

Value Square Fund

SICAV

Audited annual report as at 31st December 2011

Investment company with variable capital under Belgian law
Public Limited Company
Category UCITS

Value Square Fund

SICAV

Audited annual report for the year
to 31st December 2011

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

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
Independant 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

Independant Director

Individuals responsible for effective management :

Wim DESCAMPS

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

Wim HENNEMAN

Client manager Value Square S.A..

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. ORGANISATION OF THE UNDERTAKING FOR COLLECTIVE INVESTMENT (CONTINUED)

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

1.12. Indication of the share classes

Value Square Fund Equity World comprises 2 share classes: the C class and the I class.

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

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

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 year to 31st December 2011 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.

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 and Latin America

2011 was a mixed year on the stock markets: although some performed well (particularly in North America), the European Eurostoxx 50 index and the BRIC countries saw sharp declines.

Economic figures in most cases continued to be less good during 2011, but a clear difference was discernible between the economic performances of the growth countries (China, India and Brazil) and the Western world (America, the United Kingdom and the European Union). Notwithstanding the economic growth which was still being recorded in the BRIC countries, the share market performance went southward. This confirms our judgement that the stock market follows its own path, first running ahead of the economy, then lagging behind by a few months. The stock exchange will often register gains while the papers are still reflecting a desperately gloomy mood. After all, major investors do not look back at the past or examine the present; rather, they look to the future. They discount future cash flows and determine how much they want to pay for them today.

Broadly speaking, shares were cheaper at the end of 2011 than they were at the end of 2010. It is impossible to predict what 2012 will bring, since the economic situation (as is often the case) is highly uncertain.

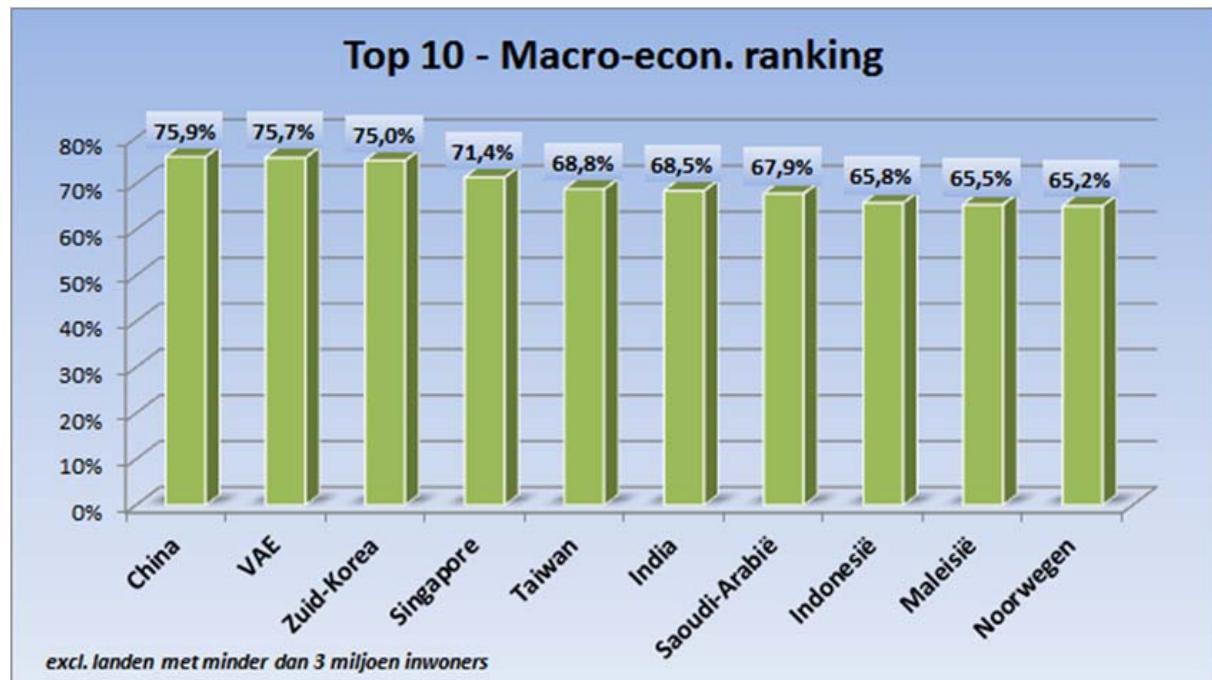
In 2009, we conducted a major study on country quality, which, in 2010, we extensively updated and which, in 2011, was still relevant. The macro-economic ranking analyses 60 countries that made the largest contribution to the world's GDP. We selected various criteria, including a number to which the well-known investor John Templeton explicitly referred to as being important for painting a picture of how attractive a country's macro-economic climate is. Templeton stipulates that many of these macro-economic conditions are essential for increasing economic prosperity. Several of these conditions were characteristic of Japan and South Korea years ago, when they developed into economic and industrial superpowers. These criteria also help enable a better estimate to be made of the exchange rate risk, one inherent in investments in local markets and based on the belief that exchange rate movements last for years; use was therefore made both of historical statistics (dating back to 1994) and more recent information (from 2009 and 2010).

We took account of a country's degree of indebtedness, export figures, GDP growth figures, size of the economy, trade, political risks, economic freedom and demographic considerations, which we then condensed into a single index. The macro-economic ranking summarises these studies. The end result is composed of eight different categories, each of which is given the same weighting in order to arrive at a score between 0 and 100.

Value Square Fund Equity World

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

The result of our intensive research can be seen in the graph below, showing the 10 countries that, according to our study, fare best.



Our intention is to concentrate even more on the growth regions of the future. We raised our positions in companies able to take advantage of the higher consumption in many emerging countries. In equity management, the focus is currently, more than ever, placed on a sound balance sheet, a solid dividend yield and family shareholding. At the same time, we are keeping a close watch on a number of leading indicators that could point towards whether or not an economic recovery will stay the course. These include copper, oil and iron ore prices and house prices in the USA. If the recovery takes longer to materialise, long-term dividends will be the deciding factor and will provide for earnings.

Monetary policy

Monetary policy will remain "easy" in 2012, with low interest rates in America and Europe. The Fed promised to keep its interest rates very low until 2013, and we are expecting the new chairman of the ECB, Mario Draghi, to do the same. In Europe, we are not expecting any increase in interest rates until there is some clarity regarding a sustained economic recovery.

The currency markets

As exchange rates are difficult to predict, we shall refrain from making specific forecasts. The negative feeling towards the euro is notable and could lead to a sizeable reaction against it. But the other major currency, the US dollar, also continues to be unbelievably volatile. Since more than 65% of the subfund is not invested in euros, the subfund benefits from a falling euro.

The bond markets

We opt for a good balance between treasury bonds and corporate bonds, with a term of between three and five years and low indebtedness as an underlying predominant feature. Bad-debt risks are carefully weighed up and the emphasis placed on loans with sufficient liquidity. In light of the debt problems afflicting many Western countries, we are avoiding government bonds issued by weaker countries such as Greece, Spain and Portugal, choosing, instead,

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

only non-subordinated bonds and steering clear of any form of structured products.

The share markets

2011 was a mixed year on the stock markets, with performances ranging from -30% to +5%. The Value Square Fund Equity World fell by 8.76% over 2011 as a whole – a result that was better in relative terms than many similar funds and a lot better than most stock exchange indexes. We are not making any specific forecasts as to how the markets will evolve in 2012, as we feel it is impossible to do so. Or, as Warren Buffett once said: "Forecasting what will happen in the future tells you more about the forecaster than it does about the future."

2.5. Informations required based on article 96 of the Code of companies

2.5.1. Description of the main risks facing the company

The risks facing the company differ depending on each subfund's investment policy. Please find below a table setting out the main risks by subfund.

The assessment of the risk profile of each subfund is based on a recommendation by the Belgian Association of Asset Managers (Association belge des Asset Managers), which can be consulted on the website www.beama.be.

Type of risk	None	Low	Medium	High
Market risk				X
Credit risk	X			
Closing-out risk		X		
Liquidity risk			X	
Foreign exchange risk			X	
Custody risk	X			
Merger risk		X		
Performance risk				X
Flexibility risk	X			
Inflation risk	X			
Risks relating to external factors	X			

As regards other aspects relating to the company's business development, results and position, in accordance with Article 96 of the Company Code, please refer to the chapters below.

2.5.2. Information relating to circumstances that may have a significant impact on the company's development without being likely to seriously harm the company

No specific event has occurred since the end of the financial year.

2.5.3. Information relating to circumstances that may have a significant impact on the company's development without being likely to seriously harm the company

No specific circumstances were recorded which may have a significant impact on the company's development.

2.5.4. Information relating to research and development

The company is not involved in research and development.

2.5.5. Information relating to the existence of branches of the company

The company does not have any branches.

2.5.6. Justification of the application of consistent accounting rules when reference is made to a loss carry-forward in the balance sheet or to a loss in the financial year in the profit and loss statement during

Value Square Fund Equity World

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

two successive financial years

The globalised balance sheet records no loss carry-forward.

The globalised profit and loss statement does not record a loss in the financial year during two successive years.

2.5.7. Information to be added to the annual report in accordance with the Company Code

This annual report includes all information that must be stated in accordance with the Company Code.

2.5.8. As regards the company's use of financial instruments and where this is relevant for the assessment of its assets, liabilities, financial position and loss or profit

Information regarding the company's objectives and policies relating to the management of financial risks, including its policy relating to the hedging of each main category of transactions for which hedging accounting is applied.

In this respect, please refer to the chapters relating to each subfund.

Information relating to the company's exposure to price risks credit risks liquidity risks and cash flow risks

Please find below a table setting out the main risks.

2.6. Aim and main outlines of the investment policy

2.6.1. Subfund objectives

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.

2.6.2. 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 section assets.

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.

Value Square Fund Equity World

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

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.

2.7. Index(es) and Benchmark(s)

Non applicable.

2.8. Policy followed during the year

The assets in the Equity World subfund are mainly invested in shares in listed companies without any geographical limitation. The shares are selected on the basis of a fundamental analysis and a bottom-up approach, in which the emphasis is placed on the principle of Value investment. The subfund's aim is to strive for as high a yield as possible in absolute terms, sooner than the improvement in stock exchange indexes, and at the same time to limit the risks. In circumstances in which the manager assesses the downward risks to be greater than the potential return, the part invested in shares may be 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.

2.9. Future policy

We see no reason to change the policy currently being pursued. Given the situation that presents itself at the moment, the same policy will continue to be applied.

2.10. Risk Class

The overall risk indicator provides an indicator of the risk linked to investment in a collective investment undertaking or a subfund. It positions this risk on a scale from zero (lowest risk) to six (highest risk) and it is calculated on the basis of historical performances.

The sub-fund is situated in class 5

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

2.11. 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 DIRECTORS

Value Square Fund SA,
Investment Company under
Belgian Law,
category UCITS

**Auditor's report on the financial year ending
31st December 2011**

Value Square Fund NV

Sicav under Belgian law, category UCITS

Auditor's report on the financial year ending 31st December 2011 presented to the general meeting of shareholders

To the Shareholders

In accordance with Legal and statutory provisions, we have the honour of reporting to you, within the framework of the auditor's mandate entrusted to us. This report includes our opinion on the annual accounts and required additional opinions.

Unqualified opinion on annual accounts

We have audited the annual accounts of Value Square Fund for the financial year ending 31st December 2011, drawn up in accordance with the authoritative accounting literature in effect in Belgium, of which total shareholder's equity is 91,563,125.93 EUR and of which the profit and loss account shows a loss for the financial year of 8,401,540.82 EUR.

The drawing up of annual accounts is the responsibility of the board of directors. This responsibility includes among other things: the design, implementation and tracking of internal controls to ensure the establishment and truthful presentation of annual accounts presenting no significant anomalies, whether resulting from fraud or errors; the selection and application of appropriate audit rules and the determination of reasonable accounting estimates given the circumstances.

It is our responsibility to express an opinion on these accounts based on our audit. We have carried out our audit in accordance with the legal provisions and auditing standards applicable in Belgium, as decreed by the Belgian *Institut des Reviseurs d'Entreprises* (Institute of Auditors). These auditing standards require that our audit be organized and executed in such a manner as to obtain reasonable assurance that the annual accounts do not contain any significant anomalies.

In Accordance with the aforementioned standards, we have implemented audit procedures to gather relevant information about the amounts and information provided in the annual accounts. The choice of procedures is based on our best judgment, including evaluation of the potential risk for significant anomalies in the accounts resulting from either fraud or errors. Within the framework of this risk evaluation we have taken into account the internal audit in effect in the company for the creation and truthful presentation of annual accounts, in order to define appropriate audit procedures.

We have also evaluated the soundness of the company's audit rules, the reasonableness of the accounting estimates and the management of the company all explanations and information required for our audit. We believe that the information gathered provides a reasonable basis for expressing our opinion.

In our opinion, the annual accounts closed on 31 December 2011 provide a faithful picture of the company's assets, financial situation and results, in accordance with the authoritative accounting literature in effect in Belgium.

Additional opinions

The drawing up and contents of the management report and ensuring that the company complies with the Code fes Sociétés and statutes are the responsibility of the company's board of directors.

It is our responsibility to include in our report the following additional opinions which are not liable to modify the scope of the certification of the annual accounts:

- The management report covers the information required by law and agrees with the annual accounts; However, we are not able to give an opinion on the description of main risks and uncertainties faced by the company, or of its situation, foreseeable development or of the notable influence of certain factors on its future development. We can nevertheless confirm that the information provided does not present any obvious contradictions with the information we are aware of within the framework of our mandate.
- Without prejudice to formal aspects of minor importance, the accounting is kept in accordance with the Legal and statutory provisions applicable in Belgium.
- We are pleased to report that no transaction or decision was made in breach of the statutes or of the Code des Sociétés. The appropriation of profit or loss proposed at the General Meeting complies with legal and statutory provisions.

Diegem, 21st February 2012

The Auditor

DELOITTE Bedrijfsrevisoren
SCs.f.d. SCRL
Represented by Maurice Vrolix

**Value Square Fund
Equity World**

4. BALANCE SHEET

		31/12/2011 EUR	31/12/2010 EUR
	TOTAL NET ASSETS	91 563 125.93	73 889 515.81
I.	Fixed Assets	0.00	3 553.77
A.	Start-up costs	0.00	3 553.77
B.	Intangible assets	0.00	0.00
C.	Tangible assets	0.00	0.00
II.	Transferable securities, negotiable and other financial instruments	90 425 605.49	69 993 391.72
A.	Bonds and other debt securities	0.00	0.00
B.	Money market instruments	0.00	0.00
C.	Shares and other similar securities	87 904 754.59	67 861 709.93
a.	Shares	87 904 754.59	67 861 709.93
a.1.	Shares	87 904 754.59	67 861 709.93
D.	Other transferable securities	2 520 850.90	2 131 681.79
E.	UCI with variable number of shares	0.00	0.00
F.	Financial derivatives	0.00	0.00
III.	Long-term receivables and payables (i.e. more than one year)	0.00	0.00
A.	Receivables	0.00	0.00
B.	Payables	0.00	0.00
IV.	Short-term receivables and payables (i.e. less than one year)	127 027.99	431 769.71
A.	Receivables	210 479.05	679 240.77
a.	Amounts receivable	63 375.60	611 689.46
b.	Tax credits	147 103.45	67 551.31
B.	Payables	(83 451.06)	(247 471.06)
a.	Amounts payable (-)	(83 451.06)	(247 471.06)
V.	Deposits and liquid assets	1 192 242.97	5 226 169.39
A.	Sight bank deposits	1 192 242.97	5 226 169.39
B.	Term bank deposits	0.00	0.00
C.	Others	0.00	0.00
VI.	Adjustment accounts	(181 750.52)	(1 765 368.78)
A.	Expenses carried forward	0.00	0.00
B.	Accrued income	1 389.06	319.42
C.	Chargeable expenses (-)	(183 139.58)	(1 765 688.20)
D.	Income carried forward (-)	0.00	0.00
	TOTAL SHAREHOLDERS' EQUITY	91 563 125.93	73 889 515.81
A.	Capital	100 356 570.80	56 012 615.25
B.	Profit-sharing/dividends	(391 904.05)	5 717 949.57
C.	Retained earnings	0.00	0.00
D.	Result for the financial year (the half year)	(8 401 540.82)	12 158 950.99

**Value Square Fund
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5. OFF BALANCE SHEET ITEMS

		31/12/2011	31/12/2010
		EUR	EUR
I.	Real sureties (+/-)	0.00	0.00
A.	Collateral (+/-)	0.00	0.00
B.	Other real sureties	0.00	0.00
II.	Securities underlying option contacts and warrants (+)	0.71	0.00
A.	Option contracts and warrants purchased	0.71	0.00
B.	Option contracts and warrants sold	0.00	0.00
III.	Notional amounts of futures contracts (+)	0.00	0.00
A.	Futures contracts purchased	0.00	0.00
B.	Futures contracts sold	0.00	0.00
IV.	Notional amounts of swap contracts (+)	0.00	0.00
A.	Swap contracts purchased	0.00	0.00
B.	Swap contracts sold	0.00	0.00
V.	Notional amounts of other financial derivatives (+)	0.00	0.00
A.	Contracts purchased	0.00	0.00
B.	Contracts sold	0.00	0.00
VI.	Uncalled amounts on shares	0.00	0.00
VII.	Commitments to call resulting from transfers-disposals	0.00	0.00
VIII.	Commitments to buy resulting from transfers-disposals	0.00	0.00
IX.	Financial instruments loaned	0.00	0.00
A.	Shares	0.00	0.00
B.	Bonds	0.00	0.00

**Value Square Fund
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6. INCOME STATEMENT

		31/12/2011	31/12/2010
		EUR	EUR
I.	Depreciation, capital loss and capital gain	(10 687 336.42)	13 462 992.45
A.	Bonds and other debt securities	0.00	0.00
B.	Money market instruments	0.00	0.00
C.	Shares and other similar securities	(10 099 953.15)	13 024 723.05
a.	Shares	(10 099 953.15)	13 024 814.83
b.	UCI with fixed number of shares	0.00	(91.78)
D.	Other transferable securities	(1 038 512.99)	555 692.67
E.	UCI with variable number of shares	0.00	0.00
F.	Financial derivatives	315 786.81	0.00
e.	On shares	315 786.81	0.00
i.	Option contracts	315 786.81	0.00
		0.00	
G.	Amounts receivable, deposits, liquid assets and amounts payable	0.00	0.00
H.	Foreign exchange positions and transactions	135 342.91	(117 423.27)
a.	Financial derivatives	3 972.01	0.00
i.	Option contracts	3 972.01	0.00
		0.00	
b.	Other exchange positions and transactions	131 370.90	(117 423.27)
II.	Investment income and expenses	3 542 494.42	1 150 837.01
A.	Dividends	3 740 069.54	1 246 546.84
B.	Interest (+/-)	7 680.17	0.00
b.	Deposits and liquid assets	7 680.17	0.00
C.	Interest expenses (-)	(54.89)	(607.96)
D.	Swap Contracts (+/-)	0.00	0.00
E.	Withholding tax (-)	(205 200.40)	(95 101.87)
b.	Foreign	(205 200.40)	(95 101.87)
F.	Other income from investments	0.00	0.00
III.	Other income	50 844.97	21 441.09
A.	Allowance to cover costs of asset acquisition and realisation, discourage withdrawal and cover delivery costs	34 653.10	18 371.70
B.	Others	16 191.87	3 069.39
IV.	Operating expenses	(1 307 543.79)	(2 476 319.56)
A.	Transaction and delivery expenses on investments (-)	(164 822.17)	(220 127.00)
B.	Interest and other finance expenses (-)	(20 900.08)	(9 959.14)
C.	Depository fees payable (-)	(67 644.11)	(50 469.02)
D.	Management fees payable (-)	(934 048.80)	(2 091 696.03)
a.	Financial management	(893 959.94)	(2 067 009.07)
b.	Administrative and accounting management	(40 088.86)	(24 686.96)

**Value Square Fund
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6. INCOME STATEMENT (CONTINUED)

E.	Administrative expenses (-)	(2 592.52)	(6 160.36)
F.	Start-up costs (-)	(3 553.77)	(4 751.37)
G.	Salaries and wages, social security charges and pensions (-)	(1 400.00)	(1 400.00)
H.	Various services and goods (-)	(22 939.78)	(12 008.31)
I.	Depreciation allowances and contingency and loss provisions (-)	0.00	0.00
J.	Taxes	(69 560.52)	(55 704.11)
K.	Other expenses (-)	(20 082.04)	(24 044.22)
	Income and expenses for the financial year	2 285 795.60	(1 304 041,46)
	Sub total II+III+IV		
V.	Current profit (loss) before income tax	(8 401 540.82)	12 158 950,99
VI.	Income tax	0.00	0,00
VII.	Result for the financial year (the half year)	(8 401 540.82)	12 158 950,99

Value Square Fund
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7. ALLOCATION OF THE RESULT

		31/12/2011 EUR	31/12/2010 EUR
A.	Profit (loss) to be distributed	(8 793 444,87)	17 876 900.56
a.	Profit (loss) carried forward from the previous financial year	0,00	0,00
b.	Profit (loss) for the financial year to be distributed	(8 401 540,82)	12 158 950.99
c.	Share in profits received (paid)	(391 904,05)	5 717 949.57
B.	(Allocation to capital) Deduction from capital	8 793 444,87	(17 876 900.56)
C.	(Profit) loss carried forward	0,00	0,00
D.	(Dividends distributed))	0,00	0,00

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8. SUMMARY OF BOOKING AND VALUATION RULES

8.1. Summary of rules

The assets of the FUND, broken down into subfunds, are valued as follows:

- a) The valuation of real estate values and money market instruments negotiated on a regulated market, in normal operation and recognized and open to the public is based on their last known price. If the real estate value or money market instrument is traded on several markets, its value is based on its last known price on its primary market. If this last known price is not representative, valuation is based on the probable sale price estimated carefully and in good faith.
- b) Real estate values and money market instruments which are not negotiable on a regulated market, in normal operation and recognized and open to the public, will be valued on the basis of their probable sale price estimated carefully and in good faith.
- c) All liquid credits, including sight assets from lending institutions, current account obligations to lending institutions, short-term receivables and payables and fiscal obligations and debts will be valued at their nominal worth. However, in the case of subfunds which have an investment policy focused primarily on liquid investments and money market instruments, liquid obligations will be valued on a market rate basis.
- d) Term paper and debt not represented by negotiable securities, excluding those addressed in point c), are valued on the basis of the market rate applicable to equivalent financial instruments of comparable residual duration. The Board of Directors may, however, take into account their relatively low importance compared to inventory value and opt to value them at their nominal worth.
- e) Outstanding receivables which are not yet due will be determined prorata temporis based on their exact amount, if known, or on estimated amounts.
- f) Values listed in a currency other than a given subfund's working currency will be converted into the subfund's currency using the last known exchange rate.
- g) All other assets will be valued on the basis of their probable sale price, estimated carefully and in good faith.

8.2. Exchange rates

The non-euro-denominated securities are converted into euro at the last known exchange rate. The exchange rates used on 31st December 2011 are (comparison with the rates on 31st December 2010):

		31/12/2011	31/12/2010	
1 BRL	=	0.412988	0.449040	EUR
CAD		0.756521	0.750170	
CHF			0.799706	
GBP		1.197165	1.167046	
HKD		0.099184		
IDR		0.000085		
NOK		0.129078	0.128242	
SGD		0.594090	0.581872	
TRY		0.407883	0.484345	
USD		0.770327	0.745406	

Value Square Fund Equity World

9. COMPOSITION OF THE ASSETS AND KEY FIGURES

9.1. Composition of the Assets as at 31st December 2011

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							
Other transferable securities							
Curacao							
MER LY INTL 10.03.15 CW /MCLR	921 685.00	USD	3.55	2 520 850.90	2.79%	2.75%	
				Total Curacao:	2 520 850.90	2.79%	2.75%
				Total Other transferable securities:	2 520 850.90	2.79%	2.75%
Shares and other similar securities							
Austria							
MAYR-MELNHOF KARTON	10 000.00	EUR	65.51	655 100.00	0.72%	0.72%	
				Total Austria:	655 100.00	0.72%	0.72%
Belgium							
BARCO NV	17 975.00	EUR	38.76	696 711.00	0.77%	0.76%	
BEKAERT	11 000.00	EUR	24.78	272 635.00	0.30%	0.30%	
BREDERODE SA	41 638.00	EUR	18.21	758 227.98	0.84%	0.83%	
DEVGEN NV ZWIJNAARDE	157 500.00	EUR	5.34	841 050.00	0.93%	0.92%	
EVS BROADCASTING EQUIPMENT	26 500.00	EUR	39.49	1 046 485.00	1.16%	1.14%	
GBL	54 513.00	EUR	51.51	2 807 964.63	3.11%	3.07%	
GIMV SA	19 699.00	EUR	36.88	726 499.12	0.80%	0.79%	
GROUPE BRUX.LAMB STRIP VVPR***	20 890.00	EUR	0.00	41.78	0.00%	0.00%	
HENEX SA	5 547.00	EUR	40.09	222 379.23	0.25%	0.24%	
IMMOB.DE BELGIQUE	50 591.00	EUR	24.70	1 249 597.70	1.38%	1.36%	
IRIS	20 074.00	EUR	25.50	511 887.00	0.57%	0.56%	
MELEXIS NV IEPEL	251 627.00	EUR	10.37	2 609 371.99	2.89%	2.85%	
NYRSTAR NV	350 000.00	EUR	6.10	2 135 000.00	2.36%	2.33%	
NYRSTAR NV/STRIP VVPR ***	338 684.00	EUR	0.00	677.37	0.00%	0.00%	
OMEGA PHARMA *OPR*	15 639.00	EUR	35.93	561 909.27	0.62%	0.61%	
SOFINA	11 640.00	EUR	59.52	692 812.80	0.77%	0.76%	
SOLVAY SA	3 640.00	EUR	63.66	231 722.40	0.26%	0.25%	
UMICORE SA	50 500.00	EUR	31.87	1 609 435.00	1.78%	1.76%	
VAN DE VELDE NV	21 000.00	EUR	35.33	741 930.00	0.82%	0.81%	
				Total Belgium:	17 716 337.27	19.59%	19.35%
Bermuda							
ASIAN CITRUS HLDGS	8 709 256.00	HKD	4.05	3 498 474.22	3.87%	3.82%	
FAIRWOOD HOLDINGS LTD	1 000 000.00	HKD	10.16	1 007 711.71	1.11%	1.10%	
FIRST PACIFIC CO LTD	5 600 000.00	HKD	8.08	4 487 887.75	4.96%	4.90%	
JARDINE STRATEGIC HLDGS LTD	261 910.00	USD	27.67	5 582 598.08	6.17%	6.10%	
PORTS DESIGN LTD	1 850 000.00	HKD	11.74	2 154 182.15	2.38%	2.35%	
				Total Bermuda:	16 730 853.91	18.50%	18.27%
Brazil							
BRADESCPAR SA BRASIL/PREF.	58 000.00	BRL	31.69	759 081.09	0.84%	0.83%	
PETROBRAS /SADR	157 500.00	USD	23.49	2 849 959.56	3.15%	3.11%	
PETROLEO BRASILEIRO /SADR	2 250.00	USD	24.85	43 070.91	0.05%	0.05%	

Value Square Fund Equity World

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

Canada			Total Brazil:	3 652 111.56	4.04%	3.99%
LUMINA COPPER CORP	210 000.00	CAD	13.19	2 095 485.95	2.32%	2.29%
			Total Canada:	2 095 485.95	2.32%	2.29%
China (People's Republic)						
ANHUI TIANDA OIL PIPE.C.-H-	5 310 000.00	HKD	1.30	684 668.70	0.76%	0.75%
			Total China (People's Republic):	684 668.70	0.76%	0.75%
France						
CA TOULOUSE 31 CT.COP.INV01.88	8 363.00	EUR	50.50	422 331.50	0.47%	0.46%
CRCAM ATL.VENDEE/C.COOP.D INV	19 932.00	EUR	55.00	1 096 260.00	1.21%	1.20%
CRCAM HTE-LOIR/CERT.COOP.D INV	11 242.00	EUR	41.40	465 418.80	0.51%	0.51%
CRCAM ILLE VILAINE CERT.COOP.	27 224.00	EUR	45.78	1 246 314.72	1.38%	1.36%
CRCAM MORBIHAN/CERT.COOP.D INV	6 458.00	EUR	34.80	224 738.40	0.25%	0.25%
CRCAM NORMANDIE SEINE CCI	14 986.00	EUR	58.75	880 427.50	0.97%	0.96%
CRCAM TOURAINE/CERT.COOP.D INV	10 228.00	EUR	43.40	443 895.20	0.49%	0.48%
CSSE REG.CR.AG.MUT.AL.P PRO/CCI	6 229.00	EUR	42.20	262 863.80	0.29%	0.29%
GDF SUEZ	75 397.00	EUR	21.12	1 592 384.64	1.76%	1.74%
GDF SUEZ /STRIP VVPR ***	283.00	EUR	0.00	0.28	0.00%	0.00%
SANOFI	47 466.00	EUR	56.75	2 693 695.50	2.98%	2.94%
VELCAN ENERGY	172 397.00	EUR	9.60	1 655 011.20	1.83%	1.81%
VRANKEN-POMMERY MONOPOLE	29 856.00	EUR	27.35	816 561.60	0.90%	0.89%
			Total France:	11 799 903.14	13.05%	12.89%
United Kingdom						
ANGLO EASTERN PLANTATIONS INC	434 779.00	GBP	6.85	3 565 440.08	3.94%	3.89%
M.P. EVANS GROUP PLC	536 925.00	GBP	4.35	2 796 127.01	3.09%	3.05%
			Total United Kingdom:	6 361 567.09	7.04%	6.95%
Guernsey						
RAVEN RUSSIA PLC	1 412 489.00	GBP	0.52	879 310.84	0.97%	0.96%
			Total Guernsey:	879 310.84	0.97%	0.96%
Indonesia						
GOZCO PLANTATIONS	42 275 500.00	IDR	265.00	951 714.11	1.05%	1.04%
PT BUMI SERPONG DAMAI TBK	26 963 600.00	IDR	980.00	2 244 790.58	2.48%	2.45%
PT KAWASAN INDUSTRI JABABEKA	176 679 000.00	IDR	190.00	2 851 743.19	3.15%	3.11%
			Total Indonesia:	6 048 247.88	6.69%	6.61%
Isle of Man						
TRINITY CAPITAL PLC	1 519 500.00	GBP	0.15	272 863.83	0.30%	0.30%
			Total Isle of Man:	272 863.83	0.30%	0.30%
Cayman						
361 DEGREES INTERNATIONAL IPO	7 651 500.00	HKD	3.09	2 345 025.99	2.59%	2.56%
DBA TELECOMMUNICATION ASIA HLG	7 592 000.00	HKD	2.32	1 746 975.37	1.93%	1.91%
XINGDA INTERNATIONAL HLDGS	5 821 500.00	HKD	3.50	2 020 903.35	2.23%	2.21%
			Total Cayman:	6 112 904.71	6.76%	6.68%
Luxembourg (Grand Duchy)						
SOCFINAF SA	110 000.00	EUR	19.00	2 090 000.00	2.31%	2.28%
			Total Luxembourg (Grand Duchy):	2 090 000.00	2.31%	2.28%
Norway						
AKER ASA -A-	110 335.00	NOK	155.00	2 207 474.30	2.44%	2.41%
GANGER ROLF	77 635.00	NOK	106.50	1 067 229.50	1.18%	1.17%

Value Square Fund Equity World

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

	Total Norway:	3 274 703.80	3.62%	3.58%
Singapore				
SINGAPORE TELEC/BOARD LOT 1000	864 000.00	SGD	3.09	1 586 077.86
Total Singapore:				
			1 586 077.86	1.75%
Turkey				
NET HOLDING AS	2 318 217.00	TRY	1.57	1 484 530.36
SABANCI HOLDING	200 000.00	TRY	5.40	440 513.38
Total Turkey:				
			1 925 043.74	2.13%
United States of America				
MICROSOFT CORP	115 000.00	USD	25.96	2 299 734.24
Total United States of America:				
			2 299 734.24	2.54%
British Virgin Islands				
WINSWAY COKING	11 600 000.00	HKD	2.29	2 634 729.72
Total British Virgin Islands:				
			2 634 729.72	2.91%
Total Shares and other similar securities:				
			86 819 644.24	96.01%
Total transferable securities admitted to an official stock exchange:				
			89 340 495.14	98.80%
Other transferable securities				
Shares and other similar securities				
Jersey				
CENTAMIN SHS	1 100 000.00	GBP	0.82	1 085 110.36
Total Jersey:				
			1 085 110.36	1.20%
Total Shares and other similar securities:				
			1 085 110.36	1.20%
Total of other transferable securities:				
			1 085 110.36	1.20%
Total transferable securities, money market instruments, UCI and financial derivative instruments:				
			90 425 605.50	100.00%
				98.76%
II. Deposits and liquid assets				
Sight bank deposits				
KBC securities N.V.	CAD		6.60	6.60
KBC securities N.V.	EUR		116 989.50	116 989.50
KBC securities N.V.	HKD		531 315.16	531 315.16
KBC securities N.V.	IDR		190 991.81	190 991.81
KBC securities N.V.	NOK		140.17	140.17
KBC securities N.V.	SGD		15 605.61	15 605.61
KBC securities N.V.	TRY		25 935.71	25 935.71
KBC securities N.V.	USD		311 258.41	311 258.41
Total sight bank:				
			1 192 242.97	1.30%
Total deposit and liquid assets:				
			1 192 242.97	1.30%
III. Other receivables and other payables				
IV. Other net assets				
			-181 750.52	-0.20%
V. Total net assets				
			91 563 125.93	100.00%

Value Square Fund Equity World

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

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.

9.2.Economic breakdown of investments as at 31/12/2011 (percentage of portfolio)

Financial, investment & other diversified comp.	21.50%
Agriculture & fishery	11.96%
Banks & other credit institutions	7.15%
Mining, coal & steel	6.43%
Real estate	5.51%
Electronics & semiconductors	4.81%
Non-ferrous metals	4.44%
Petroleum / Oil and natural gas	3.96%
Telecommunication	3.69%
Pharmaceuticals cosmetics & med. products	3.60%
Energy & water supply	3.59%
Textiles, garments & leather goods	3.41%
Building materials & building industry	2.73%
Internet, software & IT services	2.54%
Traffic & Transportation	2.44%
Miscellaneous consumer goods	2.38%
Rubber & tires	2.23%
Non-classifiable / non-classified institutions	1.64%
Miscellaneous trading companies	1.18%
Lodging & catering industry & leisure facilities	1.11%
Biotechnology	0.93%
Tobacco & alcoholic beverages	0.90%
Packaging industries	0.72%
Computer hardware & networking	0.57%
Investment trusts / funds & provisioning inst.	0.30%
Chemicals	0.26%
Total	100.00%

9.3.Geographic breakdown of investments as at 31/12/2011 (percentage of portfolio)

Belgium	19.59%
Bermuda	18.50%
France	13.05%
United Kingdom	7.04%
Cayman	6.76%
Indonesia	6.69%
Brazil	4.04%
Norway	3.62%
British Virgin Islands	2.91%
Curacao	2.79%
United States of America	2.54%
Canada	2.32%
Luxembourg (Grand Duchy)	2.31%
Turkey	2.13%
Singapore	1.75%
Jersey	1.20%
Guernsey	0.97%
China (People's Republic)	0.76%
Austria	0.72%
Isle of Man	0.30%
Total	100.00%

Value Square Fund Equity World

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

9.4. Currency breakdown of investments as at 31/12/2011 (percentage of portfolio)	EUR	35.68%
	HKD	22.76%
	USD	14.70%
	GBP	9.51%
	IDR	6.69%
	NOK	3.62%
	CAD	2.32%
	TRY	2.13%
	SGD	1.75%
	BRL	0.84%
Total		100.00%

9.5. Change in the composition of assets of the subfund

(expressed in EUR)

	1st semester	2nd semester	Complete exercise
Purchases	26 916 287.38	20 588 982.32	47 505 269.70
Sales	6 971 442.88	6 412 547.51	13 383 990.39
Total 1	33 887 730.26	27 001 529.83	60 889 260.09
Subscriptions	26 684 277.07	6 321 482.85	33 005 759.92
Redemptions	1 916 131.79	5 014 477.19	6 930 608.98
Total 2	28 600 408.86	11 335 960.04	39 936 368.90
Reference average of the total net asset	87 314 601.92	91 306 239.39	89 310 420.6600
Rotation Percentage	6.06%	17.16%	23.46%
Corrected Rotation Percentage	8.17%	17.10%	23.72%

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.

9.6. Table of Liabilities relating to the positions on financial derivatives as at 31st December 2011

(expressed in EUR)

Dénomination	Quantity / Nominal Value	Value Date	Due Date	Currency	Liabilities in the currency of the instrument	Liabilities in the currency of the sub-fund
Warrants						
MER LY INTL 10.03.15 CW /MCLR	921 685,00	03/12/10	10/03/15	0,00	0,00	0,00

Value Square Fund Equity World

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

9.7. Evolution of the number of shares outstanding as at 31st December 2011

Period			Subscriptions	Redemptions	End of Period
31/12/2009	Class C	Capitalisation	124 111.00	11 243.00	206 178.00
	Class I	Capitalisation	44 600.00	22 300.00	22 300.00
		Total			228 478.00
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
		Total			542 650.00
31/12/2011	Class C	Capitalisation	243 742.00	55 295.00	694 660.00
	Class I	Capitalisation	5 941.00	-	42 378.00
		Total			737 030.00

9.7.1. Payable and receivable amounts for the subfund (in the currency of the subfund)

Period			Subscriptions	Redemptions
31/12/2009	Class C	Capitalisation	10 580 854.87	1 014 477.56
	Class I	Capitalisation	4 243 467.00	2 236 244.00
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
31/12/2011	Class C	Capitalisation	32 196 002.24	6 930 609.98
	Class I	Capitalisation	809 757.68	-

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

Period				per share
31/12/2009	23 583 357.30	Class C	Capitalisation	103.22
		Class I	Capitalisation	103.25
31/12/2010	73 889 515.81	Class C	Capitalisation	136.15
		Class I	Capitalisation	136.34
31/12/2011	91 563 125.93	Class C	Capitalisation	124.22
		Class I	Capitalisation	124.47

Value Square Fund Equity World

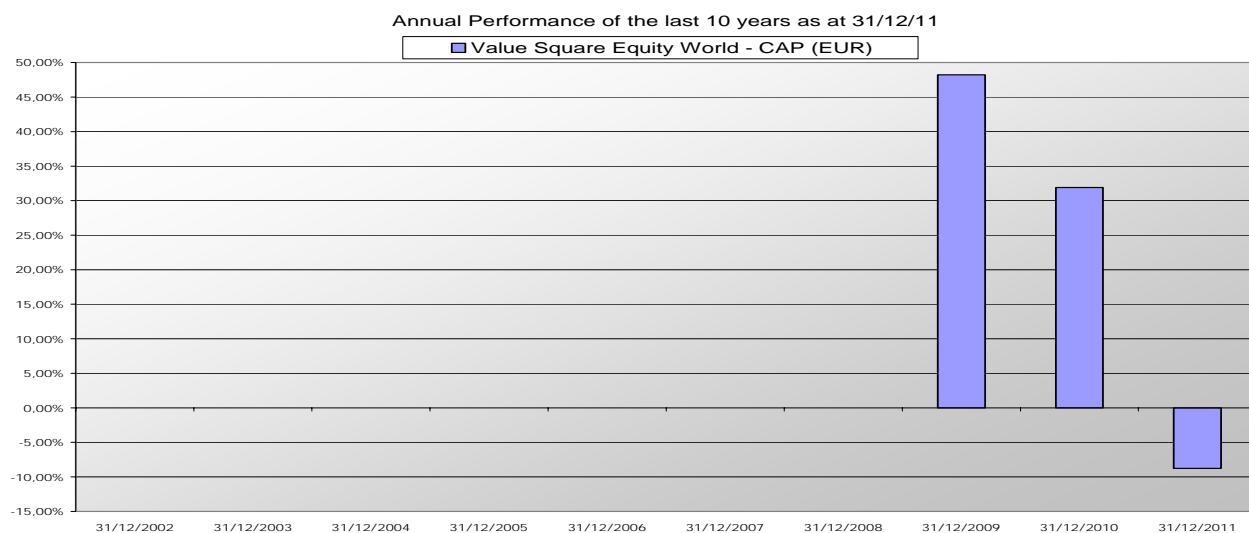
9. COMPOSITION OF THE ASSETS AND KEY FIGURES (CONTINUED)

9.8. Performances (expressed in percent)

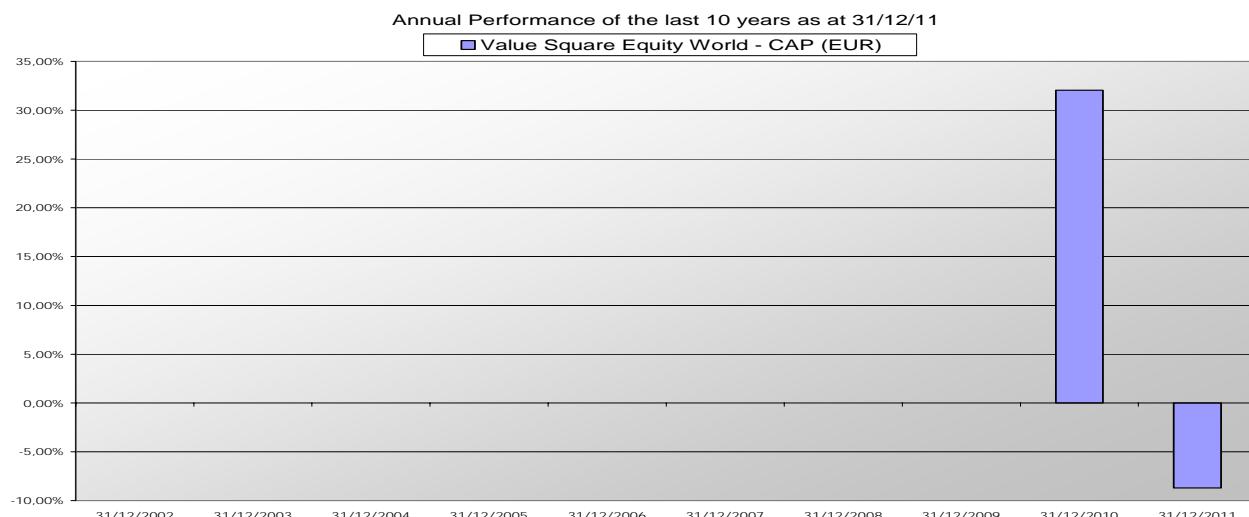
Class	CAP / DIS	1 year	3 year	5 year	10 year	Since the start
C	CAP	-8.76%	21.28%	-	-	6.90%
I	CAP	-8.71%	-	-	-	14.66%

9.9. Diagram in sticks

Class C (CAP)



Class I (CAP)



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.

Value Square Fund Equity World

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

9.10. Fees

(expressed in percent)

Total expense ratio (TER):	
Class C	1.26%
Class I	1.19%

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.

Value Square Fund Equity World

10. NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2011

10.1. Fees, commissions and recurring costs borne by the subfund (Class C)

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.

- 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.

Value Square Fund Equity World

Notes to the financial statements as at 31 December 2011 (continued)

10.1. Accrued liabilities (Balance VI C)

On 31st December 2011, this amount includes:

- the Investment portfolio management fee (Class C)
73 262.97 EUR
- the Investment portfolio management fee (Class I)
4 457.56 EUR
- the Administration fee (Class C)
2 515.90 EUR
- the Administration fee (Class I)
153.06 EUR
- the Transfer agent's fee (Class C)
718.86 EUR
- the Transfer agent's fee (Class I)
43.73 EUR
- the Custody agent's fee (Class C)
9 595.91 EUR
- the Custody agent's fee (Class I)
215.75 EUR
- The Legal Life and Reporting fee (Class C)
1 360 EUR
- a provision for other annual overheads (supervisory authority's fees, auditor's fees, report costs, publication costs, etc.)
90 815.84 EUR

For a total of: 183 139.58 EUR

10.2. Commissioner's remuneration

Pursuant to article 134 §§ 2 and 4 of the Company Code: mention of the commissioner's emoluments.

Amount of the emoluments (in EUR) Exclusive of VAT: 3 880