	<b>Securities underlying option contacts and warrants (+)</b>	0.87	217 265.47
A.	Option contracts and warrants purchased	0.87	217 265.47
B.	Option contracts and warrants sold	0.00	0.00
<b>III.</b>	<b>Notional amounts of futures contracts (+)</b>	0.00	0.00
A.	Futures contracts purchased	0.00	0.00
B.	Futures contracts sold	0.00	0.00
<b>IV.</b>	<b>Notional amounts of swap contracts (+)</b>	0.00	0.00
A.	Swap contracts purchased	0.00	0.00
B.	Swap contracts sold	0.00	0.00
<b>V.</b>	<b>Notional amounts of other financial derivatives (+)</b>	0.00	0.00
A.	Contracts purchased	0.00	0.00
B.	Contracts sold	0.00	0.00
<b>VI.</b>	<b>Uncalled amounts on shares</b>	0.00	0.00
<b>VII.</b>	<b>Commitments to call resulting from transfers-disposals</b>	0.00	0.00
<b>VIII.</b>	<b>Commitments to buy resulting from transfers-disposals</b>	0.00	0.00
<b>IX.</b>	<b>Financial instruments loaned</b>	0.00	0.00
A.	Shares	0.00	0.00
B.	Bonds	0.00	0.00

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**5. INCOME STATEMENT**

		30/06/2012 EUR	30/06/2011 EUR
<b>I.</b>	<b>Depreciation, capital loss and capital gain</b>	4 494 091.75	(2 928 720.28)
A.	Bonds and other debt securities	0.00	0.00
B.	Money market instruments	0.00	0.00
C.	Shares and other similar securities	3 012 318.38	(3 038 188.01)
a.	Shares	3 012 318.38	(3 038 188.01)
D.	Other transferable securities	1 448 602.79	100 749.59
E.	UCI with variable number of shares	0.00	0.00
F.	Financial derivatives	0.00	100 514.36
e.	On shares	0.00	100 514.36
i.	Option contracts	0.00	100 514.36
G.	Amounts receivable, deposits, liquid assets and amounts payable	0.00	0.00
H.	Foreign exchange positions and transactions	33 170.58	(91 796.22)
b.	Other exchange positions and transactions	33 170.58	(91 796.22)
<b>II.</b>	<b>Investment income and expenses</b>	1 863 500.29	2 179 541.85
A.	Dividends	2 097 504.99	2 342 655.14
B.	Interest (+/-)	2 001.95	295.14
b.	Deposits and liquid assets	2 001.95	295.14
C.	Interest expenses (-)	0.00	(54.89)
D.	Swap Contracts (+/-)	0.00	0.00
E.	Withholding tax (-)	(236 006.65)	(163 353.54)
b.	Foreign	(236 006.65)	(163 353.54)
F.	Other income from investments	0.00	0.00
<b>III.</b>	<b>Other income</b>	25 159.29	12 338.13
A.	Allowance to cover costs of asset acquisition and realisation, discourage withdrawal and cover delivery costs	23 214.31	9 580.70
B.	Others	1 944.98	2 757.43
<b>IV.</b>	<b>Operating expenses</b>	(756 643.99)	(659 660.67)
A.	Transaction and delivery expenses on investments (-)	(67 742.38)	(94 906.38)
B.	Interest and other finance expenses (-)	(7 397.00)	(8 675.70)
C.	Depository fees payable (-)	(36 522.29)	(35 964.92)
D.	Management fees payable (-)	(573 407.64)	(452 973.84)
a.	Financial management	(551 087.42)	(433 280.39)
b.	Administrative and accounting management	(22 320.22)	(19 693.45)
E.	Administrative expenses (-)	(6 227.73)	(5 608.02)
F.	Start-up costs (-)	(8 618.23)	(2 356.16)
G.	Salaries and wages, social security charges and pensions (-)	0.00	(1 400.00)
H.	Various services and goods (-)	(7 668.27)	(7 025.82)
I.	Depreciation allowances and contingency and loss provisions (-)	0.00	0.00
J.	Taxes	(39 904.91)	(36 453.78)
K.	Other expenses (-)	(9 155.54)	(14 296.05)
	<b>Income and expenses for the financial year</b>	1 132 015.59	1 532 219.31
	<b>Sub total II+III+IV</b>		
<b>V.</b>	<b>Current profit (loss) before income tax</b>	5 626 107.34	(1 396 500.97)
<b>VI.</b>	<b>Income tax</b>	0.00	0.00
<b>VII.</b>	<b>Result for the financial year (the half year)</b>	5 626 107.34	(1 396 500.97)

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# Value Square Fund

## Value Square Fund Equity World

### 6. SUMMARY OF BOOKING AND VALUATION RULES

#### 6.1. Summary of rules

The assets of the SICAV (the mutual fund) are evaluated as indicated below, in compliance with the rules drawn up by the royal decree of 10 November 2006 concerning accounting procedures, the annual accounts and the periodic reports of given public collective investment undertakings with a variable number of units:

##### 1. Securities, money market instruments and financial derivative instruments:

Securities, money market instruments and financial derivative instruments held by the SICAV are measured at their fair value. In order to determine said fair value, the following procedure must be respected:

If reference is being made to parts of the assets for which there is an active market operating through the participation of third-party financial institutions, the current bid price and current ask price set on this market will be applied.

- a) If reference is being made to parts of the assets negotiated on an active market that excludes the participation of third-party financial institutions, the closing price will be applied.
- b) If the rates indicated in item a) are not available, the price of the most recent transaction will be applied.
- c) If, for any part of the given assets, there is an organised market or an OTC market, but this market is not active and the rates applicable are not representative of the fair value, or if, for any given part of an asset, there is neither an organised market nor an OTC market, the fair value is measured on the basis of the current fair value of similar parts of the assets for which there is an active market.
- d) If, for any part of the given assets, the fair value – as mentioned in item c) – of similar parts of the assets does not exist, the fair value of the part in question is determined by recourse to other means of valuation, respecting certain conditions; their validity, in particular, has to be regularly tested.

If, in exceptional cases, there is, in the case of equities, no organised market or OTC market, and the fair value of these equities cannot be determined reliably in compliance with the procedure outlined above, the equities in question will be evaluated at cost.

Depending on the underlying instrument, the financial derivative instruments (swap contract, forward contract and option contract) measured at their fair value are posted to sub-items on the balance sheet and/or off the balance sheet.

The underlying values of the option contracts and the warrants are posted to off-balance items in section "II. Underlying values of option contracts and warrants".

The notional amounts of the forward contracts and the swap contracts are posted to off-balance-sheet items in "III. Notional amounts of forward contracts" and "IV. Notional amounts of swap contracts" respectively.

##### 2. Collective Investment Undertaking units

Collective Investment Undertaking units with a variable number of units held by the SICAV are measured at their fair value in compliance with the procedure outlined in item 1.

Collective Investment Undertaking units with a variable number of units held by the SICAV and for which there is no organised market or OTC market are measured on the basis of the net asset value of these units.

##### 3. Expenditure and income

The SICAV provides for known expenditure and income or for expenditure and income likely to be subject to a sufficiently accurate evaluation whenever units are issued or redeemed. Recurring expenditure and income is indicated *prorata temporis* in the value of the units.

##### 4. Receivables and debts

Forward claims that are not represented by securities or negotiable money market instruments are measured at their fair value, in compliance with the procedure outlined in item 1.

Sight assets on credit institutions, current account commitments to credit institutions, short-term amounts receivable and payable other than those concerning credit institutions, tax credits and tax debts as well as any other debts will be measured at their nominal value.

Should the investment policy not be mainly focused on the investment of resources in deposits, liquidities or money market instruments, the board of directors can, taking into account the relatively low importance of the forward claims, opt to have these measured at their nominal value.

##### 5. Assets expressed in another currency

Assets expressed in a currency other than the reference currency of the subfund in question will be converted into the currency of said subfund on the basis of the average spot price between the representative bid and ask rates. Any positive and negative discrepancies resulting from the conversion will be posted to the P&L account.

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**6. SUMMARY OF BOOKING AND VALUATION RULES (CONTINUED)**

**6.2. Exchange rates**

The non-euro-denominated securities are converted into euro at the last known exchange rate. The exchange rates used on 30th June 2012 are (comparison with the rates on 30th June 2011):

		30/06/2012	30/06/2011	
1 BRL	=	0.390394	0.441495	EUR
GBP		1.235925	1.107321	
HKD		0.101586	0.088640	
IDR		0.000084	0.000080	
MYR		0.248147	0.228424	
NOK		0.132483	0.128550	
PHP		0.018701	0.015916	
SGD		0.622033	0.561850	
TRY		0.435667	0.424709	
USD		0.787991	0.689727	

# Value Square Fund

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### 7. COMPOSITION OF THE ASSETS AND KEY FIGURES

#### 7.1. Assets composition as at 30 June 2012

(expressed in EUR)

Description	Quantity	Currency	Price in Currency	Evaluation	% by the UCI	% portfolio	% net assets
I. Transferable securities, negotiable and other financial instruments							
Transferable securities admitted to an official stock exchange listing							
Shares and other similar securities							
Austria							
MAYR-MELNHOF KARTON	10 145.00	EUR	72.50	735 512.50	0.72%	0.70%	
				Total Austria:	735 512.50	0.72%	0.70%
Belgium							
BARCO NV	19 975.00	EUR	39.85	796 003.75	0.78%	0.75%	
BEKAERT	22 000.00	EUR	19.51	429 220.00	0.42%	0.41%	
BREDERODE SA	42 738.00	EUR	20.10	859 033.80	0.84%	0.81%	
DEVGEN NV ZWIJNAARDE	186 128.00	EUR	8.18	1 522 527.04	1.48%	1.44%	
EVS BROADCASTING EQUIPMENT	40 479.00	EUR	37.17	1 504 604.43	1.47%	1.43%	
GBL	54 883.00	EUR	53.50	2 936 240.50	2.86%	2.78%	
GIMV SA	23 564.00	EUR	35.95	847 125.80	0.83%	0.80%	
GROUPE BRUX.LAMB STRIP VVPR***	20 890.00	EUR	0.00	62.67	0.00%	0.00%	
HENEX SA	5 687.00	EUR	41.56	236 351.72	0.23%	0.22%	
IMMOB.DE BELGIQUE	51 441.00	EUR	26.19	1 347 239.79	1.31%	1.28%	
IRIS	54 000.00	EUR	28.12	1 518 480.00	1.48%	1.44%	
MELEXIS NV IEPEP	256 562.00	EUR	12.25	3 142 884.50	3.06%	2.98%	
NYRSTAR NV	305 520.00	EUR	4.48	1 368 118.56	1.33%	1.30%	
NYRSTAR NV/STRIP VVPR ***	338 684.00	EUR	0.00	338.68	0.00%	0.00%	
SIPEF SA	1.00	EUR	56.90	56.90	0.00%	0.00%	
SOFINA	11 725.00	EUR	60.95	714 638.75	0.70%	0.68%	
UMICORE SA	15 000.00	EUR	36.37	545 550.00	0.53%	0.52%	
VAN DE VELDE NV	22 352.00	EUR	34.10	762 203.20	0.74%	0.72%	
				Total Belgium:	18 530 680.09	18.06%	17.56%
Bermuda							
ASIAN CITRUS HLDGS	9 046 369.00	HKD	4.34	3 988 401.34	3.89%	3.78%	
FAIRWOOD HOLDINGS LTD	1 000 000.00	HKD	14.40	1 462 841.65	1.43%	1.39%	
FIRST PACIFIC CO LTD	8 039 000.00	HKD	8.01	6 541 379.88	6.37%	6.20%	
JARDINE MATHESON HLDGS	36 800.00	USD	48.40	1 403 506.56	1.37%	1.33%	
JARDINE STRATEGIC HLDGS LTD	286 123.00	USD	30.50	6 876 601.79	6.70%	6.51%	
PORTS DESIGN LTD	3 018 000.00	HKD	8.05	2 468 027.20	2.40%	2.34%	
				Total Bermuda:	22 740 758.42	22.16%	21.54%
Brazil							
BRADESCPAR SA BRASIL/PREF.	84 500.00	BRL	32.94	1 086 635.46	1.06%	1.03%	
PETROBRAS /SADR	161 600.00	USD	18.14	2 309 935.78	2.25%	2.19%	
				Total Brazil:	3 396 571.24	3.31%	3.22%
Canada							
LUMINA COPPER CORP	210 855.00	CAD	9.35	1 523 880.16	1.48%	1.44%	
				Total Canada:	1 523 880.16	1.48%	1.44%
China ( People's Republic)							
ANHUI TIANDA OIL PIPE.C-H-	5 246 000.00	HKD	1.17	623 517.97	0.61%	0.59%	
				Total China ( People's Republic):	623 517.97	0.61%	0.59%

**Value Square Fund**  
**Value Square Fund Equity World**

**7. COMPOSITION OF THE ASSETS AND KEY FIGURES (CONTINUED)**

Description	Quantity	Currency	Price in Currency	Evaluation	% by the UCI	% portfolio	% net assets
<b>France</b>							
CASINO GUICHARD-PERRACH	12 250.00	EUR	69.31	849 047.50	0.83%	0.80%	
CA TOULOUSE 31 CT.COP.INV01.88	8 363.00	EUR	47.70	398 915.10	0.39%	0.38%	
CRCAM ATL.VENDEE/C.COOP.D INV	19 642.00	EUR	52.81	1 037 294.02	1.01%	0.98%	
CRCAM HTE-LOIR/CERT.COOP.D INV	10 755.00	EUR	33.00	354 915.00	0.35%	0.34%	
CRCAM ILLE VILAINE CERT.COOP.	28 236.00	EUR	35.30	996 730.80	0.97%	0.94%	
CRCAM MORBIHAN/CERT.COOP.D INV	7 733.00	EUR	32.40	250 549.20	0.24%	0.24%	
CRCAM NORMANDIE SEINE CCI	15 586.00	EUR	54.85	854 892.10	0.83%	0.81%	
CRCAM TOURAIN/CERT.COOP.D INV	10 979.00	EUR	37.60	412 810.40	0.40%	0.39%	
CSSE REG.CR.AG.MUT.ALP PRO/CCI	6 329.00	EUR	35.80	226 578.20	0.22%	0.21%	
DIOR SA.CHRISTIAN	10 000.00	EUR	108.25	1 082 500.00	1.05%	1.03%	
GDF SUEZ	79 126.00	EUR	18.76	1 484 008.13	1.45%	1.41%	
GDF SUEZ /STRIP VVPR ***	3 371.00	EUR	0.00	3.37	0.00%	0.00%	
RALLYE SA	21 757.00	EUR	22.50	489 532.50	0.48%	0.46%	
SANOFI	57 466.00	EUR	59.74	3 433 018.84	3.35%	3.25%	
VELCAN ENERGY	165 071.00	EUR	8.50	1 403 103.50	1.37%	1.33%	
VRANKEN-POMMERY MONOPOLE	38 672.00	EUR	21.85	844 983.20	0.82%	0.80%	
				<b>Total France:</b>	<b>14 118 881.86</b>	<b>13.76%</b>	<b>13.38%</b>
<b>United Kingdom</b>							
ANGLO EASTERN PLANTATIONS INC	450 829.00	GBP	7.87	4 385 091.85	4.27%	4.15%	
M.P. EVANS GROUP PLC	559 524.00	GBP	4.78	3 305 511.96	3.22%	3.13%	
				<b>Total United Kingdom:</b>	<b>7 690 603.81</b>	<b>7.49%</b>	<b>7.29%</b>
<b>Indonesia</b>							
GOZCO PLANTATIONS	52 275 500.00	IDR	285.00	1 249 946.94	1.22%	1.18%	
PT ARWANA CITRAMULIA TBK	1 054 000.00	IDR	760.00	67 205.18	0.07%	0.06%	
PT BUMI SERPONG DAMAI TBK	17 963 600.00	IDR	1 180.00	1 778 377.29	1.73%	1.68%	
PT KAWASAN INDUSTRI JABABEKA	181 667 000.00	IDR	185.00	2 819 657.08	2.75%	2.67%	
				<b>Total Indonesia:</b>	<b>5 915 186.49</b>	<b>5.76%</b>	<b>5.60%</b>
<b>Jersey</b>							
CENTAMIN SHS	1 130 000.00	GBP	0.69	967 142.21	0.94%	0.92%	
				<b>Total Jersey:</b>	<b>967 142.21</b>	<b>0.94%</b>	<b>0.92%</b>
<b>Cayman</b>							
361 DEGREES INTERNATIONAL IPO	8 765 000.00	HKD	1.73	1 540 397.66	1.50%	1.46%	
DBA TELECOMMUNICATION ASIA	7 592 000.00	HKD	4.83	3 725 101.89	3.63%	3.53%	
HLG							
XINGDA INTERNATIONAL HLDGS	5 836 500.00	HKD	2.52	1 494 128.18	1.46%	1.42%	
				<b>Total Cayman:</b>	<b>6 759 627.73</b>	<b>6.59%</b>	<b>6.40%</b>
<b>Luxembourg (Grand Duchy)</b>							
SOCFINAF SA	120 022.00	EUR	22.65	2 718 498.30	2.65%	2.58%	
				<b>Total Luxembourg (Grand Duchy):</b>	<b>2 718 498.30</b>	<b>2.65%</b>	<b>2.58%</b>
<b>Norway</b>							
AKER ASA -A-	126 180.00	NOK	164.50	2 751 475.48	2.68%	2.61%	
GANGER ROLF	79 220.00	NOK	110.00	1 155 145.65	1.13%	1.09%	
				<b>Total Norway:</b>	<b>3 906 621.13</b>	<b>3.81%</b>	<b>3.70%</b>
<b>Singapore</b>							
OSIM INTERNATIONAL LTD	1 525 000.00	SGD	1.20	1 138 320.42	1.11%	1.08%	
SINGAPORE TELEC/BOARD LOT 1000	878 000.00	SGD	3.30	1 802 278.46	1.76%	1.71%	
				<b>Total Singapore:</b>	<b>2 940 598.88</b>	<b>2.87%</b>	<b>2.79%</b>

**Value Square Fund**  
**Value Square Fund Equity World**

**7. COMPOSITION OF THE ASSETS AND KEY FIGURES (CONTINUED)**

Description	Quantity	Currency	Price in Currency	Evaluation	% by the UCI	% portfolio	% net assets
Turkey							
NET HOLDING AS	2 318 217.00	TRY	1.59	1 605 852.73	1.56%	1.52%	
				Total Turkey:	1 605 852.73	1.56%	1.52%
United States of America							
MICROSOFT CORP	110 160.00	USD	30.59	2 655 367.72	2.59%	2.52%	
				Total United States of America:	2 655 367.72	2.59%	2.52%
British Virgin Islands							
WINSWAY COKING	3 565 000.00	HKD	1.39	503 395.30	0.49%	0.48%	
				Total British Virgin Islands:	503 395.30	0.49%	0.48%
				Total Shares and other similar securities:	97 332 696.54	94.84%	92.21%
Other transferable securities							
Curacao							
MER LY INTL 10.03.15 CW /MCLR	1 021 685.00	USD	5.36	4 315 301.82	4.20%	4.09%	
MER LY INTL 12-6.2.17 CW/BJHI	88 583.00	USD	14.07	981 801.61	0.96%	0.93%	
				Total Curacao:	5 297 103.43	5.16%	5.02%
				Total Other transferable securities:	5 297 103.43	5.16%	5.02%
				Total transferable securities admitted to an official stock exchange listing:	102 629 799.97	100.00%	97.23%
				Total of transferable securities, money market instruments, UCI and financial derivate instruments	102 629 799.97	100.00%	97.23%
II. Deposits and liquid assets							
Sight bank deposits							
KBC securities S.A.		IDR		497 148.60		0.47%	
KBC securities S.A.		CAD		60.47		0.00%	
KBC securities S.A.		SGD		21 346.23		0.02%	
KBC securities S.A.		HKD		1 003 367.62		0.95%	
KBC securities S.A.		USD		7 443.99		0.01%	
KBC securities S.A.		TRY		28 206.74		0.03%	
KBC securities S.A.		GBP		880 431.81		0.83%	
KBC securities S.A.		NOK		53 239.25		0.05%	
KBC securities S.A.		EUR		483 285.30		0.46%	
				Total sight bank:	2 974 530.01		2.82%
				Total deposit and liquid assets:	2 974 530.01		2.82%
III. Other receivables and other payables					136 710.79		0.13%
IV. Other net assets					-187 183.15		-0.18%
V. Total net assets					105 553 857.62		100.00%

The changes in portfolios may be obtained on simple request and without charge at RBC Dexia Investor Services Belgium S.A. with its registered office at Place Rogier 11, B-1210 Brussels. RBC Dexia Investor Services Belgium S.A. provides the financial service.

# Value Square Fund

## Value Square Fund Equity World

### 7. COMPOSITION OF THE ASSETS AND KEY FIGURES (CONTINUED)

#### 7.2. Economic breakdown of investments as at 30/06/2012 (percentage of portfolio)

Financial, investment & other diversified comp.	25.34%
Agriculture & fishery	12.60%
Banks & other credit institutions	7.61%
Telecommunication	5.39%
Electronics & semiconductors	5.30%
Real estate	4.06%
Pharmaceuticals cosmetics & med. products	3.35%
Textiles, garments & leather goods	3.30%
Mining, coal & steel	2.92%
Petroleum / Oil and natural gas	2.86%
Energy & water supply	2.81%
Traffic & Transportation	2.68%
Internet, software & IT services	2.59%
Miscellaneous consumer goods	2.40%
Miscellaneous trading companies	2.30%
Non-ferrous metals	2.28%
Building materials & building industry	1.96%
Non-classifiable / non-classified institutions	1.56%
Biotechnology	1.48%
Computer hardware & Networking	1.48%
Rubber & tires	1.46%
Lodging & catering industry & leisure facilities	1.43%
Retail trade & department stores	1.30%
Tobacco & alcoholic beverages	0.82%
Packaging industries	0.72%
<b>Total</b>	<b>100.00%</b>

#### 7.3. Geographic breakdown of investments as at 30/06/2012 (percentage of portfolio)

Bermuda	22.16%
Belgium	18.06%
France	13.76%
United Kingdom	7.49%
Cayman	6.59%
Indonesia	5.76%
Curacao	5.16%
Norway	3.81%
Brazil	3.31%
Singapore	2.87%
Luxembourg (Grand Duchy)	2.65%
United States of America	2.59%
Turkey	1.56%
Canada	1.48%
Jersey	0.94%
Austria	0.72%
China ( People's Republic)	0.61%
British Virgin Islands	0.49%
<b>Total</b>	<b>100.00%</b>

#### 7.4. Currency breakdown of investments as at 30/06/2012 (percentage of portfolio)

EUR	35.18%
HKD	21.77%
USD	18.07%
GBP	8.44%
IDR	5.76%
NOK	3.81%
SGD	2.87%
TRY	1.56%
CAD	1.48%
BRL	1.06%
<b>Total</b>	<b>100.00%</b>

**Value Square Fund**  
**Value Square Fund Equity World**

**7. COMPOSITION OF THE ASSETS AND KEY FIGURES (CONTINUED)**

**7.5. Change in the composition of assets of the subfund**

(expressed in EUR)

	<b>1st semester</b>
Purchases	16 270 688.02
Sales	8 611 935.35
<b>Total 1</b>	<b>24 882 623.37</b>
Subscriptions	13 007 480.14
Redemptions	4 642 855.79
<b>Total 2</b>	<b>17 650 335.93</b>
Reference average of the total net asset	102 389 816.88
<b>Rotation Percentage</b>	<b>7.06%</b>
<b>Corrected Rotation Percentage</b>	<b>7.33%</b>

*A figure close to 0% shows that transactions relating to securities or assets, excluding deposits and cash reserves, as applicable, have been carried out over a specific period, relating only to subscriptions and reimbursements. A negative percentage indicates that subscriptions and reimbursements only accounted for a limited number of portfolio transactions, if any.*

*A detailed listed of the transactions which were made during the year can be consulted free of charge at RBC Dexia Investor Services Belgium S.A with its registered office at Place Rogier 11, B-1210 Brussels. RBC Dexia Investor Services Belgium S.A provides the financial service.*

**7.6. Table of Liabilities relating to the positions on financial derivatives as at 30/06/2012**  
 (expressed in EUR)

Securities	Currency	In currency	In EUR	Lot-size
Warrants				
MER LY INT 10.03.15 CW/MCLR	USD	1,216850	0,80	0
MER LY INT 12-6.2.17 CW/BJHI	USD	0,088583	0,07	0

**7.7. Evolution of subscriptions, redemptions and the net asset value**

**7.7.1. Evolution of the number of shares outstanding as at 30/06/2012**

Period			Subscriptions	Redemptions	End of Period
31/12/2010	Class C /	Capitalisation	330 866.00	30 831.00	506 213.00
	Class I	Capitalisation	44 137.00	30 000.00	36 437.00
	Class S	Capitalisation	-	-	-
		<b>Total</b>			<b>542 650.00</b>
31/12/2011	Class C /	Capitalisation	243 742.00	55 295.00	694 660.00
	Class I	Capitalisation	5 941.00	-	42 378.00
	Class S	Capitalisation	-	-	-
		<b>Total</b>			<b>737 038.00</b>
31/12/2012	Class C /	Capitalisation	84 340.00	27 907.00	751 093.00
	Class I	Capitalisation	11 743.00	6 500.00	47 621.00
	Class S	Capitalisation	150.00	-	150.00
		<b>Total</b>			<b>798 864.00</b>

**Value Square Fund**  
**Value Square Fund Equity World**

**7. COMPOSITION OF THE ASSETS AND KEY FIGURES (CONTINUED)**

**7.7.2. Payable and Receivable Amounts for the UCI**  
 (in the currency of the subfund)

<b>Period</b>			<b>Subscriptions</b>	<b>Redemptions</b>
31/12/2010	Class C /	Capitalisation	40 181 764.45	3 674 320.26
	Class I	Capitalisation	5 722 763.33	4 083 000.00
	Class S	Capitalisation	-	-
31/12/2011	Class C /	Capitalisation	32 196 002.24	6 930 609.98
	Class I	Capitalisation	809 757.68	-
	Class S	Capitalisation	-	-
31/12/2012	Class C /	Capitalisation	11 360 850.16	3 776 785.79
	Class I	Capitalisation	1 637 411.01	866 070.00
	Class S	Capitalisation	9 218.97	-

**7.7.3. Net asset value at the end of the period**  
 (in the currency of the subfund)

<b>Period</b>				<b>per share</b>
31/12/2010	73 889 515.81	Classe C	Capitalisation	136.15
		Classe I	Capitalisation	136.34
31/12/2011	91 563 125.93	Classe C	Capitalisation	124.22
		Classe I	Capitalisation	124.47
31/12/2012	105 553 857.62	Classe C	Capitalisation	132.12
		Classe I	Capitalisation	132.44
		Classe S	Capitalisation	59.16

- NAV is expressed in EUR, countervalue in SGD is 95.11

# Value Square Fund

## Value Square Fund Equity World

### 7. COMPOSITION OF THE ASSETS AND KEY FIGURES (CONTINUED)

#### 7.8. Performances

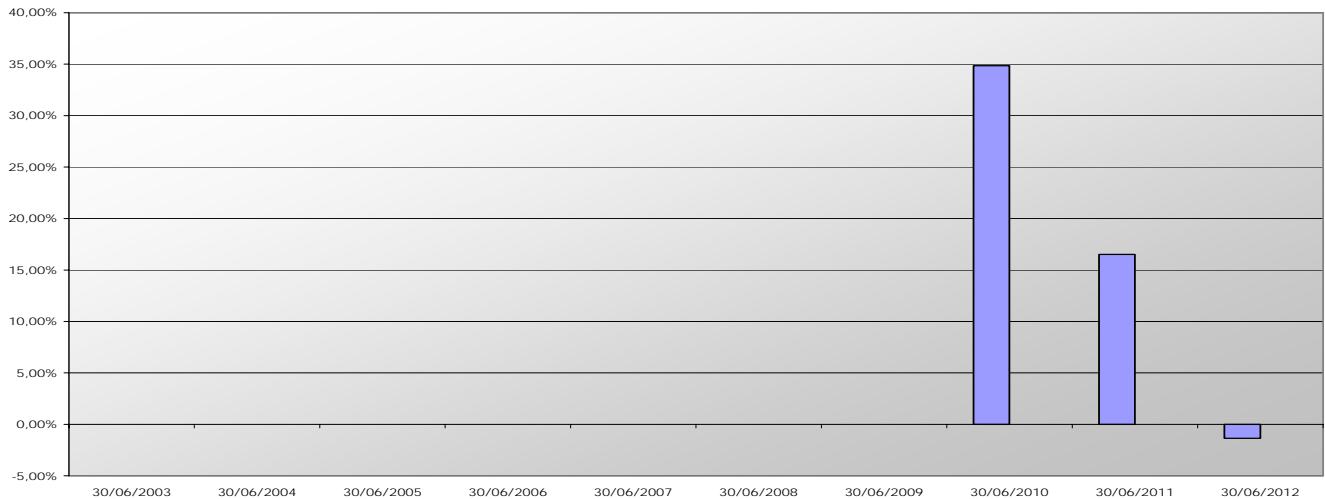
(expressed in percent)

Class	CAP	1 year	3 year	5 year	10 year	Since the start
C	CAP	-1.35%	15.72%	-	-	7.72%
I	CAP	-1.29%	-	-	-	14.43%
S	CAP	-	-	-	-	-

#### 7.9. Diagram in sticks

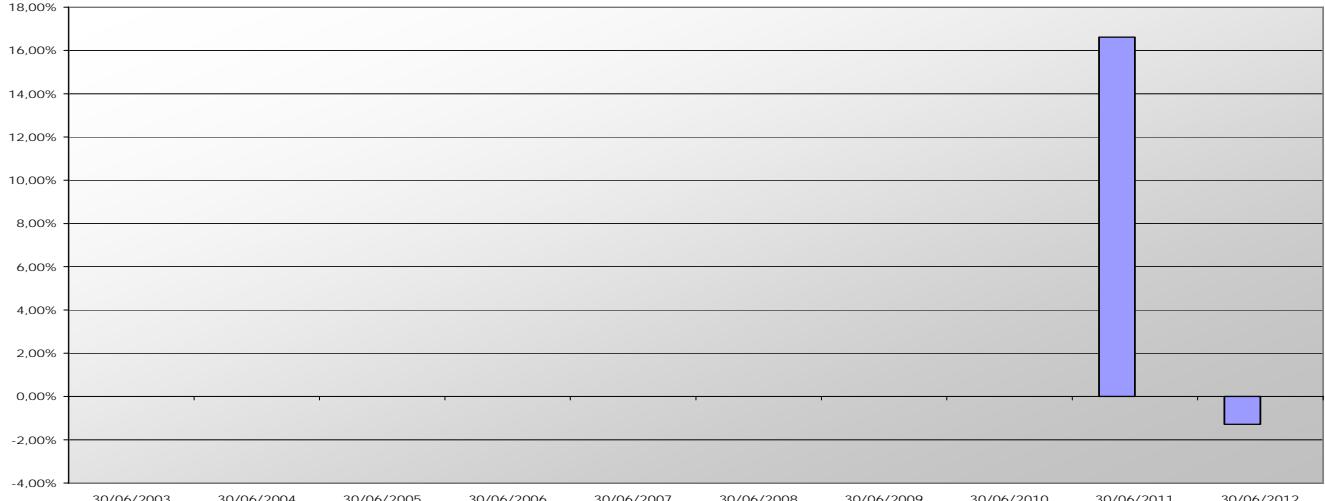
##### Class C (CAP)

**Annuel Performance of the last 10 years as at 30/06/2012**  
**Value Square Fund Equity World - part de Cap (EUR)**



##### Class I (CAP)

**Annuel Performance of the last 10 years as at 30/06/2012**  
**Value Square Fund Equity World - part de Cap (EUR)**



These are figures based on historical data which cannot give any guarantee regarding future returns and which do not take in account of any restructuring measures.

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Value Square Fund  
Value Square Fund Equity World

7. COMPOSITION OF THE ASSETS AND KEY FIGURES (CONTINUED)

7.10. Fees

(expressed in percent)

Total expense ratio (TER):		
Class C		1.25%
Class I		1.18%
Class S		-

The following costs are not included in the TER: transaction costs, interest on borrowings, payments related to financial derivatives, commissions and costs paid directly by the investor, certain benefits, such as soft commissions.

Total expense ratio (TER) with performance fee of Class C: 1.29 for 2012 and 3.23 for 2011\*

Total expense ratio (TER) with performance fee of Class I: 1.23 for 2012 and 3.38 for 2011

\* calculated on the period: 01/07/2011 - 30/06/2012

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# Value Square Fund

## Value Square Fund Equity World

### 8. NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2012

#### 8.1. Fees commissions and recurring costs borne by the subfund

The fees:

- the Investment portfolio management fee is 1% per annum of the average net assets, calculated and payable monthly.
- The Performance fee is 10% of the increase in the net asset value of the sub fund above 6% on an annual basis, calculated daily on the net assets and payable after the end of each calendar year.
- the Administration fee at a rate of 0.035% per annum of the average net assets, calculated and payable monthly, with a monthly minimum of 583 EUR (Excl. VAT) for the sub fund.
- The Transfer agent's fee at the annual rate of 0.01% per annum of the average net assets, calculated and payable monthly, with a monthly minimum of 208 EUR (Excl. VAT) for the sub fund.
- the Custody agent's fee at an annual rate of 0.04% per annum of the average net assets, calculated and payable monthly.
- Additional Custody agent's fee: 5 000 EUR (Excl. VAT) payable annually.
- Other expenses (estimation) including the payment for Auditors, Directors and Individuals responsible for effective management at the annual rate of 0.10%

The C class is offered to natural persons and corporate entities.

Fees, commissions and recurring costs borne by the subfund (Class I)

The fees:

- the Investment portfolio management fee is 1% per annum of the average net assets, calculated and payable monthly.
- The Performance fee is 10% of the increase in the net asset value of the sub fund above 6% on an annual basis, calculated daily on the net assets and payable after the end of each calendar year.
- the Administration fee at a rate of 0.035% per annum of the average net assets, calculated and payable monthly, with a monthly minimum of 583 EUR (Excl. VAT) for the sub fund.
- the Transfer agent's fee at the annual rate of 0.01% per annum of the average net assets, calculated and payable monthly, with a monthly minimum of 208 EUR (Excl. VAT) for the sub fund.
- the Custody agent's fee at an annual rate of 0.04% per annum of the average net assets, calculated and payable monthly.
- Other expenses (estimation) including the payment for Auditors, Directors and Individuals responsible for effective management at the annual rate of 0.10%

The I class is reserved for the institutional investors referred to in article 5, §3 para. 1 and para. 2, 2° of the law of 20th July 2004 governing certain forms of collective management of investment portfolios, the minimum initial subscription for which is 250 000 EUR.

Fees, commissions and recurring costs borne by the subfund (Class S)

The fees:

- the Investment portfolio management fee is 1% per annum of the average net assets, calculated and payable monthly.
- the Performance fee is 10% of the increase in the net asset value of the sub fund above 6% on an annual basis, calculated daily on the net assets and payable after the end of each calendar year.
- the Administration fee at a rate of 0.035% per annum of the average net assets, calculated and payable monthly, with a monthly minimum of 583 EUR (Excl. VAT) for the sub fund.
- the Transfer agent's fee at the annual rate of 0.01% per annum of the average net assets, calculated and payable monthly, with a monthly minimum of 208 EUR (Excl. VAT) for the sub fund.
- the Custody agent's fee at an annual rate of 0.04% per annum of the average net assets, calculated and payable monthly.
- Other expenses (estimation) including the payment for Auditors, Directors and Individuals responsible for effective management at the annual rate of 0.10%

The S class is reserved for subscriptions in Singapour Dollar (SGD) and is characterized by a net asset value expressed in SGD.

- The Management's fee (including the Performance fee) is included in item IV.D.a.of the income statement.
- The Administration fee is included in item IV.D.a. of the income statement.
- The Transfer Agent's fee is included in item IV.H. of the income statement.
- The Custody Agent's fee is included in item IV.C. of the income statement.
- The independent administrator commission is included in item IV.G. of the income statement.
- The other expenses fee is included in item IV.H. of the income statement.

- The Management's fee (including the Performance fee) is included in item IV.D.a. of the income statement.
- The Administration fee is included in item IV.D.a. of the income statement.
- The Transfer Agent's fee is included in item IV.H. of the income statement.
- The Custody Agent's fee is included in item IV.C. of the income statement.
- The independent administrator commission is included in item IV.G.of the income statement.
- The other expenses fee is included in item IV.H. of the income statement.

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Value Square Fund  
Value Square Fund Equity World

**8. NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2012 (CONTINUED)**

**8.2. Accrued liabilities (Balance VI C)**

On 30st June 2012, this amount includes:

- the Investment portfolio management fee (Class C)  
80 174.27 EUR
- the Investment portfolio management fee (Class I)  
5 494.41 EUR
- the Investment portfolio management fee (Class S)  
7.21 EUR
- the Administration fee (Class C)  
2 845.71 EUR
- the Administration fee (Class I)  
194.35 EUR
- the Administration fee (Class S)  
0.26 EUR
- the Transfer agent's fee (Class C)  
813.06 EUR
- the Transfer agent's fee (Class I)  
55.53 EUR
- the Transfer agent's fee (Class S)  
0.07 EUR
- the Custody agent's fee (Class C)  
6 905.44 EUR
- the Custody agent's fee (Class I)  
265.92 EUR
- the Custody agent's fee (Class S)  
0.30 EUR
- The Legal Life and Reporting fee (Class C)  
1 047.50 EUR
- Performande fee  
40 742.06 EUR
- a provision for other annual overheads (supervisory authority's fees, auditor's fees, report costs, publication costs, etc.)  
50 234.15 EUR

For a total of: 188 780.24 EUR