



Fonds Bloemendaal

Semi annual Report 2011

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General Information

Fonds Bloemendaal

Dennenweg 19
2061 HW Bloemendaal
The Netherlands
Tel: +31 (0)23 5279476
Fax: +31 (0)23 5266656

Fund Manager

Bloemendaal Investment Management B.V.
Dennenweg 19
2061 HW Bloemendaal
The Netherlands

Depository

Stichting Bewaarder Fonds Bloemendaal
De Ruyterkade 6-i
1013 AA Amsterdam
The Netherlands

Custodian and Banker

Kas Bank N.V.
Spuistraat 172
1012 VT Amsterdam
The Netherlands

Banking Relationship

Fortis Bank Nederland N.V.
Blaak 555
3011 GB Rotterdam
The Netherlands

Legal and Tax Advisor

Clifford Chance LLP
Droogbak 1a
1013 GE Amsterdam
The Netherlands

Administrator

Fastnet Netherlands N.V.
De Ruyterkade 6-i
1013 AA Amsterdam
The Netherlands

Auditor

Ernst & Young Accountants LLP
Antonio Vivaldistraat 150
1083 HP Amsterdam
The Netherlands

Development Fonds Bloemendaal

	30-06-2011	31-12-2010	31-12-2009	31-12-2008
Net Asset Value EUR x 1000				
Net Asset Value of the Fund	14.778	11.574	6.869	4.845
Income from investments	180	155	89	265
Realized results	1.566	958	-663	-886
Unrealized results	-530	1.224	2.096	-2.249
Expenses	-201	-299	-234	-424
Total investment result	1.015	2.038	1.288	-3.294
Total units outstanding	146.835	124.220	92.036	81.503
Per Share EUR				
Net Asset Value	100,64	93,17	74,64	59,44
Dividend	-	-	-	-
Income from investments	1,23	1,25	1,06	3,25
Realized results	10,66	7,71	-7,92	-10,87
Unrealized results	-3,61	9,85	25,05	-27,59
Expenses	-1,37	-2,41	-2,80	-5,19
Total result	6,91	16,40	15,39	-40,40

Profile

Fonds Bloemendaal is a Dutch multi-strategy hedge fund with a global focus. The Fund is authorized and regulated by the Netherlands Authority for the Financial Markets (AFM) and is a mutual fund with an open-ended structure. This means that the Fund Manager regulates the issuance, transfer or redemption of Participations.

Bloemendaal Investment Management B.V., which has been granted a licence based on the Dutch Financial Markets Supervision Act (*Wet op het financieel toezicht - Wft*) is the independent Manager of the Fund. The Fund Manager is subscribed in the register of the AFM as meant in article 1:107 Wft.

Fonds Bloemendaal aims to realize balanced capital growth for her participants, regardless the direction of the financial markets (absolute return). The basic premise of the Fund is to focus on specific situations with a relatively attractive risk/return profile. Additionally, the Fund optimizes risk/return characteristics by using derivatives. The Fund has an opportunistic and flexible approach and attempts to obviate the volatility of the capital markets with a multi-strategy approach and its three important core strategies, Alpha, Beta and Theta*). The various strategies and investment techniques form the basis for the 'absolute return' goal.

The target of the Fund is an average yearly return of 12% for the participant, after deduction of fees, costs and expenses, realized under stringent risk management. There is no guarantee that the Fund will achieve its investment objective. The value of the investment may fluctuate. Returns on past investments are no guarantee as to the returns on future investments. An investment in the Fund carries a high degree of risk and is suitable only for persons who can assume the risk of losing their entire investment. Investors are expected to invest only a limited amount of their capital in the Fund. There is a financial insert for Fonds Bloemendaal including information about the costs and the risks involved. Investors should read this carefully before buying participations in the Fund.

*) 'Alpha' is a risk-adjusted measure of the so-called "excess return" on an investment or in other words an investment that has a better performance versus another investment, 'Beta' is defined as general market return and 'Theta' is the time decay regarding option pricing.

Fund Manager Report

We are pleased to present the 2011 semi-annual report of Fonds Bloemendaal. This report is covering the period 1st January 2011 – 30th June 2011.

Total assets under management rose from EUR 11.574 million to EUR 14.778 million (+27.68%). In this period Fonds Bloemendaal achieved a net return of +8.02% and net new inflows added the remainder to the Fund base.

We are pleased to welcome new participants growing the Fund base. Moreover, several current participants added to their holding as well. We also received increasing interest from other new investors.

Economic background

The economic background remained barely unchanged as described in earlier reports. Risk appetite with investors has been hit by increasing fear that governments could become insolvent as can be seen along the periphery of the eurozone. The global economy is growing. The developed economies are still in a recovery phase. However, we would not be surprised that any recovery period is not sustainable in nature and weak at best in the aftermath of a busted asset and credit bubble of the magnitude we have seen in 2008. The secular change in the credit cycle is beyond our collective experience with a risk to underestimate the role that asset deflation and debt repayment will play in the economy. Therefore, we are of the opinion that markets are just in a bear market rally driven by monetary and fiscal policy. However, there is increasing evidence that this artificial cyclical recovery will end early. We believe that in a post-bubble world recoveries are fragile at best as interest rates are exceptionally low and policy makers are trying to determine when a recovery is strong enough to withdraw the plentiful stimulus. Moreover, it is likely that consumer spending remains constrained by a weak employment market, no income growth, lower housing wealth and tight credit. Budget difficulties at state and local governments should also restrain the economy.

Performance

On 30th June 2011 Fonds Bloemendaal had a net asset value per participation of EUR 100.64, a net gain of +8.02% compared with the 1st of January 2011. We would like to emphasize that the Fund achieved this absolute return with markets going nowhere, e.g. Eurostoxx 50 (+1.99%), MSCI Global (-4.21% in EUR) and AEX (-4.21%).

Our portfolio achieved this attractive return driven by our policy to build positions in (a combination of) assets with re-rating potential underpinned by thematic as well as fundamental drivers. The best performers in portfolio were online professional networking company Xing (+52%), ecologically friendly construction and energy saving insulating material provider Steico (+19%), pair trade long ASM International and short ASML (+15%), energy provider Galp Energia (+14%), crop nutrient provider Potash (+12%) and independent West African oil explorer Afren (+9%). In contrast, our worst performers were Intralot (-41%), a basket equities in Vietnam (-17%), a pair trade long Akzo Nobel and short PPG Industries (-9%) and a short in Amazon (-8%).

Additionally, we distinguish from most other funds by building a combination of specific (option) positions improving risk/return profile. Interestingly, we are able to create a margin of error using these specific positions. For example our pair trade long Barrick Gold versus gold showed a drop of 20% in the market. However, this pair trade lost 'only' 6% in our portfolio using option premiums to our benefit. There are other pair trades nice to mention as well, such as a long in a basket of Brazilian equities versus a basket of North American equities. This trade was a negative 10% in the market, but showed a positive 7.8% in our portfolio. Our portfolio has various of these specific positions with relatively favorable risk/return characteristics.

The volatility of market moves were above average as a result of several shocks, such as spreading political turmoil in the region Middle East and North Africa (MENA) with oil above US\$100 a barrel, record-high food costs, a magnitude 9.0 earthquake in Japan that crippled a nuclear power plant and the sovereign debt crisis in Europe. We are cash rich. Therefore, we were able expanding several positions mostly selling expensive option premiums raising our net exposure in core fundamental positions during the dip. We have various option strategies in our portfolio that enable us to buy underlying assets often (more than) 10% lower than actual pricing (when taking a position) without paying premiums, mostly receiving premiums. It is important to understand that periods of high volatility are a temporary phenomenon. Thus expensive premiums should level off which is supportive for our performance. Another point to note is that options have a fixed time to maturity, so every day that passes a part of the received premium decays, which is supportive as well.

Table: Monthly performance of Fonds Bloemendaal (in %)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Okt	Nov	Dec	Year	Cum
2007											1.27	1.30	2.59	2.59
2008	-8.09	4.35	-2.57	3.85	3.50	-1.23	-1.78	2.65	-19.39	-33.87	2.72	5.78	-42.06	-40.56
2009	0.17	-2.32	4.45	11.65	4.30	0.10	-3.08	-1.12	2.33	-0.76	1.22	7.00	25.57	-25.36
2010	1.76	2.79	5.96	-0.86	-4.72	-2.83	7.45	3.74	-0.86	4.91	-2.31	8.34	24.83	-6.83
2011	2.81	0.77	2.05	3.09	0.41	-1.30							8.02	0.64

During the first half, we increased our portfolio hedge to protect for deteriorating conditions. We would like to emphasize that the Fund had approximately 38% market exposure on average during the first half year ending this period with just 21%.

Our multi-strategy approach has been successful as our combination of different strategies creates an attractive risk/return profile. The Fund is widely diversified with various different global investment themes with a focus on equity (related) investments. We continued our policy to further add to/diversify our portfolio on attractive levels (buy the dip) including focusing on specific investments with re-rating potential driven by thematic and fundamental drivers. Moreover, we are using several option strategies that improves risk/return in our portfolio.

It's incumbent upon us to navigate through this volatile period and to create value for our participants in the medium term. All in all, we are the opinion that our specific multi-strategy approach (combination of alpha, beta, theta strategies*) is able to create value. The approach has been successful in most of the periods since inception. Moreover, in analyzing our portfolio returns we are the opinion we should be able to improve returns by an increasing focus on highest conviction investment opportunities. Therefore, we decided to decrease the number of investments that have smaller weightings taking the opportunity to raise concentration in our portfolio. We continued this process started last year. Relevant developments will be described in our monthly newsletters.

Additionally it is worth mentioning, that we are constantly improving our shorter term tactical decision process to protect our portfolio better against sudden negative market swings.

*) 'Alpha' is a risk-adjusted measure of the so-called "excess return" on an investment or in other words an investment that has a better performance versus another investment, 'Beta' is defined as general market return and 'Theta' is the time decay regarding option pricing.

Investment Policy

The strategy of the Fund is to focus on developing opportunities (themes, trends, re-rating ideas) and to translate these opportunities in 'high probability for return' investments. We stick to our flexible multi-strategy approach with different sources of return with a tailor-made risk profile (dependent on market conditions), which offers enough opportunities for an attractive return target. We have acted disciplined regarding our fine-tuned risk management process to protect our portfolio better against shorter term negative market swings.

The Fund was largely hedged during this period (using expensive call options) as market conditions should create better investment opportunities going forward. On balance, we approximately had an average net exposure of 38% varying in a range of 20% and 72%. We finished June 2011 with a total net exposure of 21%.

Additionally, we used various option strategies to lower the cost price of several earlier made investments. Moreover, we continued to create specific exposures with attractive risk/return characteristics, i.e. strategies that have immediate upside, but a significant part of the downside protected. We created exposures where the first 10-20% downside is protected without losing a 25% upside potential. Our portfolio has several of these highly attractive specific exposures.

The core of our portfolio is based on a diverse set of strong global investment themes with different performance drivers. We have a focus for undervalued assets that have enough reasons to re-rate or vice versa (see for full description our monthly newsletters). Our positions are built with various option strategies to improve risk-return characteristics where possible.

Our core fundamental positions are:

1. Resource management for critical strategic resources, such as energy, food and water. Demand for these resources will increase continuously as global projected population growth is enormous in combination with increased standards of living in emerging regions with mega-populations.

Energy-related: exploration companies with ample resources, such as LNG provider British Gas, Brazilian resources Galp Energia, Nexen, Royal Dutch Shell and attractive smaller players with material commercialization upside in Africa: Afren and Bowleven. A sub-theme is nuclear power: uranium miner Cameco;

Food-related: a producer of potash, a crop nutrient, used in fertilizers Potash Corp, vertically integrated (food) commodity provider Glencore and agricultural products trader ACOMO;

Water-related: water-treatment provider Hyflux;

Zinc-related: diversified miner Lundin;

2. The outlook for emerging markets is strong as demographics and earnings growth are superior in combination with attractive relative valuation versus growth metrics. Fundamentally, we are convinced that the developed world is going to be growth-constrained (debt, demographics) in respect to emerging markets, which should be more resilient (themes: urbanization and increasing demand from upcoming middle class boosting domestic purchases). We have core positions in Brazil and Vietnam;
3. Sustainable and responsible investing: Steico is an ecologically friendly construction and energy saving insulating materials provider, First Solar is clean energy and Philips is a low-energy LED lamps provider;
4. Demographics or developed countries growing grey: Curanum and investment company HAL Trust;
5. The safe tangible asset theme: gold. The loose fiscal and monetary policies should yield significantly higher budget deficits/inflation rates and/or confidence in printed paper money will decrease in favor of tangible assets. Gold mining companies are inexpensive relative to the price of gold. We have long core positions in the world's largest gold miner Barrick Gold mostly hedged versus gold price moves. We view another related asset: silver. Silver mining companies are inexpensive relative to the price of silver combined with an enormous divergence recently. We are long a basket of global silver mining companies and short silver. Moreover, we built a position in Canadian Silver Wheaton;
6. Rapidly growing number of wealthy households globally due to demographic change and private wealth accumulation, i.e. demand for personalized goods and services. Premium branded cars are in demand: Porsche SE.
7. The sector Healthcare is a sector that has general defensive characteristics. We selected Philips;
8. In the sector Technology: data networking product supplier Cisco, Dialog Semiconductor and handset manufacturer Nokia;
9. The Financial sector. We believe it is better to avoid this sector. Our portfolio has only one core fundamental name with specific performance drivers: reinsurer Munich RE;
10. Long positions in specific companies with specific growth drivers at a very reasonable price: heavy-ship owner Dockwise, licensed lottery and sports betting operator Intralot, Telegraaf Media Group and professional online networking site Xing;
11. Deflationary environment as a theme. Walmart is well positioned given its discount price positioning, sizeable market share, cash flow generating power and solid balance sheet ratios;

12. Specific short positions that have a combination of weak balance sheets/refinancing risks and difficult outlook for end-markets: North American commercial real estate;
13. Specific short positions that have too expensive valuations in our view: Amazon.com;
14. Specific valuation pair trades: long Akzo versus short PPG Industries and long ASM International versus short ASML.

See below for some additional description of our specific investments. Earlier described investments are described more briefly than new investments.

1) Resource Management (energy, agriculture/food, water)

The accidents at the Japanese nuclear plant should refocus attention on gas as a quasi clean fuel. Additionally, the unrest in the Middle East could intensify gas market tightness driving the global Liquefied Natural Gas (LNG) market providing scope for healthy margin growth. **British Gas** is well placed with LNG accounting for roughly one third of earnings. Moreover, they are executing an aggressive expansion of global capacity. Therefore, we strongly believe their ability for significant value creation entering a period of sustained growth with double digit volume growth. This growth compares very favorably to sector peers with the shares trading at a discount. We strongly believe these shares to re-rate when growth comes through.

Galp Energia is an energy company in Portugal. This is a strong investment case as Galp has clear exposure to one of the main themes in the Oil & Gas sector: access to resources. Galp has a meaningful exposure to several new recoveries in Brazil. Interestingly, this new exploration frontier is one of the most exciting areas in the industry and should be an important driver of share performance for exposed stocks. Another important driver is the transformation from a downstream biased integrated company to a company with explosive growth potential from the upstream, i.e. a move to higher margin activities.

Galp Energia and British Gas doubled the reserve estimate for Brazil's offshore Santos Basin to 6 billion barrels of oil equivalent (boe) with potential for as much as 8 billion barrels. Galp has another positive catalyst within a few months from their Brazil stake sale planning to sell ca 30% of their Brazilian assets, which could raise more than EUR 2 billion target as the bid process seems very competitive. In the event of a deal upside can be another 20-25% as assets have a discounted valuation in our view. We added to our positions in British Gas and Galp on lower levels using general market weakness during June.

Canadian energy company **Nexen** is a highly attractive medium-sized player with proven reserves, material exploration and commercialization upside. Their oil production volumes are expected to build with the start-up of new production. Additionally, they are on the brink of using a proprietary new technology that creates a US\$10/bbl margin advantage in oil-sands. Obviously, this technology gives additional potential for increasing shareholders' value in the future.

Royal Dutch Shell attracted our attention as well. The company is regaining momentum versus its peers as it has invested considerable amounts to rebuild its upstream assets since the reserves crisis a few years ago. The bulk of these investments are expected to come on-stream as from mid-2010. Additionally, cost cutting should gain momentum as well as RDS has started a more aggressive approach by cutting its capital expenditure budgets. We believe the shares are attractive as valuation is still at a discount to peers and offers a 5% dividend yield.

Afren and Bowleven are attractive smaller players with sizeable proven reserves, material exploration and commercialization upside in Africa.

In this energy theme there are several sub-themes to play. One of them is nuclear power. Following the incidents in Japan, the nuclear debate as a sustainable form of energy will resurface again. Nuclear-related companies slumped up to 30%, especially the sell-off in uranium stocks seemed overdone to us offering fundamental upside. A world without nuclear power is rather unlikely based on a continued growth in prosperity and population (from 6 billion to 8 billion in 2030). China and India, the world's fastest-growing major economies have plans to boost their share of global nuclear power sevenfold by 2020 to meet electricity demand and emission goals. Both countries use mainly coal to generate electricity, but supposing their power consumption up to developed-nation levels would require approximately four times current global use of coal. We have only one earth. Coal will continue to be the major fuel in the next couple of decades, but the mix of nuclear will increase in Asia at least. China has 14 nuclear reactors currently in operation generating about 11 gigawatts contributing only 2 percent of electricity supply (source: China Electricity Council). China's nuclear capacity ambitions are 70 gigawatts by 2020. India has only 4.78 gigawatts of nuclear generation, or 2.8 percent of the country's total installed capacity (source: Central Electricity Authority India). India will stick to a plan increasing nuclear capacity to 60 gigawatts by 2030. These countries need nuclear as it 1) is able to meet ever growing electricity demand as it is scalable; 2) has security of supply; 3) is cheapest and 4) is reducing CO2 emissions. Therefore, we suspect rapid growth in nuclear installed capacity in Asia notwithstanding the events in Japan. Let us bear in mind that the Fukushima plant was using old technology while the new fourth-generation reactors are more advanced.

Interestingly, current nuclear power reactors use more uranium than mined resulting in lower stock piles each year. Military warheads are a source of nuclear fuel. However, this supply is leveling off and ending by 2015. Obviously, this situation is an

advantage to uranium producers. We reinitiated a position in Canadian **Cameco Corporation**. Cameco is the world's second-largest uranium producer used as fuel for generating electricity in nuclear power reactors. Canada is a country rich in uranium resources and has a long history of exploration, mining and generating nuclear power. Cameco is owner of the largest uranium mine in the world. Moreover, production is expected to increase significantly after 2011 as another large mine will come into operation. Therefore, Cameco is in a very strong position to grow market share and meet future world demand. We are building exposure by selling expensive put options giving additional return opportunities.

Potash Corp is the world's largest (ca 25% of global supply) producer of potash, a crop nutrient, used in fertilizers. The challenge is to produce a record crop every year as we have a record demand every year as well. We believe this food and fertilizer demand trend has just started. The farming community around the world recognizes the value added from potash (a mineral increasing crop yields). Interestingly, the industry is characterized by high barriers to entry.

We expanded positions to an earlier described theme regarding the observation there is already a global fresh water shortage (source: United Nations). A third of the global population is already suffering from absolute water stress or scarcity. And to make matters worse, the world population growth is projected approx 30% over the next 20 years from ca 6bn people today to just ca 8bn. It is estimated that by 2025 more than 60% of the global population will be living in countries suffering high or medium-high relative water stress. There is increasing evidence that climate change make things worse. In other words: water is (non-cyclical) growth and water infrastructure should grow 6-7% a year independent from economic developments. Therefore, we look for water-related companies that have reasonable valuations given their specific growth outlook. Key growth areas are re-cycling, desalination, packaged water and agricultural efficiencies. We initiated a position in the largest water-treatment company in Singapore: **Hyflux Limited**. This company designs, fabricates, installs, commissions, and maintains treatment systems for water purification, wastewater treatment, water recycling, advanced membrane filtration and piping systems. Importantly, they have exposure to growth areas (huge populations and urbanization) such as China with more than 50% of revenues coming from this area. Interestingly, this company has signed a joint venture agreement with Japan's JGC Corporation to jointly develop water projects in China. This should enforce bigger projects tapping additional growth potential.

Moreover, we are focused on a more indirect view, 'the virtual water trade', i.e. trade the product instead of piping the water. Importing agricultural products rather than domestic production in water-scarce areas saves water resources. Therefore, trade must increase as demand for more water-intensive food groups rises on the back of rising real incomes in developing markets. We switched a position out of Bunge Limited into **Glencore**. This company supplies commodities and raw materials to industrial consumers acting with an unique and proven business model. Glencore has a fast-acting approach to growth to deliver value over the medium term. It is a high quality vertically integrated company with a solid management, true global reach and diversified earnings streams. Best growth profile for volumes and earnings in the sector. However, an uncertain macro backdrop and uninspiring set of first quarter results have led to weak trading conditions for Glencore shares in recent weeks. However, a low weighted average cost of capital (high gearing, low tax) in combination with a light asset base warrants a premium rating over mining peers. Therefore, we believe there is attractive upside. We were able to build a position on significant lower levels (below 480p) than the introduction price (530p). Additionally, we introduced a position in Dutch agricultural products trading company **ACOMO**. This company has leading positions in niche and fragmented markets with substantial opportunities for growth, both organically and bolt on acquisitions. Obviously, the growth of India and China as consumers will influence these niche markets positively. The acquisition policy is reflecting management's strategic focus towards product diversification as well as strengthening ties with suppliers and customers worldwide. Therefore, the ongoing growth of the company in terms of sales, margins and profitability should continue. Moreover, cash flow generation is very sound. We view this company as well positioned for ample growth opportunities at a very reasonable price. The shares should re-rate further.

Resource management for strategic resources: zinc. Several weeks ago **Lundin Mining** stated they received a number of expressions of interest for both the assets and the whole company, but none of the proposals were acceptable. The shares were off almost 20%, however, interestingly provoking heavy insider buying, amongst others Lukas Lundin (Chairman). Mid June Nyrstar entered into a friendly deal with Breakwater representing an attractive 44% premium. This deal is all about zinc assets as there are in fact no pure-play zinc producers anymore. Therefore, we expect value to unlock in diversified miners with a high zinc exposure. This should be highly supportive for Lundin Mining with approx. 60% of their assets in zinc. Recently, this company announced further expansion plans in zinc at their high-grade Neves Corvo asset in Portugal. We strongly believe Lundin has potential to re-rate because of their very promising internal growth opportunities. Moreover, an acceptable proposal could earlier pass by.

2) Re-rating of emerging markets

In the last few decades, the largest countries (G7) in terms of spending power (GDP) have come from the rich developed economies. Their incomes were so much higher that even developing economies with much larger populations were responsible for much smaller shares of global spending. However, by now, this has clearly begun to change with China in the top seven and Brazil, India and Russia not far behind (BRIC countries). As a result of their growth success, a powerful shift of global purchasing power is poised to emerge. This shift is even likely to accelerate by a continuous growth of the middle class in 'emerging' economies in combination with increasing incomes. We are gradually building emerging market exposure as we are strong

believers of upcoming global middle class in these countries. Previous periods of middle class expansion have been times of enormous progress and change. It is estimated that the global middle class is growing an astonishing 50 million people per annum. This growth dynamic is not seen since the formation of the developed country middle classes in the 2nd part of the 19th century.

Brazil is a highly interesting investment case as this country is a play on many global themes, such as 1) a global agricultural producer (now 20% of GDP). Water tables of big agricultural producers, such as China, India, the US and Australia are declining rapidly. Brazil offers considerable comparative advantages as they have regular rainfall (and access to ca 25% of total global water with water tables constant), large areas of flat land, relatively long growing seasons and soil that can retain fertilizer. Brazil should gain at the expense of Australia and the US in global agricultural exports and 2) evidence is increasing that Brazil offers an exciting oil and gas exploration story. Brazil discovered again huge new oil reserves off its coast, which could turn the country into one of the biggest oil producers in the world. Oil production has the potential to match that of Venezuela and Saudi Arabia. Interestingly, Brazil should be able to develop a new source of supply to the United States. The influx of oil revenue should result in significant prosperity. Norway is the world's 5th largest oil exporter permitting Norway to expand government spending and established a sizeable state petroleum fund (size ca US\$400bn, Norway GDP US\$400bn, Brazil GDP US\$900bn).

We introduced another emerging market exposure: **Vietnam**. Vietnam is a neighbor of China, but is lagging in economic development. However, economic prospects are good. Demographics are favorable with ca 87 million people of which a significant amount has an age below 30. The solid rate of population growth is expected to continue. Moreover, there have been significant finds of oil and gas in the Southern part of the country. Development should bring additional prosperity to Vietnam. We took exposure at a discount. We bought Vietnam Opportunity Fund Ltd. This is a close-ended investment company with the aim to achieve medium to longer-term capital appreciation. This company invests in listed and unlisted companies, debt, assets and other opportunities in Vietnam and surrounding Asian countries. Net asset value per share is around USD 2.30 with the shares trading around USD 1.55 or in other words a discount of approx. 30%.

Moreover, the banking systems in these emerging regions are stronger than in the turmoil of a decade ago and the governments of the BRIC nations have accumulated the world's largest financial reserves (e.g. better stability and ability to adopt fiscal stimulus). All in all emerging market stocks look attractive as valuations are still reasonable given their higher growth profile.

3) Sustainable and responsible investing

There are increasingly stricter rules in achieving new building sustainability code levels and environmental legislation. These developments are about to change the way we build and renovate homes, offices and commercial buildings for ever. We initiated a long position in German **Steico AG**. This company is the European market leader in ecologically friendly construction and energy saving insulating materials for roof, floor, wall and façades in a new building or redevelopment projects. The products have the ability to reduce energy consumption dramatically. Calculations have shown that savings of up to 80% are possible with redevelopment projects. Obviously, the value of property should increase pushing these kind of investments. Therefore, significant growth opportunities are ahead. We view this company as well- positioned for ample growth opportunities at a reasonable price. These shares should re-rate.

BP's tragedy in Gulf of Mexico is a powerful reminder that the time to embrace a clean energy future is near (source: president Obama). Clean energy companies should benefit. **First Solar** uses a thin film semiconductor technology to manufacture electricity-producing solar modules. Industry fundamentals have deteriorated after years of tight supply as too much solar production capacity is coming online. The process of severe price pressure should eliminate weaker competitors for the benefit of the stronger players. We believe First Solar has ample power to weather these conditions as it is one of the leading sector players with a solid balance sheet.

Philips is a company with several investment themes, such as increasing spending power of consumers in emerging markets (currently 34% of revenues), sustainability (LED lighting), cost effective healthcare solutions and home healthcare offering amid an aging population. In the near term these industries are buckling under falling consumer spending and easing growth. However, we are the opinion Philips is well positioned to regain growth as well as margin momentum after many years of restructuring and simplifying its product portfolio. This company seems undervalued to us. The combination of revenue growth and margin expansion should be reflected in a superior free cash flow generation. Moreover, an analysis of a sum of the parts is giving a potential of at least EUR 32 per share (upside: +80%). Our investment in Philips is an example of a specific option strategy with significant 'margin of error'. Our cost price per share is EUR 18.75, which was 18% less than the market price. We were too early taking a long position, but the loss is limited. We stick to our view that a re-rating is more than likely. Our portfolio has more of these and related attractive constructions.

4) Demographics or developed countries growing grey

A focus on Germany. Currently, in Germany every fifth person is 65 or older, but this situation will change to every third person by 2050. The German nursing home market is highly fragmented and worth as much as EUR 20 billion. Obviously, specific players in

this market have structural growth potential. We have exposure in one of the bigger players, **Curanum**, which operates skilled care nursing homes, rehabilitation clinics, retirement homes and support facilities in southern Germany. This company has solid cash flow generation and a growth profile, but still a market share of only 1 percent. Additional growth drivers are their acquisition policy and a positive trend in occupancy levels.

We expanded exposure in **HAL Trust**, an investment company that manages a diversified portfolio. Interestingly, HAL has not only a portfolio of attractive diversified non-quoted investments, but big stakes in solid performing companies such as Vopak and Boskalis as well. In our view HAL shares are undervalued in a range of 30-40%. We partly hedged this position with selling exposure in Vopak and Boskalis. Additionally, there are several global themes in their portfolio as well, such as demographic trends (population in the West growing grey: retail optical products, growing and relatively young population in emerging markets: storage facilities for bulk liquids), global warming (dredging services, land reclamation activities), transport services (maritime services, heavy transport), oil services (e.g. heavy-lift ships which transport oil drilling equipment).

5) The safe tangible asset theme: gold.

Barrick Gold is the world's largest gold company in terms of annual output. Gold mining companies are inexpensive relative to the price of gold. We selectively invest in companies with valuation metrics that point to undervaluation. The price of gold continued its upward move with Barrick performing disappointing being in the penalty box since the pricey acquisition of Equinox. However, in our opinion the divergence of more than 20% is overdone. We are of the opinion there is compelling scope for a catch up with Barrick to re-rate relative to gold prices as a combination of higher pricing, higher production levels and lower costs should continue to drive cash flow and profits higher.

Silver mining companies are inexpensive relative to the price of silver combined with an enormous divergence recently. In April the price of silver had risen +56% since the start of 2011. However, a basket of global silver mining companies had showed only +5%. We strongly believe this divergence should decrease as current silver prices should trigger positive cash flow and earnings revisions with mining companies or simply a lower silver price. Therefore, we are **long a basket of global silver mining companies and short silver**. Moreover, we built a position in Canadian **Silver Wheaton**. This company has solid growth prospects, low production costs (ca US\$4 per ounce) and uses no hedging. This is a good set of drivers given the price of silver (ca US\$47 per ounce). Beware these figures are end of April. The divergence decreased during the first week of May indeed.

6) 'Rapidly growing number of wealthy households globally due to demographic change and private wealth accumulation, i.e. demand for personalized goods and services'.

Premium branded cars are in demand: **Porsche SE**. Porsche SE is a holding company with investments in Volkswagen and Porsche AG. Both companies are performing really well with continued upward earnings revisions driven by solid volume growth and better margins. Porsche SE signed an agreement with Volkswagen that has two potential outcomes: 1) a full merger with Porsche SE or 2) an acquisition of the operating business, i.e. Porsche AG by Volkswagen. Additionally, there is a tremendous valuation discount for Porsche SE. This holding is owner of the operating business of Porsche AG (operating margins are above 20%) as well as 149 million shares Volkswagen (€116.45 per share since adding to our portfolio). These shares are worth €17.35 billion and Porsche SE has a market capitalization of just €14.25 billion. Interestingly, this valuation discount is widening as Volkswagen (+12%) and Porsche SE (-5%) performance diverged this year. We strongly believe that Porsche SE has an overly conservative valuation despite the uncertainty regarding a potential outcome. We even believe in a scenario with compelling value for Porsche SE driven by a continued further upward move with Volkswagen. A consensus target price is ca €143 per share Volkswagen. This could add almost €4 billion to the intrinsic value with Porsche SE (+28%). Therefore, we are not surprised calculating a target price of €70 per share (upside +45%). We opted for a specific option strategy. We sold at-the-money put options using the proceeds buying twice a call spread giving highly attractive upside potential combined with reasonable downside.

7) The sector Healthcare

We selected **Philips**. See for description below 3) sustainable and responsible investing.

8) The sector Technology

Cisco Systems. This company is the world's largest manufacturer of networking equipment. Cisco dominates the market for routers and switches directing the flow of the Internet traffic. This company is taking advantage of the economic slump by acquiring other (related) companies using its massive pile of cash. It paid more than US\$4.5bn to buy seven companies since the beginning of 2009 with more to come. It is expected that global data traffic will more than double every year through 2013. We used share price weakness to build a specific construction with implied cost price per share of US\$ 16.20 and a loss level at

US\$32.60 (Cisco share price at US\$ 20.05 August 2010). Cisco has disappointed since then. Nevertheless, our loss is limited driven by our specific combination of positions.

Dialog Semiconductor is an impressive turnaround story transitioned from a non-profitable company to one of the fastest growing market players in the semiconductor sector. Dialog is running a 'fabless' business model (outsourced manufacturing, packaging and final test operations to offshore subcontractors) enabling to run its business on a more scalable cost platform by avoiding high capital expenditure needs in fabs for capacity expansion or to move to next generation technologies. Moreover, capacity under-utilization problems during cyclical downturns will be avoided as well. This approach allows the company to focus on its key design and development strengths and achieve fast time-to-market for new innovations. The company designs, develops and supplies mixed-signal circuits optimized on growth areas for personal mobile and other portable media devices, lighting & display and automotive applications. Their impressive client base is a strong indication for high brand awareness and high acceptance of Dialog as a technological partner of leading companies, such as Apple, Bosch, Intel, Sony Ericsson and Samsung. The growth momentum should continue given the growth prospects in their underlying market of power management and emerging display technologies.

The lackluster share performance of Dialog (2011: -37%) does not reflect the strength of the business in our view. Therefore, we built a position. We believe this weakness is a temporary phenomenon as gross margin has decreased by some temporary factors, such as lower margins impacted by an acquisition, some supply chain constraints at manufacturing partners and new product mix (low yields due to lower volumes at the initial stage). We strongly believe Dialog will not only deliver a strong top line (2011-'13E average revenue growth > +20% per year) but also turn into a margin story (2011-13E average earnings per share growth > +40%) going forward. This growth compares very favorable to sector peers. We strongly believe these shares to re-rate when growth comes through.

Another global investment theme is the 'digital connected consumer' or changing consumption habits in using technology. The world's biggest maker of mobile phones **Nokia** tumbled by the decision to enter into a strategic partnership adopting Microsoft's Windows operating system for their smart phones. Obviously, investor consensus doubts this partnership is enough to challenge Apple and Google turning sentiment really bearish on Nokia. However, this market reaction seems overdone to us. It was no real surprise that Nokia chose to go with Microsoft as Stephen Elop, Nokia's current CEO, is a former top Microsoft executive. Moreover, there are several advantages as well such as the ability to speed up the time-to-market for new phones and the ability to exert differentiation from Apple and Google providers like Samsung, HTC and Motorola. In addition, Nokia should reduce development costs considerably by using Microsoft software engineers. Nokia's R&D budget is an astonishing EUR 5.9 billion annually, which is more than four times that of Apple. Nokia's global market share slipped to 33% as of the end of 2010, but is still the world's largest smart phone vendor (source: IDC). We are strongly the opinion this alliance could prove successful longer term given their advantages in scale. The opportunity is to develop a huge market in high volume/lower-end smart phones as developed earlier by Nokia in mobile phones. In our view the negative sentiment and shorter term executing risks seemed overly discounted in current share price. We are building exposure by selling expensive put options giving additional return opportunities and some 'margin of error'.

9) The Financial sector – companies with specific performance drivers

Munich Re is the world's biggest reinsurer. This company has more capital available than other reinsurers. We strongly believe this company will grow market share as numerous primary insurers are still short of capital. Selling new shares or raising debt is expensive, so reinsurance is a competitive alternative to replenish capital. Additionally, the shares are relatively cheap. Importantly, we managed to improve the risk/return characteristics considerably. We build option strategies that have more attractive outcomes than just having a position in the shares only.

10) Long positions in specific companies with specific growth drivers

Global logistics. **Dockwise** is global market leader in a growing market for developing innovative solutions in the transport and installation of extremely large and heavy structures on sea, such as oil drilling equipment and other heavy cargo. The shares are very cheap given their operating leverage, improved balance sheet ratios and the improvement in the order environment. Moreover, Dockwise aims to build the largest heavy lift vessel on the globe and raised US\$100 million capital for that need. The company tested a ship to transport up to 100,000 tonnes, which is significantly larger than the current 60,000 tonnes. This ship should have five transports for at least US\$ 30 million each every two years. There is demand for these huge transports as big oil companies are developing increasingly difficult to explore offshore oilfields. The ability to transport complete oil platforms could save up to US\$100 million per platform as building costs in the Far East are significant lower than on location as is the case nowadays. This niche market seems very promising at least.

Intralot is a Greek developer of integrated on-line lottery systems. The company produces, operates and markets the Lotto game, sports betting and other betting opportunities. We strongly believe in significant re-rating potential for many reasons. Several thematic drivers, such as 1) global gaming market liberalization (privatizations as well as a partner for governments, because many governments would like to develop a legal betting framework); 2) illegal gaming market size is estimated much bigger than

the legal market (Intralot cooperates with governments, so should take market share) and 3) technological developments (e.g. betting by mobile phone) should make betting easier to access for (potential) clients. This all bodes very well for total market size growth giving substantial upward potential.

There are several specific company drivers as well. Intralot has a so-called scalable business model with a high operational leverage. Very successful track record regarding new contract wins has resulted in a rapid expansion outside Greece (> 50 countries). Margins are attractive as cash flow generating power is strong and invested capital needs are relatively modest. In summary, Intralot is well placed to capitalize on global betting growth. The shares offer a rare combination of deep value and structural growth.

Obviously, Intralot is still struggling with uncertainty around its Chairman who may face prosecution. We strongly believe Intralot is fundamentally attractive after ending its expansionary phase focusing on profitability and cash flow generation. These shares are trading at a steep (> 50%) discount to peers deserving a significant re-rating as the growth profile is not reflected in current valuation.

We expanded long positions in **Telegraaf Media Groep** (TMG), which is best known as the publisher of the Dutch daily newspaper 'De Telegraaf', but has several interests in a diverse set of other media services, such as a radio station and online social networking site Hyves. Networking sites are increasingly popular gaining consumers' online time. Investors are looking for valuation guidelines, which are more clear with the initial public offering of LinkedIn. Additionally, the company is in the process to lower its cost base. Furthermore, expectations are really cautious for advertising revenue, which is an important performance driver. This operational leverage is not yet priced in. Interestingly, TMG has a 12% stake in German pan-European broadcasting group ProSieben Media. This stake is worth approx. 44% of the total market value of TMG. Therefore, valuation metrics are highly attractive. We would welcome any recovery in advertising markets, which should trigger a re-rating process.

Xing AG provides an online community for professional networking. The company's website allows business professionals to search for contacts in multiple languages. In our view this is an efficient opportunity for being a well-connected professional achieving better career opportunities. This is now available to everyone thanks to the internet. XING has more than 10 million members worldwide of which 745,000 are premium members prepared to pay for premium features. XING has three main pillars to drive revenue growth. The fee-based premium memberships, and the two new sources of revenue, e-recruiting and advertising. Obviously, the management of this company would like to unlock the value of their database. Interestingly, for investors XING has a scalable business model, which is highly cash generative due to a combination of high profitability, limited capital expenditure needs and low working capital needs. Their online platform is able to handle a significant higher number of subscribers as well as job ads or advertisements after the technical investments are made. Hence, every new subscriber or additional (job) ad is adding strongly to profitability. This should allow XING to sustain its high cash levels and even further building up its high cash pile levels. Currently, approximately a huge 33% of total market capitalization is net cash. XING creates value for investors, even considering its over-capitalized balance sheet without debt. Fundamentally, we like this company. However, we are increasingly convinced that the initial public offering of LinkedIn is food for a social networking hype resulting in more extreme valuation. Xing's shares are up more than 50% this year. We believe that most of the re-rating process has been delivered. Therefore, we took profits in Xing. We just have a small position

11) Deflationary environment as a theme

We like the world's largest retailer **Walmart** given its discount price positioning, sizeable market share, cash flow generating power and solid balance sheet ratios. In our view the equity markets are not (yet) focused on vanishing core consumer price inflation (CPI) rates in the US and the European zone in the future. This trend is in favor for companies that are used to work in a deflationary/discounting environment. Additionally, Walmart has significant financial strength and is to use its cash to buy back almost 10% of its own capital. We strongly believe this company should re-rate versus peers and should do better than market averages given a meager outlook for general economic conditions.

12) Specific short positions that have a weak balance sheets/refinancing risks and difficult outlook for end-markets

We have a short position in a **basket of North American commercial real estate**. We are believers that the higher cost of capital is there to stay as real estate participants are serious struggling to get loans from balance sheet constrained banks. Additionally, the recession caused building vacancies to increase, rental rates to fall and cash flows to shrink. Banks that own commercial properties as a result of bad loans could well turn into (forced) sellers, which will further depress valuations. We are strong believers all these factors will not improve soon resulting in major underperformance for many years to come.

13) Specific short positions that have too expensive valuations in our view

We are short in online retailer **Amazon.com** as valuation is rich combined with quite low operating margins of ca 4%. Moreover, there is a steady trend of decreasing operating margins. The earnings multiple is above an amazing high 50x. Therefore, we see

no room for multiple expansion, but only plenty room for contraction as competition will increase in several areas, such as e-books from Apple and Barnes & Noble and cloud computing from IBM and many other parties. We strongly believe that current high expectations will disappoint raising uncertainty hurting multiples.

14) Specific valuation pair trades

Long Akzo Nobel versus short PPG Industries. We reinitiated in a (global) relative valuation proposition between Europe and the U.S.A. The pressure on the European markets and its currency has created attractive opportunities. Euro weakness should enforce competitive positions for well positioned European companies. We look for European companies that have better (global) market positions than their U.S. peers, but are trading at a significant discount.

Akzo Nobel has showed a disappointing share price development versus PPG Industries. Our pair trade is to capture the valuation gap between Akzo Nobel and PPG Industries, which is unwarranted in our view. Akzo Nobel produces and markets chemicals, coatings and paints. This company is the world's largest paint manufacturer. PPG Industries is the second-largest paint producer in the world. These companies have a similar client base. However, Akzo has less exposure in most cyclical exposed decorative paints as well as significant higher exposure in fast growing regions, such as Asia (ca 30% of sales versus 15% for PPG). Therefore, earnings growth expectations are higher with Akzo. Moreover, Akzo's balance sheet is more solid. Interestingly, Akzo has a significant valuation discount versus PPG. We strongly believe that a normalization in relative valuation should take place resulting in better share price performance for Akzo.

Long ASM International versus short ASML. Relative value proposition in the technology sector. We strongly believe ASM International has significant upside potential versus ASML. There is an increasing difference in valuation between their two groups of products lately: machines used to produce semiconductors (front-end activities) and packaging semiconductors (back-end). ASMI has a 53% stake in back-end product manufacturer ASM Pacific, which is listed in Hong Kong. We are strongly the opinion this company is severely undervalued by stubborn misperception. Therefore, we added to our long holdings in ASMI. There is a structural shift in their break-even point within their front-end business which is completely ignored. This specific situation should act as a catalyst for a significant re-rating. We believe the shares have a price potential to EUR 40 per share (+47%) at least. Obviously, the value in ASMI is in its stake of 52.36% in back-end equipment manufacturer ASM Pacific, now worth ca EUR 2 billion. The total market equity value for ASMI is only EUR 1.5 billion. Thus the front-end business has a large negative equity value. The reason is its history for persistent losses and the poor execution from management. However, this situation seems to have changed. The company has cut the break-even point in revenue terms in front-end by approximately 40% by a considerable restructuring of the business. The company exited small end-markets, shut down high-cost factories and migrated technologies to a common platform reducing operational and R&D costs. Essentially, the business would have been profitable through most of the last decade given current break-even point. Nevertheless the value of the front-end business is priced as a function of past historic losses in anticipation for additional value destruction. However, it should be valued based on a business that has double digit EBIT margins. In addition to this valuation opportunity there are several revenue growth drivers as well. ASM Pacific is active in the semiconductor market and in the much higher growth LED market as well. ASMI is market leader in atomic layer deposition (ALD) which should provide ample growth by many potential applications. Therefore, we are the opinion that a re-rating of ASMI is a likely scenario indeed.

This kind of undervaluation is not the case with ASML, so we hedged sector specific risks with a short position in ASML.

Governance

The Fund Manager has a system of checks and balances in place in order to ensure compliance with both the applicable law and regulation and the fund governance principles that protect the interest of investors and mitigate conflicts of interest. Our view on Fund Governance and a more detailed description on how it is managed in our organization is published on our website.

AO/IC statement

Our activities are organized in accordance with a description of the operational structure which fulfils the requirements of the Act on Financial Supervision and the Decree on the Supervision of the Conduct of Financial Enterprises.

We have reviewed certain aspects of our operational structure with respect to the fourth quarter 2008. While conducting our review, we have not become aware of facts or other elements that would make us believe that the description of the operational structure as provided for under article 121 of the Decree of the Supervision of the Conduct of Financial Enterprises does not comply with the Act on Financial Supervision and the regulations adapted pursuant to such Act. We are therefore able to confirm, in our capacity as Manager of the Fund, that our activities are carried out based on a description of the operational structures as referred to under article 121 of the Decree on the Supervision of the Conduct of Financial Enterprises and that such a description fulfils the requirements of the Decree of the Supervision of the Conduct of Financial Enterprises.

We have not become aware of any fact or other element that would make us believe that the operational structure was not carried out in an efficient way and in accordance with the description. We therefore state with a reasonable level of certainty that our operations are carried out effectively and in accordance with the description.

Outlook

Our general outlook remains barely unchanged as described in our earlier newsletters. There is little doubt markets are largely driven by monetary and fiscal policy. We believe that in a post-bubble world recoveries are fragile at best with interest rates exceptionally low.

Our relatively positive bias in the shorter term is tempered by signs that economies have slipped into a soft patch. Disappointing reports since May on housing, employment and manufacturing have heightened concerns that US\$600 billion in Treasury purchases by the Fed have failed to bolster growth. Fed Chairman Ben Bernanke even said that record monetary stimulus is still needed to boost the 'frustratingly slow' U.S. economic recovery. Earnings growth forecasts are under pressure.

We remain strong believers this is not a sustainable economic recovery indeed. The policies will taper off and interest rates should normalize. Therefore, concern on an economic slowdown will lead to another recession will weigh on valuation multiples and equity pricing.

However, valuation multiples are at or below historical averages because of all the uncertainties on future growth. This should provide at least some support. It is in fact a reflection of how reluctant investors have been to get positioned into the equity markets or specific investment opportunities.

We strongly prefer a cautious investment approach emphasizing our focus on relative value plays. We believe there are significant valuation opportunities for longer term investors. Therefore, we are focused to diversify our portfolio with specific investments with re-rating potential driven by thematic and fundamental drivers. Additionally, we continue to use option strategies to create specific exposures with attractive risk/return characteristics, e.g. strategies that have immediate upside, but a significant part of the downside protected.

Interestingly, we do not necessarily need higher underlying asset prices for a positive performance. Or in other words we created some additional 'margin of safety'.

Our portfolio is currently largely hedged (using call options).

We finished June 2011 with a total net exposure of 21%.

Bloemendaal, July 22, 2011

The Fund Manager

Bloemendaal Investment Management B.V.

Financial statements January 2011 - June 2011

Fonds Bloemendaal

Balance sheet

	Note	30-06-2011 EUR	31-12-2010 EUR
Investments long			
Shares	4.1	9.636.525	8.073.253
Options	4.2	632.073	167.129
Bonds	4.3	597.292	564.758
Futures	4.4	7.108	-
		<u>10.872.998</u>	<u>8.805.140</u>
Intangible assets			
	5	<u>25.403</u>	<u>34.825</u>
		25.403	34.825
Receivables			
Receivable on security transactions	6.1	1.657.862	146.935
Other receivables	6.2	16.928	11.088
		<u>1.674.790</u>	<u>158.023</u>
Cash			
	7	8.026.450	7.993.683
Liabilities (due within one year)			
Due to credit institutions	8.1	-	-
Payable on security transactions	8.2	567.015	808.263
Subscriptions received in advance	8.3	246.800	78.275
Other liabilities	8.4	61.886	43.705
		<u>875.701</u>	<u>930.243</u>
Total of intangible assets, receivables and cash minus liabilities (due within one year)			
		<u>8.850.942</u>	<u>7.256.288</u>
Investments short			
Shares	9.1	-	-
Options	9.2	4.945.756	4.487.614
		<u>4.945.756</u>	<u>4.487.614</u>
Total of assets minus liabilities (due within one year)			
		<u>14.778.184</u>	<u>11.573.814</u>
Shareholders' equity			
Issued capital	10.1	13.729.927	11.540.536
General reserve	10.2	33.278	-2.004.735
Undistributed earnings	10.3	1.014.979	2.038.013
		<u>14.778.184</u>	<u>11.573.814</u>
Net asset value per unit			
		100,64	93,17

Profit and loss account

	Note	01-01-2011 30-06-2011 EUR	01-01-2010 30-06-2010 EUR
Income from investments			
Dividends	11.1	130.949	87.394
Other interest	11.2	31.529	10.627
Distribution fees	11.3	7.555	4.610
Interest on bonds		<u>10.363</u>	<u>6.310</u>
		180.396	108.941
Realized results			
Price results on shares long		403.584	25.909
Currency exchange result on shares long		-21.623	112.160
Price results on options long		-67.538	60.337
Currency exchange results on options long		-4.517	9.128
Price results on shares short		-208.483	-21.683
Currency exchange results on shares short		10.846	-54
Price results on options short		1.434.687	313.936
Currency exchange results on options short		78.127	-75.397
Price results on futures		10.059	-33.650
Currency exchange results on other receivables and liabilities		<u>-69.797</u>	<u>83.804</u>
		1.565.345	474.490
Unrealized results			
Price results on shares		-794.734	-330.300
Currency exchange results on shares		-116.588	110.666
Price results on bonds long		32.534	9.448
Price results on options		186.982	-5.538
Currency exchange results on options		154.749	-184.278
Price results on futures		<u>7.108</u>	<u>-</u>
		-529.949	-400.002
Total income		1.215.792	183.429
Expenses			
Asset management expenses	12.1	139.201	85.411
Interest expenses		41	-
Other expenses	12.2	<u>61.571</u>	<u>62.229</u>
Total expenses		<u>200.813</u>	<u>147.640</u>
Result of operation		<u>1.014.979</u>	<u>35.789</u>
Total result per unit		6,91	0,32

Cash flow statement

	01-01-2011 30-06-2011 EUR	01-01-2010 30-06-2010 EUR
Cash flow from investment activities		
Result of operation	1.014.979	35.789
Realized and unrealized results	-1.035.396	-74.488
Depreciation intangible assets	<u>9.422</u>	<u>9.422</u>
Direct investment result	-10.995	-29.277
Purchases	-21.078.060	-15.363.013
Sales	<u>20.563.478</u>	<u>18.654.273</u>
	-514.582	3.291.260
Realized price results on futures	10.059	-33.650
Currency exchange results on other receivables and liabilities	<u>-69.797</u>	<u>83.804</u>
	-59.738	50.154
Change in receivables	-1.516.767	6.943
Change in liabilities (due within one year)	<u>-54.542</u>	<u>278.442</u>
	<u>-1.571.309</u>	<u>285.385</u>
<i>Cash flow from investment activities</i>	-2.156.624	3.597.522
Cash flow from finance activities		
Received on units issued	2.466.968	1.657.947
Paid on units redeemed	<u>-277.577</u>	<u>-93.055</u>
<i>Cash flow from finance activities</i>	<u>2.189.391</u>	<u>1.564.892</u>
Change in cash	32.767	5.162.414
Cash Position at December 31, 2010	<u>7.993.683</u>	<u>3.557.612</u>
Cash Position at June 30, 2011	<u>8.026.450</u>	<u>8.720.026</u>

Notes

1. General

The fund is an investment fund (*beleggingsfonds*) as referred to in Article 1:1 of the Wft. The Fund is not a legal entity, but the aggregate of the assets less an amount equal to all accrued debts, liabilities and obligations of the Fund, in which monies or other assets are called or received for the purpose of collective investment by the Participants, as governed by the Terms and Conditions and the Prospectus.

The Fund was established on 1 November 2007 and shall continue to exist for an indefinite period of time. The Fund's office address is that of the Fund Manager, being Dennenweg 19, 2061 HW Bloemendaal. This semi annual report reports over the first 6 months of this year, from 1 January 2011 until 30 June 2011.

The format of these financial statements are in accordance with Part 9 of Book 2 of the Netherlands Civil Code and the Act on Financial Supervision. The cash flow statement has been prepared according to the reconciliation method (*indirecte methode*). The financial year is equal to the calendar year.

The base currency of the Fund is Euro.

2. Risks

There can be no assurance that the Fund's investment policy will be successful or that the Fund will achieve its investment objectives as described in the Prospectus. An investment in Participations carries a high degree of risk and is suitable only for persons who can assume the risk of losing their entire investment. Potential investors should consider, among others, the risks mentioned below, review the Prospectus and its ancillary documents such as the Subscription Form carefully and in their entirety and consult with their professional advisors. Returns on past investments are no guarantee as to the returns on future investments. The Prospectus does not purport to identify, and does not necessarily identify, all of the risk factors associated with investing in the Participations and certain risks not identified herein may be substantially greater than those that are. Accordingly, each prospective investor, prior to making any investment decision, must conduct and subsequently rely upon its own investigation of risk factors associated with the proposed investment. The value of the investments may fall as well as rise. Investment in the Fund should therefore be regarded as long-term and should only form part of a diversified investment portfolio. An investment in the Fund requires the financial ability and willingness to accept for an indefinite period of time the risk and lack of liquidity inherent in the Fund.

2.1 Short selling

The Fund may make extensive use of short selling, including synthetic short selling constructions (buy open puts and sell open calls) within the limits set out in the Investment Restrictions. As there is no limited down side to such transactions, the Fund may incur heavy losses before short positions can be closed out. The Fund's vulnerability to potential losses incurred in short selling may be enlarged due to the illiquidity of the securities involved. Losses on short selling may exceed the Net Asset Value of the Fund causing Participants to lose out on their entire investment in the Fund.

2.2 Net Asset Value Considerations

The Net Asset Value per Participation is expected to fluctuate heavily over time with the performance of the Fund's investments. A Participant may not fully recover its initial investment when he chooses to redeem his Participations or upon compulsory redemption if the Net Asset Value per Participation at the time of such redemption is less than the Total Subscription Amount paid by such Participant or if any un-amortized costs and expenses of establishing the Fund remain.

2.3 Lack of Liquidity

A part of the investments of the Fund may be in financial instruments, which are illiquid or may become illiquid under certain market conditions. Accordingly, it may not always be possible to purchase or sell those financial instruments for the prices quoted on the various exchanges or for their expected value. The Fund's ability to respond to market movements may be impaired and the Fund may experience severe adverse price movements upon liquidation of its investments.

Investments made by the Fund may or may not benefit from any stabilisation action undertaken by the issuer of the respective investment. Any stabilisation action undertaken in relation to an investment must comply with any limits imposed by all applicable laws and regulations and may be limited in time. Consequently, any such action may be insufficient to positively affect the investment(s) concerned.

If trading on an exchange is suspended, the Fund may not be able to execute trades or sell positions at preferred prices. OTC transactions may involve additional risk, as there is no exchange or market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of a position or to assess the Fund's exposure to the associated risks.

2.4 Limited Due Diligence

The Fund Manager will not always carry out a business analysis and will usually not engage in extensive due diligence procedures prior to investing in certain companies.

2.5 Concentration of Investments

The Fund may hold relatively few, large investments in relation to the size of the Fund. The Fund could be subject to significant losses if it holds a large position in a particular investment that declines in value or is otherwise adversely affected. Lack of liquidity as mentioned in paragraph 2.1.3 (Lack of Liquidity) may aggravate such losses significantly.

In addition, the Fund may own a significant percentage of the shares or (convertible) bonds issued by a company. It may not always be possible to dispose of such shares or (convertible) bonds without incurring significant losses. Potential profits may not always be immediately realisable and may therefore be lost prior to realisation.

2.6 Redemption Risk

The Fund is an open-ended fund and Participations may be redeemed in accordance with section 14 of the Prospectus and the Terms and Conditions. Redemptions may cause the Fund to dispose of assets in order to meet its redemption obligations earlier than anticipated or under less favourable market conditions than the Fund would otherwise have disposed of such assets. This may result in a lower Net Asset Value of the Fund generating lower or negative returns for the non-redeeming Participants. Significant redemptions may lead to significant losses to Participants, which remain invested in the Fund.

2.7 Custody Risk

Due to the insolvency, the negligence or fraudulent actions of the Depositary or third parties used for the custody of assets of the Fund, the value of Participations may decline.

2.8 Margin and Leverage

The OTC derivatives used may be highly volatile and may expose the Fund to a high risk of loss. The initial margin deposits required to establish a position in such instruments permit a high degree of leverage. As a result, depending on the type of instrument, a relatively small movement in the price of a contract may result in a profit or a loss, which is high in proportion to the amount of funds actually placed as initial margin and may result in losses exceeding the margin deposited.

2.9 Leverage

The Fund may use financial leverage, but only up to a maximum of 100% of the net assets of the Fund taking into account the sum of the margin requirements plus borrowing. If due to special circumstances this limit is exceeded, the Fund Manager will aim to undo this within 3 months.

While leverage presents opportunities for increasing total return, it has the effect of potentially increasing losses as well. If income and appreciation on investments made with borrowed funds are higher than the cost of the leverage, the Net Asset Value of the Fund and the Net Asset Value per Participation will increase. If income and appreciation on investments made with borrowed funds are less than the cost of leverage, the value of the Net Asset Value of the Fund and the Net Asset Value per Participation will decrease. Accordingly, any event, which adversely affects the value of an investment by the Fund will be multiplied by an extent closely related to the leverage employed.

Repayment obligations to funding parties (including but not necessarily limited to the Prime Broker) will be secured upon the Fund's assets. This means that funding parties will be preferred creditors of the Fund.

2.10 Currency Exposure

The Participations are denominated in Euro and will be issued and redeemed in this currency. A large part of the assets may, however, be invested in securities and other investments which are denominated in other currencies than Euro. Accordingly, the value of such assets may be affected favourably or unfavourably by fluctuations in currency rates. In addition, potential investors whose assets and liabilities are predominantly denominated in other currencies should take into account the potential risk of loss arising from fluctuations in value between Euro and such other currencies. Any currency exposures of the Fund will in principle not be hedged.

2.11 Inflation & Deflation

Due to inflation, the relative value of Participations may decline. The Fund will not specifically hedge inflation risk or take other measures to mitigate this specific risk.

2.12 Counterparty Risk

Some of the markets in which the Fund may effect its transactions are OTC or "interdealer" markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight in contrast to members of "exchange-based" markets. To the extent the Fund invests in OTC transactions, on these markets, the Fund may take a credit risk with regard to parties with whom it trades and may also bear the risk of settlement default. These risks may differ materially from those entailed in exchange-traded transactions, which generally are backed by clearing organisation guarantees, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered into directly between two counterparties generally do not benefit from such protections. This will expose the Fund to the risk that a counterparty will fail to settle a transaction in accordance with its terms and conditions due to a dispute concerning contractual terms (whether or not bona fide) or due to credit and/or liquidity problems, thus causing the Fund to suffer a loss. The Fund will not be restricted from dealing with any particular counterparty or from concentrating any or all of its transactions with one counterparty. The ability of the Fund to transact business with any one or a number of counterparties, the lack of any independent evaluation of such counterparties' financial capabilities and the absence of a regulated market to facilitate settlement may increase the potential for losses by the Fund.

In addition, with respect to synthetic positions (buy open puts and sell open calls), the Fund will not usually have a contractual relationship with the underlying issuer of the underlying obligation. Therefore, the Fund will generally have no direct right to enforce compliance by the actual issuer with the terms of the underlying obligation nor have any voting rights with respect to the underlying obligation. In the event of the insolvency of the counterparty to such synthetic position (buy open puts and sell open calls), the Fund will be treated as a general unsecured creditor of such counterparty and will not have any claim with respect to the underlying obligation.

2.13 Political Risk

The investments of the Fund may be adversely affected by developments in the countries that the Fund may invest in. This may result in a partial or complete loss of the investments made by the Fund. Such developments include, without limitation:

- (i) war;
- (ii) civil unrest, ranging from protests to civil war;
- (iii) changes in the political situation and/or government of a country;
- (iv) natural disasters; and
- (v) acts of terrorism.

2.14 Valuation of Investments in Non-Listed Financial Instruments

Valuations of investments in non-listed financial instruments will be made with all appropriate care and diligence and in accordance with market standards. However, no guarantee can be given that the value attributed to such interest is entirely accurate. Therefore, the Net Asset Value of the Fund may not accurately describe the amount, which may be realised upon sale of the investments of the Fund.

2.15 Business Risk

The investment performance of the Fund is substantially dependent on the services of key individuals who are responsible for managing the investments of the Fund. These key individuals are connected with the Fund Manager. In the event of death, disability, departure, insolvency or withdrawal of any of these key individuals or the Fund Manager, the performance of the Fund may be adversely affected.

No assurance can be given that the Participations of the Fund will increase in value. An investment in Participations therefore carries a high degree of risk and is suitable only for persons who can assume the risk of losing their entire investment.

2.16 Illiquidity of Participations

The Participations are not listed on any exchange. Participants will, however, be able to redeem their Participations subject to the restrictions set out herein and in accordance with the Terms and Conditions and they have the option to transfer their Participations to third parties. The Fund Manager reserves the right to reject any application for transfer in whole or in part at its absolute discretion and without motivation. As redemption is subject to the restrictions set out herein and in the Terms and Conditions, a Participant may not always be in the position to redeem at the expected Net Asset Value per Participation.

2.17 Pre-IPO risk

"Pre-IPO" investing involves buying a stake in a company before the company makes its initial public offering of securities. Many companies and promoters entice investors by promising an opportunity to make high returns by investing in a start-up enterprise. Investing at the pre-IPO stage can involve significant risks as fraudulent and illegal practices may take place or the premises on which the investment decision was originally made fail to materialize. The possibility that the relevant company never goes public, that the offering is illegal or that the securities that are subscribed for are restricted may cause the Fund to lose out on its entire subscription.

2.18 Liquidity Risk

Transactions in OTC derivatives may also involve additional liquidity risk, as there is no exchange or market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of a position or to assess the exposure to risk. In adverse market conditions, there may be virtually no liquidity with very significant price movements as a result, which could lower the Net Asset Value of the Fund significantly within a short period of time.

2.19 Regulatory Risk

The regulatory environment for investment funds is evolving and changes therein may adversely affect the Fund's ability to pursue its investment strategies. In addition, the regulatory and/or tax environment for derivative and related instruments is evolving and may be subject to modification by government or judicial action, which may adversely affect the value of the investments held by the Fund. The effect of any future regulatory or tax change on the Fund is impossible to predict.

Furthermore, unclear rules and regulations and conflicting advice may result in a breach of rules and regulations applicable to the Fund. Resulting fines and other sanctions and consequent damage to the reputation of the Fund, the Fund Manager and/or any other connected persons may result in a negative impact on the Net Asset Value of the Fund and Participations.

2.20 Securities Borrowing and Lending

Securities borrowing transactions may involve that borrowed securities will need to be returned to the lender on a date earlier than expected in which case such securities may need to be purchased in the market against prices which are higher than anticipated. Any re-call of securities by the lender may involve that the Fund will not be able to purchase securities in the market for redelivery in which case the Fund may incur fines or penalties, or, alternatively, it may have to pay significantly higher prices to buy back the securities.

In case of securities lending, the Fund is subject to various additional risks, such as credit risk. The Fund may receive security in case of securities lending, which security can consist of cash or cash equivalent assets, bonds and equity securities.

2.21 Hedges

Appropriate hedges may not at all times be available to the Fund to cover the risks posed by derivative transactions which it enters into. Therefore, the Fund may not be able to limit losses incurred in those transactions or may only be able to close out a position at significant costs to the Fund.

2.22 Conflicts of Interest

It is possible that the Fund Manager, the Depositary or the Administrator may, in the course of business, have conflicts of interest with the Fund. Each will, at all times, have regard in such event to its obligations to the Fund and will endeavour to ensure that such conflicts are resolved fairly.

In addition, subject to applicable law, any of the foregoing may deal, as principal or agent, with the Fund, provided that such dealings are carried out as if effected on normal commercial terms negotiated on an arm's length basis.

The Fund Manager or any person connected with the Fund Manager may, directly or indirectly, invest in, manage or advise other investment funds or accounts, which invest in assets which may also be purchased or sold by the Fund. Neither the Fund Manager nor any person connected with it is under any obligation to offer investment opportunities of which any of them become aware to the Fund or to account to the Fund in respect of (or share with the Fund or inform the Fund of) any such transactions or any benefit received by any of them from any such transaction, but will allocate such opportunities on an equitable basis between the Fund and other clients.

2.23 Profit Sharing

In addition to receiving a Management Fee, the Fund Manager receives a Performance Fee as described in paragraph 14.3 of the Prospectus. The Performance Fee will increase accordingly with regard to unrealised appreciation, as well as realised gains. The Performance Fee may create an incentive for the Fund Manager to take more risks than it would take in the absence of a fee based on the performance of the Fund.

3. Net Asset Value

3.1 Net Asset Value

The Net Asset Value (and the Net Asset Value per Participation) will be expressed in Euro and determined at the close of business on each Valuation Date by the Fund Manager. The Net Asset Value and the Net Asset Value per Participation can be found on the website of the Fund Manager.

"Valuation Date": Each Friday and the last calendar day of each month, or such other date or dates as may be determined by the Fund Manager, the actual calculation being made on the first Business Day following such date.

3.2 Basis of valuation

Assets and liabilities are valued at fair value, unless explicitly indicated.

Investments

The valuation of investments are valued based on the following most important principles:

- listed securities with a regular marketability are valued at most recent stock market prices.
- any security which is neither listed nor quoted on any securities exchange or similar electronic system or if, being so listed or quoted, is not regularly traded thereon or in respect of which no regular prices are available, will be valued at its probable realization value as determined by the Fund Manager in good faith having regard to its cost price, the price at which any recent transaction in the security may have been effected, the size of the holding having regard to the total amount of such security in issue. Such other factors as the Fund Manager in its sole discretion deems relevant in considering a positive or negative adjustment to the valuation.
- cash and deposits are valued at nominal value plus accrued interest.
- any value other than Euros is converted to Euros at the end of year exchange rate.

Trading costs are included in the cost of investments. These expenses are capitalized into the capital gains/-losses due to the valuation at fair values.

The Fund Manager may, at their discretion, permit any other method of valuation to be used if they consider that such method of valuation better reflects value and is in accordance with good accounting practice.

Financial instruments

Financial instruments are valued at fair value. The fair value of financial instruments is based on market values. An explanation of the risks related to financial instruments, is provided in the 'Notes to the balance sheet'.

Other assets and liabilities

Other assets and liabilities are stated at nominal value. If required, provisions have been taken for irrecoverable receivables.

Investments (short positions)

Short positions are valued according to principles mentioned under "investments". Short positions are lent securities which are directly sold with the purpose to buy these securities at lower prices due to expected decrease in the market value of the specific investment. The risk for the Fund is that the market value of these investments increases instead of decreases. As a consequence the Fund needs to buy the investments at higher market prices in order to close the short position. Each business day the short position is revalued at market prices. The revaluation result is part of the unrealized gains/-losses. As long as the short position is open, the Fund makes expenses, such as interest and if applicable dividend, which the Fund needs to accrue in order to pay to the legal owner of the 'short' security. These expenses will be reported to the corresponding accounts in the profit and loss account.

Subscription and redemption fees

The Fund issues capital against Net Asset Value per unit, with a maximum markup of 1.0%. This markup is split up in 0.25% for the benefit of the Fund to cover costs such as transaction expenses (this amount is reported as other income), and a distribution fee of (maximum) 0,75% for the Fund Manager. The Fund repurchases units from redemptions against Net Asset Value per unit, with a maximum markdown of 3% during the first year of participation. After the first year the redemption fee shall be 1.5% of the Total Redemption Price. Of the redemption fees so withheld point five per cent (0.5%) will be for the benefit of the Fund and two point five per cent (2.5%) or one per cent (1%), as the case may be, will be for the benefit of the Fund Manager.

Accounting principles for determining results

The result is determined by deducting expenses from the proceeds of dividend, interest, income from securities lending and other income in the period under review. The realized and unrealized revaluations of investments are determined by deducting the purchase price or the balance sheet value at the start of the period under review from the sale proceeds or the balance sheet at the end of the period under review.

Tax

The Fund is a mutual fund (fonds voor gemene rekening) and qualifies as a tax-exempt investment fund (vrijgestelde beleggingsinstelling) within the meaning of article 6a of the Dutch Corporate Income Tax Act (Wet op de vennootschapsbelasting 1969). The Dutch tax authorities have confirmed this in an advance tax ruling. As a 'vrijgestelde beleggingsinstelling' the Fund is not subject to Dutch corporate income tax.

Notes to the balance sheet

	30-06-2011	31-12-2010
	EUR	EUR
(4) Investments long		
<i>(4.1) Statement of changes in equities</i>		
Position at 1 January	8.073.253	4.423.059
Purchases	9.100.555	9.796.720
Sales	-7.007.924	-7.034.647
Realized results on shares	381.961	68.161
Unrealized results on shares	<u>-911.320</u>	<u>819.960</u>
Position at June 30, 2011	<u>9.636.525</u>	<u>8.073.253</u>
Historical cost	10.212.077	7.737.485
<i>(4.2) Statement of changes in options</i>		
Position at 1 January	167.129	323.201
Purchases	869.343	718.279
Sales	-437.206	-948.205
Realized result on options	-72.055	137.622
Unrealized result on options	<u>104.862</u>	<u>(63.768)</u>
Position at June 30, 2011	<u>632.073</u>	<u>167.129</u>
Historical cost	605.664	239.583
<i>(4.3) Statement of changes in bonds</i>		
Position at 1 January	564.758	169.613
Purchases	-	353.600
Sales	-	-
Realized result on bonds	-	-
Unrealized result on bonds	<u>32.534</u>	<u>41.545</u>
Position at June 30, 2011	<u>597.292</u>	<u>564.758</u>
Historical cost	605.664	245.582
<i>(4.4) Statement of futures</i>		
Indexfutures (Short)	-300	-
Commodityfutures (Short)	<u>7.408</u>	<u>-</u>
Unrealised market value futures at June 30, 2011	<u>7.108</u>	<u>-</u>
Transaction costs are either also capitalised in the cost price investments (purchases) or set off against the realised results (sales). In total, an amount of EUR 120.574 was capitalised/set off in the first six months of the 2011 financial year.		
(5) Intangible assets		
Intangible assets is the total amount of set-up costs minus the depreciation of the set-up costs.		
Position at 1 January	34.825	53.825
Amortization	<u>-9.422</u>	<u>-19.000</u>
Position at June 30, 2011	<u>25.403</u>	<u>34.825</u>
(6) Receivables		
<i>(6.1) Receivable on security transactions</i>		
	1.657.862	146.935
This includes receivables from security transactions not yet settled as per balance sheet date.		
<i>(6.2) Other receivables</i>		
Dividend to be received	808	1.714
Accrued interest on bonds	497	2.629
Prepaid expenses	537	411
Accrued interest on bank accounts	<u>15.086</u>	<u>6.334</u>
	<u>16.928</u>	<u>11.088</u>
(7) Cash		
This includes the positive balances of the accounts held at ABN Amro Bank Nederland N.V. and Kasbank N.V.		

(8) Liabilities (within one year)*(8.1) Due to credit institutions*

This includes the negative balances of accounts held at ABN Amro Bank Nederland N.V. and Kasbank N.V.

(8.2) Payable on security transactions

This includes liabilities from security transactions not yet settled as per balance sheet date.

(8.3) Subscriptions received in advance

This includes liabilities from subscriptions not yet settled as per balance sheet date.

	30-06-2011	31-12-2010
	EUR	EUR
<i>(8.4) Other liabilities</i>		
Dividend to be paid	2.971	1.574
Management fees to be paid	22.895	17.368
Other management fees to be paid	3.057	1.707
Depository Fees to be paid	992	496
Administration fees to be paid	5.000	2.500
Publication fees to be paid	7.438	-
NAV calculation fees to be paid	2.838	-
Audit fees to be paid	10.640	19.948
Supervisory fees to be paid	5.951	-
Other charges to be be paid	104	112
	61.886	43.705

(9) Investments short*(9.1) Statement of changes in equities*

Position at 1 January	-	-
Purchases	-678.917	-1.873.688
Sales	481.280	1.674.068
Realized results on shares	197.637	199.620
Unrealized results on shares	-	-
Position at June 30, 2011	-	-
Historical cost	-	-

(9.2) Statement of changes in options

Position at 1 January	4.487.614	1.477.269
Purchases	-10.429.239	-22.511.874
Sales	12.637.068	26.941.794
Realized results on options	-1.512.814	-992.845
Unrealized result on options	-236.873	-426.730
Position at June 30, 2011	4.945.756	4.487.614
Historical cost	-5.963.765	-5.268.752

(10) Shareholders' equity*(10.1) Issued capital*

	number		
Position at 1 January	124.220	11.540.536	8.874.043
Issued	25.344	2.466.968	2.840.025
Redeemed	-2.729	-277.577	-173.532
Position at June 30, 2011	146.835	13.729.927	11.540.536

(10.2) General reserve

Position at 1 January	-2.004.735	-3.293.285
Transferred from Undistributed result	2.038.013	1.288.550
Position at June 30, 2011	33.278	-2.004.735

(10.3) Undistributed earnings

Position at 1 January	2.038.013	1.288.550
Transferred to General reserve	-2.038.013	-1.288.550
Result current financial year	1.014.979	2.038.013
Position at June 30, 2011	1.014.979	2.038.013

Notes to the profit and loss account

(11) Income from investments

(11.1) Dividends

This refers to the net cash dividend.

(11.2) Other interest

This includes interest received on bank accounts.

(11.3) Distribution fees

This includes the subscription and redemption fees for the benefit of the fund.

	01-01-2011	01-01-2010
	30-06-2011	30-06-2010
	EUR	EUR
(12) Expenses		
<i>(12.1) Asset management expenses</i>		
Investment management fees	126.743	72.785
Performance fee	-	-
Other expenses	12.458	12.626
	139.201	85.411

Investment management fees:

The Fund Manager will receive a monthly management fee equal to 0.15% of the Net Asset Value excluding (i.e. before deduction of) the Management Fee and the Performance Fee, as at the last Valuation Date of each calendar month, payable monthly in arrears out of the Fund's assets.

Performance fees:

The Fund Manager will also be entitled to a quarterly performance fee at a rate of 20% of any increase in the Net Asset Value of the Fund (including net realised gains) over the relevant quarter, adjusted for subscriptions and redemptions of Participations and distributions. The Performance Fee is subject to the high water mark principle which means that no Performance Fee shall be payable if the Net Asset Value, adjusted for subscriptions and redemptions of Participations and distributions, at the end of a quarter is lower than the same amount at the end of the previous quarter or any other such amount at the end of an earlier previous quarter (the "High Water Mark"). In the event the Fund is liquidated prior to the last day of a quarter, the Performance Fee will be computed as though the determination date were the last day of the quarter. The Performance Fee will be calculated in respect of each Valuation Date and is payable quarterly in arrears. Reservations for the Performance Fee will be made in the calculation of the Net Asset Value. The Performance Fee shall be paid out of the Fund Assets. Prospective Participants should note that certain inequities may arise from the method of Performance Fee calculation. The Performance Fee is charged to the Fund as a whole and is not calculated in respect of the gain or loss achieved by individual Participations.

Other expenses

This relates to Bloomberg costs and transaction system costs.

	01-01-2011	01-01-2010
	30-06-2011	30-06-2010
	EUR	EUR
<i>(12.2) Other expenses</i>		
Depreciation on set-up costs	9.422	9.422
Custody Fees	1.984	3.264
Depositary Fees paid	2.975	2.975
Transfer agency fees paid	1.000	550
Administration fees paid	15.000	15.000
Publication fees paid	7.438	4.959
NAV calculation fees paid	7.096	2.967
Audit fees paid	10.327	10.327
Supervisory fees paid	5.977	3.341
Bank charges paid	326	1.844
Others fees	26	7.580
	61.571	62.229

Depreciation of set-up costs:

Costs and expenses in relation to the formation of the Fund and the issuance and placement of the Participations, such as, but not limited to, legal, audit, tax and other professional fees and expenses and marketing costs, estimated to an amount of Euro 95,000 will be fully paid out of the Fund's assets. These formation costs shall be activated and written off over a period of 5 years.

Custody Fees

These costs relate safekeeping fees charged by the custodian of the fund.

Depositary fees:

The Depositary is entitled to receive an annual fee of Euro 5,000. This is exclusive of value added tax and shall be payable out of the Fund's assets monthly in arrears.

Transfer agent, administration and Nav calculation fees:

The Administrator will receive a monthly administration fee at normal commercial rates. The Administrator will also be reimbursed by the Fund for any reasonable out-of-pocket expenses necessarily incurred in the performance of its duties. The administration fee is calculated in relation to the Net Asset Value of the Fund according to the following table, provided that the minimum administration fee will be Euro 30,000 per year.

Euro 0 - Euro 25,000,000	1/12 of 0.075 %
Euro 25,000,000 < Euro 50,000,000	1/12 of 0.065 %
Euro 50,000,000 < Euro 100,000,000	1/12 of 0.055 %
Euro 100,000,000 < Euro 250,000,000	1/12 of 0.045 %
Euro 250,000,000 < Euro 500,000,000	1/12 of 0.035 %
Euro 500,000,000 <	1/12 of 0.025 %

The Administrator will receive a fixed fee for keeping the Register, payable monthly in arrears.

1 - 200 Participants	1/12 of Euro 100
201 - 400 Participants	1/12 of Euro 75
401 - 600 Participants	1/12 of Euro 50
601 - 800 Participants	1/12 of Euro 25
> 800 Participants	-

In addition, a fee of Euro 25 will be payable to the Administrator for each mutation in the Register.

The administration fees will be paid out of the Fund's assets. The above fees are exclusive of value added tax (if any).

Supervisory fees:

These costs relate to costs for the Stichting Autoriteit Financiële Markten (AFM).

Audit fees

This semi annual report 2011 does not require an external auditor statement.

Actual costs compared to prospectus

The table hereunder presents a cost comparison between costs as described in the prospectus with the actual costs the Fund incurred in 2011. This cost comparison is in accordance with article 123 paragraph j Bgfo Wft.

Table: Cost comparison actual costs versus prospectus (x 1 EURO)

Expenses	Prospectus	Actual Costs	Difference
Management fee	126.743	126.743	-
Performance fee	-	-	-
Administration fee	15.000	15.000	-
Depository Fee	2.975	2.975	-
Other Fees and Expenses *	738.909	56.054	682.855

- * - Other fees and expenses are according to the prospectus maximum 5% of the Net Asset Value.
Actual cost percentage of Other Fees and Expenses divided by the total Net Asset Value is: 0,38 %.

Expense ratio

The expense ratio (cost ratio) is calculated as follows: the total expenses of the Company divided by the average Net Asset Value **.

The expense ratio of the Company (on an annualized basis) for the reporting period is equal to: 2,96 %, (first half 2010 3.74%).

Turnover ratio

The turnover ratio is calculated as follows: the total sum of purchases plus sales minus subscriptions minus redemptions divided by the average Net Asset Value **.

The turnover ratio of the Company for the reporting period is equal to: 287,1 %, (first half 2010 408.6%).

- ** - The average Net Asset Value of the Company for reporting period is calculated as the sum of the Net Asset Value as per 31 December 2010, 31 March 2011, 30 June 2011 in the proportion 0.5 : 1 : 0.5, divided by the weighted number of observations.

Bloemendaal, August 10, 2011
The Fund Manager
Bloemendaal Investment Management B.V.

Portfolio Breakdown

June 30, 2011

Investments	Sector			Market value EUR	Percentage total Net Asset Value
	Commodities	Shares	Long	24	
	Commodities	Options	Long	180.432	
	Commodities	Options	Short	-138.111	
	Commodities	Futures	Short	7.408	
	Total Commodities			49.753	0,3
	Consumer discretionary	Shares	Long	2.898.457	
	Consumer discretionary	Bonds	Long	377.690	
	Consumer discretionary	Options	Long	186.200	
	Consumer discretionary	Options	Short	-296.411	
	Total Consumer discretionary			3.165.936	21,4
	Consumer staples	Shares	Long	428.230	
	Consumer staples	Options	Short	-8.884	
	Total Consumer staples			419.346	2,8
	Energy	Shares	Long	1.999.467	
	Energy	Options	Short	-424.919	
	Total Energy			1.574.548	10,7
	Financials	Shares	Long	1.212.675	
	Financials	Bond	Long	219.602	
	Financials	Options	Short	-85.281	
	Total Financials			1.346.996	9,1
	Healthcare	Shares	Long	30.011	
	Healthcare	Options	Short	-2.069	
	Total Healthcare			27.942	0,2
	Index	Shares	Long	414.020	
	Index	Options	Short	-1.192.217	
	Index	Futures	Short	-300	
	Total Index			-778.497	-5,3
	Industrials	Shares	Long	359.240	
	Industrials	Options	Short	-575.350	
	Total Industrials			-216.110	-1,5
	Information technology	Shares	Long	813.102	
	Information technology	Options	Long	240.438	
	Information technology	Options	Short	-792.435	
	Total Information technology			261.105	1,8
	Materials	Shares	Long	743.499	
	Materials	Options	Short	-628.603	
	Total Materials			114.896	0,8
	Mining	Shares	Long	374.427	
	Mining	Options	Long	25.003	
	Mining	Options	Short	-801.393	
	Total Mining			-401.963	-2,7
	Telecommunication services	Options	Short	-83	
	Total Telecommunication services			-83	0,0
	Utilities	Shares	Long	363.373	
	Total Utilities			363.373	2,5
Total investments				5.927.242	40,1
Total of receivables and other assets less current liabilities				8.850.942	59,9
Total Net Asset Value				<u>14.778.184</u>	<u>100,0</u>

Please notice that all positions are in listed securities.

Supplementary information

Act on Financial Supervision

Since October 4, 2007 the Fund is licenced to undertake investment activities according to the Dutch Act on Financial Supervision 2007 (Wet op het Financieel Toezicht).

Personal interest

In the reported period the Fund Manager did not invest personally in securities in which the Fund had a position.

Employees

The Fund did not have any employees during the financial year.