

KBC Equity Fund

Public open-ended investment company under Belgian law (bevek)
with a variable number of units/shares opting for Investments
complying with the conditions of Directive 85/611/EEC
UCITS

No subscriptions will be accepted on the basis of this report. Subscriptions will only be valid if effected after a free copy of the simplified prospectus or prospectus has been provided.

TABLE OF CONTENTS

1. General information on the *bevek*
 - 1.1. Organization of the *bevek*
 - 1.2. Management report
 - 1.2.1. Information for shareholders
 - 1.2.2. General market overview
 - 1.3. Aggregate balance sheet
 - 1.4. Aggregate profit and loss account
 - 1.5. Summary of recognition and valuation rules
 - 1.5.1. Summary of the rules
 - 1.5.2. Exchange Rates

1. GENERAL INFORMATION ON THE BEVEK

1.1 ORGANIZATION OF THE BEVEK

REGISTERED OFFICE :

2 Havenlaan - B-1080 Brussels, Belgium.

DATE OF INCORPORATION:

21 March 1991

LIFE:

Unlimited.

BOARD OF DIRECTORS OF THE BEVEK:

Dirk Thiels, Head Investment Strategy KBC Asset Management NV
Wouter Vanden Eynde, Managing Director KBC Asset Management NV

Filip Abraham, Independent Manager
Theo Peeters, Independent Manager
Guido Billion, Head of Securities Department Centea NV
Luc Vanderhaegen, Private Banking Branch General Manager KBC Bank NV

Chairman:

Luc Vanderhaegen, Private Banking Branch General Manager KBC Bank NV

Natural persons to whom the executive management of the bevek has been entrusted:

Dirk Thiels, Head Investment Strategy KBC Asset Management NV
Wouter Vanden Eynde, Managing Director KBC Asset Management NV

MANAGEMENT TYPE:

Bevek that has appointed a company for the management of undertakings for collective investments. The appointed management company is KBC Asset Management NV, Havenlaan 2, B-1080 Brussels.

DATE OF INCORPORATION OF THE MANAGEMENT COMPANY:

30 December 1999.

NAMES OF THE DIRECTORS OF THE MANAGEMENT COMPANY:

Chairman:

D. De Raymaeker

Directors:

J. Lema, President of the Executive Committee
J. Aerts, Independent Director
P. Buelens, Managing Director
J. Daemen, Non-Executive Director
M. Debaillie, Independent Director
J. Verschaeve, Managing Director
G. Rammeloo, Managing Director
J. Thijs, Non-Executive Director
B. Van Bauwel, Independent Director
W. Vanden Eynde, Managing Director
C. Sterckx, Managing Director
P. Marchand, Managing Director

NAMES AND POSITIONS OF THE NATURAL PERSONS TO WHOM THE EXECUTIVE MANAGEMENT OF THE MANAGEMENT COMPANY HAS BEEN ENTRUSTED:

J. Lema, President of the Executive Committee
P. Buelens, Managing Director
J. Verschaeve, Managing Director
G. Rammeloo, Managing Director
W. Vanden Eynde, Managing Director
C. Sterckx, Managing Director
P. Marchand, Managing Director
These persons may also be directors of various beveks.

AUDITOR OF THE MANAGEMENT COMPANY:

Ernst & Young Bedrijfsrevisoren BCVBA, represented by Christel Weymeersch, Company Auditor and auditor recognized by the Belgian Financial Services and Markets Authority, De Kleetlaan 2, 1831 Diegem.

STATUS OF THE BEVEK:

Bevek with various sub-funds that has opted for investments complying with the conditions of Directive 85/611/EEC and which, as far as its operations and investments are concerned, is governed by the Act of 20 July 2004 on certain forms of collective management of investment portfolios.

FINANCIAL PORTFOLIO MANAGEMENT:

In this regard, please see 'Information concerning the sub-fund'.

FINANCIAL-SERVICES PROVIDERS:

The financial services providers in Belgium are:
KBC Bank NV, Havenlaan 2, B-1080 Brussels
CBC Banque SA, Grote Markt 5, B-1000 Brussels
Centea NV, Mechelsesteenweg 180, B-2018 Antwerp

CUSTODIAN:

KBC Bank N.V., 2 Havenlaan - B-1080 Brussels, Belgium.

ADMINISTRATION AND ACCOUNTING MANAGEMENT:

KBC Asset Management N.V., 2 Havenlaan - B-1080 Brussels, Belgium.

ACCREDITED AUDITOR OF THE BEVEK:

Deloitte Bedrijfsrevisoren BV o.v.v.e. CVBA, in the form of a CVBA (co-operative limited liability company), Berkenlaan 8b, B-1831 Diegem, represented by partner Frank Verhaegen, company auditor and auditor recognised by the Belgian Financial Services and Markets Authority.

DISTRIBUTOR:

KBC Asset Management S.A., 5, Place de la Gare, L-1616 Luxembourg.

PROMOTER:

KBC

LIST OF SUB-FUNDS OF KBC EQUITY FUND

1. America
2. Belgium
3. BRIC
4. Buyback America
5. Buyback Europe
6. Central Europe
7. Commodities & Materials
8. Consumer Durables
9. CSOB BRIC
10. Eastern Europe
11. Euro Cyclical
12. Euro Finance
13. Euro Non Cyclical
14. Euro Telecom & Technology
15. Europe
16. Eurozone
17. Fallen Angels
18. Finance
19. Flanders
20. Food & Personal Products
21. Global Leaders
22. Growth by Innovation
23. High Dividend
24. High Dividend Eurozone
25. High Dividend New Markets
26. High Dividend North America
27. Industrials & Infrastructure
28. Japan
29. Latin America
30. Luxury & Tourism
31. Medical Technologies
32. Millennium
33. New Asia
34. New Markets
35. New Shares
36. Oil
37. Pacific
38. Pharma
39. Pharma Growth
40. Quant EMU
41. Quant Europe
42. Quant Global 1

43. Satellites
44. SRI Equity
45. Technology
46. Telecom
47. Turkey
48. US Small Caps
49. Utilities
50. World

SHARE CLASSES

The characteristics of the different share classes are given in the prospectus.
The following sub-funds have a share class called 'Classic Shares':

- America
- Buyback America
- Buyback Europe
- Central Europe
- Commodities & Materials
- Consumer Durables
- Eastern Europe
- Euro Cyclical
- Euro Finance
- Euro Non Cyclical
- Euro Telecom & Technology
- Eurozone
- Finance
- Food & Personal Products
- Global Leaders
- Growth by Innovation
- High Dividend
- High Dividend Eurozone
- High Dividend New Markets
- High Dividend North America
- Industrials & Infrastructure
- Japan
- Luxury & Tourism
- Medical Technologies
- Millennium
- New Asia
- New Markets
- Oil
- Pacific
- Pharma
- Pharma Growth

Quant EMU
Quant Europe
Quant Global 1
Satellites
SRI Equity
Technology
Telecom
Turkey
US Small Caps

The following sub-funds have a share class called 'Institutional Shares':

SRI Equity

The following sub-funds have a share class called 'Institutional B Shares':

America
Buyback America
Buyback Europe
Central Europe
Commodities & Materials
Consumer Durables
Eastern Europe
Euro Cyclical
Euro Finance
Euro Non Cyclical
Euro Telecom & Technology
Eurozone
Finance
Food & Personal Products
Global Leaders
Growth by Innovation
High Dividend
High Dividend Eurozone
High Dividend New Markets
High Dividend North America
Industrials & Infrastructure
Japan
Luxury & Tourism
Medical Technologies
Millennium
New Asia
New Markets
Oil
Pacific
Pharma

Pharma Growth
Quant EMU
Quant Europe
Quant Global 1
Satellites
SRI Equity
Technology
Telecom
Turkey
US Small Caps

In the event of discrepancies between the Dutch and the other language versions of the (Semi-)Annual report, the Dutch will prevail.

1.2 MANAGEMENT REPORT

1.2.1 INFORMATION FOR THE SHAREHOLDERS

Not applicable.

1.2.2 GENERAL MARKET OVERVIEW

1 January 2012 – 30 June 2012

The global economy emerged from a deep recession in mid-2009, but the recovery was highly dependent on massive government budgetary and monetary stimuli. Doubts about the sustainability of the economic recovery continued to dominate the investment climate in the period under review. In Europe the debt crisis continued to rage unabated. Five EMU members have already called on the European assistance fund. Greece reached agreement with its private-sector debtors on restructuring of the bonds they hold. The continuing existence of the euro was even called into question. Fortunately, this was offset to some extent by the boom in Asia.

Slower growth or economic slump?

More jobs were created than lost in the US since 2010, but the rate of employment growth remained on the low side. And wages increased very little: the increase in household spending power was very modest and was only able to support very meagre growth. Economic growth (barely +1.6% year-on-year in the first six months of 2012) was further hampered by the financial restructuring undertaken by states and local authorities and the increase in imports.

The EMU is teetering on the brink of recession. It has not been possible to sustain the strong growth figures seen in 2010/11. The euro crisis began to take its toll in the second half of 2011. Europe is suffering from the policy of austerity and the banks' restrictive lending policy. Write-downs on their government bond portfolio has weighed on their solvency and required compensatory action. The main result of the growing divergence within Europe has been an ongoing fall in unemployment in Germany and an alarmingly rapid increase in unemployment in countries such as Greece, Spain and Portugal. Belgium was closer to the strong core of the euro area than to the weak periphery.

The recession of 2008/09 and the initial phase of the recovery have taught us much about the role of the emerging markets in the global economy. Exports to the Old World remain sizeable, but they now play a less exclusive role. Domestic demand (due to a rapidly growing middle class and high consumption) and intra-regional trade within Asia are playing an increasingly important role. The economic recovery in Asia since the second quarter of 2009 was just as pronounced as the slump. The recovery continued in 2010, 2011 and so far in 2012 too. As a result of pressure from rising oil and food prices, inflation increased sharply in 2011, and monetary policy was tightened in response to this. Higher interest rates put something of a brake on growth as from mid-2011.

The region is better armed to deal with financial crises than it was in the past. Public finances are healthy, the balance of payments is generally neutral (China actually has an astronomical surplus) and the internal savings buffer is high. Asia's economic development no longer depends on fickle foreign capital.

Stemming the euro crisis

There have been no significant bankruptcies in the business sector. The solvency and liquidity of non-financial companies have seldom been as strong as they are at present. A new feature of this cycle is that government paper, which had previously been seen as entirely risk-free, also started to be tainted with a degree of credit risk. What started as an isolated problem on the periphery of the euro area developed into a problem concerning the credibility of the monetary union and its institutions. In autumn 2009 it became evident that Greece's budgetary situation was far worse than the official statistics had suggested. Lenders lost all confidence and the country was on the brink of default. After much haggling, Europe and the International Monetary Fund (IMF) came to the rescue in April 2010 with an initial aid package of 110 billion euros. This package was intended to safeguard the funding of Greece's public debt until mid-2013, but it failed to stem the crisis. The Greek government's rather draconian austerity plan was also received with much scepticism, and justifiably so. It soon became clear that the initial assistance package would not suffice. An agreement in principle on a second aid package (worth 109 billion euros) was reached in July 2011 and negotiations started with the private sector on debt restructuring. The negotiations dragged on longer than expected, only finishing in early March 2012 and with conditions that were more rigorous than proposed in July 2011 and less 'voluntary' than at first appeared. On 12 March 2012, the operation was referred to as a 'selective default'. More than 100 billion EUR of Greece's debt was forgiven. However, no-one appears to view this as the ultimate solution to Greece's debt problems. The lack of a plan for the future prompted social and political opposition to the austerity policy. In December 2011, the Papandreou government, which just survived a vote of no confidence on 28 June, attempted to calm the street violence by offering the prospect of a referendum on Greece's membership of the EMU. This was a bad idea, and it led to the fall of the government. Early elections did not initially provide a solution, but fresh elections on 17 June brought an end to the political vacuum when a pro-European coalition took power.

The establishment of a first support fund for Greece in April 2010 set a precedent. Setting up a 440 billion euro European Financial Stability Facility (EFSF) in April 2010 as a safety net for funding the debt of other EMU member states failed to calm nerves. The Irish domino fell in the final weekend of November 2010. Portugal followed in April 2011 and Greece asked for further assistance in July 2011, with aid granted to the Spanish banks and Cyprus in June 2012. Soon after it was set up it became clear that the EFSF would need to be considerably extended. Its scope was broadened at the summit of 21 July 2011 and its financial arsenal bolstered at the summit of 26 October.

The provisional net outcome of all these operations is that Europe, in collaboration with the IMF, mobilised over 900 billion euros in 2010/11 in order to assure the funding of government debt in the EMU countries. In addition, it was agreed to set up a new emergency fund on 1 July 2012 – this time permanent in character – with 500 billion euros to draw on.

As traditionally faithful investors in government bonds, the European banks, which had seen their capital base eroded in the 2008/09 credit crisis, were oversensitive to the consequences of the euro crisis and the write-downs on their bond portfolios. This made it easy for the euro crisis to escalate into a systemic crisis. Preventing that was the European Central Bank's motivation for intervening very actively by buying up primarily Spanish and Italian government paper. It was reluctant to do so, because it does not see supporting the bond markets as the task of a central bank. Dragging its feet, the bank began to buy government bonds in August 2011, and only brought out the big guns in December. The LTRO programme, worth a total of 489 billion EUR, provided the European banks the possibility of taking out loans, with eligible collateral, for 36 months at the exceptionally low rate of 1%. There was massive reinvestment in three-year bonds issued by the governments in question. The offer was renewed in February 2012, resulting in 529 billion EUR being pumped into the market. This created a positive climate, enabling the Greek government to finalise the restructuring of its sovereign debt in early March.

The economic crisis and the government intervention required to keep the financial sector from collapsing have put public finances out of kilter virtually everywhere in the West - not only in the EMU, but also in the UK and US. The budget debate in the US led to a political impasse. As a result, Standard & Poor's lowered its long-term rating for US sovereign debt from AAA to AA+. The outlook remained 'negative'. This means that further rating downgrades cannot be ruled out. The downgrade occurred against the background of the political squabbling about the restructuring of US federal finances. The divisions between Republicans (who control the House of Representatives) and Democrats (who control the Senate) are pronounced and ideological in nature. Aware of their inability to work out a policy and fearful that the stalemate could lead to an uncontrolled explosion in debt, the parties have passed automatic spending cuts into legislation to reduce the budget deficit over a period of ten years to 3% of GDP. The concrete measures to this end are damaging the priorities of Democrats and Republicans alike. It is doubtful whether this will bring them closer together in the election year of 2012.

V-shaped recovery in corporate earnings

The recovery in corporate earnings as from Q4 2009 was just as impressive as the decline in earnings during the recession. So although the economic recovery in the West may be modest, the same was certainly not true of corporate earnings. After going from negative to positive in the last quarter of 2009, earnings per share of S&P 500 companies as a whole rose by an average 48% in 2010, by 14% in 2011 and by 9.4% in the first quarter of 2012. That robust recovery was not attributable to exceptional or one-off events, but was evident in almost all sectors. The economic downturn in the West did not prevent turnover from rising sharply (the year-on-year increase came to an average 8.5% in 2011). The emerging economies, which are booming, are becoming an increasingly significant market outlet for Western companies. However, the improved earnings were due more to a sharp reduction in (wage) cost pressure than to increased turnover.

Expensive commodities: more than a gauge of the economic recovery

The Arab spring and the war in Libya caused the oil price to surge in spring 2011. A barrel of Brent crude cost 126 USD at the end of April. The sharp price increase for such a significant commodity did, of course, affect global inflation and growth in 2011. The rise was halted, but not fundamentally reversed, in June when the International Energy Agency reached an agreement to put 60 million barrels from the West's strategic oil reserves on to the market. Tension surrounding Iran's nuclear programme exacerbated the upward pressure on prices in early 2012. A barrel of crude was trading at 126 USD again by the middle of March. That was followed by a marked correction, bringing the price of oil to 92 USD/barrel at the end of the period under review, 15% lower than at the end of 2011. Saudi Arabia began to increase its production some time ago with the intention of keeping global supply on track. However, Libya returned to the market sooner than expected, Iraq increased its production and the tail-off in production from Iran has been modest.

The steep price rises on most other commodity markets had already come to an end earlier. The prices of many industrial metals and agricultural products peaked around mid-February 2011. Since then, prices have fallen by between 10 and 15%. This too could be interpreted as a sign of increasing doubts about the economy.

Upward pressure on inflation remained generally weak. In September 2011, the year-on-year increase in the consumer prices index peaked at 3.9% in the US and 3.0% in the EMU. Core inflation – i.e. the increase in the prices index with food and oil prices stripped out – didn't rise on the back of this increase in inflation, and has remained at about 1.5% in recent months. Against a backdrop of ongoing high unemployment, surplus capacity, wage restraint and cost controls, we could hardly expect anything different. That is also the reason why overall inflation fell so sharply in recent months, when pressure from commodity prices diminished.

A policy of (almost) free money and other unconventional measures

The US central bank (the Fed) had already cut its key rate very early on in the crisis. It has stood at a symbolic 0.25% since December 2008. The European Central Bank waited much longer before cutting rates. It temporarily went back on its tracks between April and June 2011. Its key rate is 1.00% at present.

A rule of thumb states that it takes about six months before a rate cut has a positive impact on the real economy, and the effects wane after about eighteen months. Therefore, it came as no surprise that the Fed resorted to other measures, intervening directly on the bond market and buying up large amounts of debt paper in an attempt to keep the long-term rate low, as well. The ECB dragged its feet, and only followed the Fed's example much later. But the worsening euro crisis left it no other option.

Bond markets volatile

Increasing doubts about the economy and the ongoing euro crisis pushed US and German bond rates down since March 2011. Rising inflation and the downgrading of the US rating had little, if any, impact in this regard. This trend has continued in 2012. On 1 June, the US and German ten-year rates hit lows of 1.45% and 1.15% respectively.

Bond portfolios were reorganised en masse. Debt paper issued by under-fire European governments was dumped, in spite of the international guarantees, and arbitrated for German paper. The main focus has been on the market segment of Spanish government bonds in 2012. The Belgian-German rate spread also suffered at times as a result of the tensions in the euro area. The days when Belgium could borrow money on 'German terms' are long gone. The high government debt, the problems in the financial sector, the unbalanced financing of federal and regional governmental responsibilities, the lack of political consensus concerning a sustained austerity policy and the centrifugal effect of communal relations in Belgium were reasons enough to make foreign investors wary. This resulted in the Belgian-German rate spread peaking at 365 basis points on 25 November 2011. The storm appears to have abated in the last seven months. At the end of the reporting period, bond investors were satisfied with a premium of 160 basis points for the 'Belgian risk'.

The health of the European banks is closely bound up with the euro crisis. Pessimism about the intractability of the euro problems and optimism about an ultimate and radical breakthrough produced alternating waves of panic and relief concerning the solvency of the European banks. This in turn was reflected in highly erratic movements in the rates at which banks were able to obtain funding in the interbank market. Similarly the interest-rate premiums for non-financial debtors suffered from the credit risk fears. The fact that borrowers could in most cases boast cast-iron balance sheets was completely overlooked. In brief, although credit spreads have narrowed significantly in recent months, they have remained unreasonably high.

Every reserve currency has its problems

In a year in which the EMU underwent an existential crisis and the collapse of the euro was predicted on a number of occasions, the EUR/USD exchange rate proved no more volatile than in other years. At the end of June 2012, the euro was trading 2.3% lower against the dollar than at the end of 2011. Of course the dollar also has its problems. The dollar's image as the global reserve currency suffered as a result of QE2, which was seen as purely monetary financing of the budget deficits, which were increasing to irresponsible levels. Confidence was also undermined when the budget debate became mired in a political impasse.

Difficult stock-market recovery continues

The initial phase of the economic recovery went hand in hand with a fine stock-market rally, resulting in the S&P 500 being 75% higher at the end of April 2010 than its low point on 9 March 2009. Since then, the equity markets have struggled to find fresh impetus. The euro crisis and fear that the European banking sector would collapse naturally continued to cast a dark cloud over the market. On top of this, the stock markets were affected by changeable sentiment about the economic situation, and the same is true of 2012. Relative optimism about the economy caused the stock market to improve in the first quarter, but they have since run out of steam. On 30 June 2012, the MSCI All Countries (the broadest global index) recorded a return of 8.7% in EUR over the past six months.

Of the traditional markets, the underperformance by Western Europe (MSCI Europe return index over the past six months, -5.2%) was fairly limited. Nevertheless, the problems in the EMU are stacking up: they include the Greek debt crisis, the threat of an extremist separatist party winning the Greek elections, the undercapitalisation of Spanish banks, the referendum in Ireland, and the financial collapse in Cyprus. Apparently the underperformance of European shares over many years has increased the valuation gap with US shares so much that fresh events in the euro crisis have less impact on the stock markets. In any event, the gap that had opened up in Europe in comparison with the US in recent years widened slightly during the reporting period. Wall Street closed the year under review up considerably (S&P 500: +8.6%, Dow Jones: +6.4%), while European investors also benefited from an increase in the value of the dollar (return MSCI USA in euros: +11.9%).

The BEL 20 gained 6.9%. KBC and Ageas – two Belgian banks – put in the best price performance. AB Inbev, which acquired Mexican market leader Modelo, again performed very well in the period under review. Nyrstar, Mobistar and – more especially - Delhaize, which is having to contend with structural problems on its two major markets, put in the most disappointing performance.

The return on the Japanese stock exchange (+5.6%) was positive but hardly convincing. The Japanese stock exchange has lost much of its attraction in recent years/decades. Domestic investors are sceptical about the country's economic and political stability. Foreign investors, who previously capitalised on growth in Asia via the Tokyo stock exchange, now have better (and direct) alternatives.

The Asian emerging markets (+9.2%) lagged behind for much of 2011, but began to make up lost ground in early 2012. Investors were worried about rising inflation and the tightening of monetary policy. Developments in recent months have proved that to be unjustified. Stock-market valuations remain favourable, especially given the high growth forecasts, sound macroeconomic balance and a banking sector that was barely – if at all – affected by the credit crisis.

Latin America (+1.9%) was also affected in the early part of 2011 by fears of overheating. The link to the commodity markets is always to the fore. Mexico benefited from the economic recovery in the US. Brazil was at a loss due to the influx of foreign capital, and was unable to sufficiently halt the appreciation of the currency.

Eastern Europe (+6.1%) was a divided region. The Russian stock market excelled until mid-2011, owing to the increase in oil prices. Things changed subsequently due to the fall in oil prices. That had a direct impact on the valuation of oil companies, and an indirect effect by way of a higher premium for the 'Russia' risk because of the resultant fall in government revenue.

Style factors made a difference at times. During the period under review, small caps underperformed blue chips by an average of 1%. Surprisingly, the *growth* factor beat the *value* factor by 3%.

There were major differences in the returns for the various sectors. Pharmaceuticals, Consumer Discretionary (Automobiles, Media, Leisure and Retailing) and Technology were among the best-performing sectors. Energy, Mining and Utilities lagged behind. Pharmaceuticals had been shunned for a long time due to a lack of product innovation, patent expiry and the reforms to healthcare insurance in the US. In recent months investors began to focus on the sector's response to these challenges: restructuring operations and the sell-off of non-strategic divisions. Car manufacturers and producers of luxury goods were able to respond appropriately to the strong demand from Asian consumers. Apple was the best performer in the Technology sector. Many other technology companies continue to post positive results quarter after quarter. Earnings forecasts were put very conservatively, so were readily matched or surpassed. Oil companies suffered as a result of the vagaries of the oil market, political instability in the Middle East and recurring accidents. The increase in commodity prices in recent years had pushed up the valuation of many mining companies considerably. That appears to have been to their detriment in 2012, when investor appetite for commodity-related investments tailed off. The fall-out from the nuclear disaster in Fukushima continued to cast a shadow over the future of nuclear power stations throughout the world.

Real estate (+18.3%) succeeded in making up the underperformance of 2011. The financial turbulence in 2007/08 forced real estate companies to clean up their balance sheets. This accordingly provided the sector with a sound base to make the most of the recovery. The traditional discount against the net asset value at which the sector normally trades consequently disappeared.

All in all, the positive stock-market performance failed to match the strong earnings trend of listed companies. As a result, valuations did not increase in this reporting period; quite the contrary, in fact.

Outlook

Business confidence indicators in the US and Europe hit new highs in spring 2011 and have dipped to more neutral levels over the past twelve months. Considerable divergence between the US and Europe has developed since September. At the moment, the US producer confidence index points to some optimism about the economy. In Europe confidence is continuing to slip and has entered the twilight zone of recession. We expect growth in the US to remain positive but modest (around 1.5-2% y-o-y in the next couple of quarters), given the dearth of new jobs, the downward pressure on pay increases and the absence of a recovery in the housing market. Budgetary plans will depress growth in Europe. However, the indicators do suggest that the fears of deflation and depression that are currently dominating the financial markets are unwarranted.

In 2010 and 2011 the foundations were laid for more sustainable growth in 2012 and 2013. US households have trimmed back their debt level significantly, the savings rate has already increased considerably and loan servicing (instalments and interest payments combined) now accounts for only 11% of household budgets (the lowest level in fifteen years – it was at 14% three years ago). Households are gradually moving towards a position where they can spend more of their money on consumption. The explosion in earnings growth in 2010 and 2011 bolstered companies' already substantial cash positions. During the crisis investments were scaled back heavily, with the foundations being laid for a catch-up process.

US budgetary policy is set to become restrictive now that a number of stimulus measures introduced in 2003, 2008 and 2010 (tax cuts, subsidies to states and higher social security benefits, all limited in time) will cease at the end of this year and in the absence of political agreement they are unlikely to be extended. Under those circumstances, the budget deficit could be reduced from 9.8% of GDP in the 2011 tax year to 8.6% in 2012 and then to 6.2% in 2013. The bias of budgetary policy will of course depend on the balance of power in the newly-elected Congress.

Lastly, the Fed has made unprecedented cash injections with its programme for purchasing government bonds and other debt paper. The 2010/11 programme was followed in June 2011 by a new, more modest programme, but one that was more focused on specific market segments. That programme is due to end soon. Remarks by Mr Bernanke, the Fed Chairman, made things crystal clear: if the labour market seriously disappoints again in the near future, the policy of quantitative easing will continue unabated. These cash injections will either find their way into the real economy or generate inflationary expectations. In any case they will keep long rates low and banish any fears of deflation.

Traditionally economic developments in the US are reflected in Europe. Economic growth (between -0.5% and +0%) will remain non-existent in 2012, or even become slightly negative, but in any case weaker than in the US. There is a greater need for budgetary reform in Europe, and monetary policy there is less aggressive. The euro crisis has led to European banks adopting a tough stance on lending. In contrast, real wage rises (however limited) will be somewhat higher in Europe than in the US.

Today's world is one of two-speed economies. The mature industrialised economies (US, Europe, Japan) still find themselves in a low-growth environment, with no underlying inflationary pressure, persistently low interest rates and runaway public finances. The picture in the new world is altogether different. The strong economic growth has already created inflationary pressure in Asia. As a result, monetary policy in the region will need to be more cautious, or even restrictive (as in 2011) rather than accommodating (as at present). Monetary policy in China and elsewhere in Asia is therefore primed for adjustment and geared to preventing asset inflation. This implies not only adjusting interest rates but also active intervention on the credit and foreign exchange markets. This circumspect policy is paying off. For instance, the rate of increase in the money supply in China has already slowed considerably, to match the rate of nominal GDP growth, and inflation has fallen from 6.5% in September 2011 to 3.2% in May 2012. The risk of overheating therefore appears under control. In a year in which there will be a change in leadership of the Chinese Communist Party, little will be left to chance and economic growth will be barely lower than in previous years.

One of the major challenges for this decade will be the further development of consumption in Asia and in China. That could help bring about a more balanced economic world order: it will not only reduce the region's dependence on exports but, at least as importantly, will have an effect on international capital flows. More consumption in China will mean lower savings and higher imports, including from the US. That will help the West to 'grow out' of its debt problems.

Time is of the essence for the euro area. Everyone knows that the EMU is not a perfect monetary union. In its twelve-year history, little has been done to improve its internal operation. The overriding principle of 'national autonomy' has remained sacrosanct. The crisis brought the realisation that economic governance, as it is now called in Eurospeak, needs to be tackled as a matter of urgency. In concrete terms, this involves measures such as supranational supervision of banks, strict monitoring and sanctioning of budgetary policy, monitoring of pay policy and harmonising European taxation. In the coming months, arranging the ESM (European Stability Mechanism, which came into operation on 1 July 2012), reforming the Stability and Growth Pact, arranging Europe-wide banking supervision and implementing the 'Pact for the euro' will all require much energy and diplomatic skill. Work on a new architecture for the EMU cannot be postponed, even though the European leaders will have to rapidly address one problem after the other, and this is not conducive to a calm climate for negotiations.

The capital base of banks will need to be strengthened further to ensure the stability of the financial system, so that there is a sufficient buffer to offset reserves and unforeseen write-downs. That will be just as important in 2012 as in 2011, and probably after that too. All the measures required to achieve this are being taken. Think of the almost 2 000 billion euros that were set aside over a two-year period in order to assure the financing of European governments, the organisation of stress tests in order to check that banks hold sufficient capital to cope with a fresh, serious crisis, the gradual introduction of new - and the strengthening of existing - capital requirements under Basle III and the availability of ESM reserves for direct loans to ailing European banks.

Maintaining a (virtually) zero money market rate also fits with this. There is no urgent macroeconomic reason to adopt a more restrictive policy so long as the economic situation in the West remains weak and there is no sign of any real inflationary pressure.

As well as a policy of low interest rates, the central banks have completely given up their opposition to quantitative easing measures. They are intervening directly on the capital markets on a large scale. By buying bonds and other debt instruments, they are having a direct influence on the bond yield in certain market segments, ensuring secondary trading (for instance, in paper issued by governments in which the market could lose confidence) and flooding the financial system with cash. The ECB, too, is now firmly set on this path. Concern about inflation has given way to worries about the economic situation and stemming the euro crisis. The ECB is probably still striving for a 'normal' short rate of 2% for the euro area, but that has now become a very long-term objective. It will certainly not happen in the short term. It is more likely to cut than increase the key rate in 2012. The first rate hike is not expected until the second half of 2013 at the soonest. In our opinion, the central banks in the US, the UK and Japan will wait even longer before raising their key rates. The US central bank has already officially stated that its first rate hike will not occur before 2014.

The bond yield may have bottomed out, at least as regards issues of German Bunds or US Treasuries. It would be logical for yields to increase again from the current record lows, on the back of an improved economic environment (or an ongoing reduction in the downside risks to growth). As a result, the market might, during the course of this year, start to anticipate tighter monetary policy in 2013. A number of unconventional measures will first be withdrawn in the US; only after that can the market begin to anticipate a normalisation of the key rate. Fears of a total derailment of the budget in the US and/or inflation due to the unorthodox policy in the recent past could push up the risk premium.

This interest-rate increase does not, however, have to be very big. The yield curve is steep – certainly steeper than justified by the present climate of low growth – and already factors in a number of rate increases. The central banks' actions are also keeping the short end of the yield curve artificially low. That, too, is putting a brake on rising yields on the long end of the curve.

The market will remain volatile and greater downward pressure is very possible in the short term. This is something the Fed will certainly try to force.

The default risk premium on the corporate bond market is very high, both in historical terms and considering that most companies have a healthy financial structure. There is therefore considerable potential for a narrowing of spreads. Rate spreads in the EMU will probably remain high for a long time yet, and will certainly remain volatile, due to the many problems that still have to be solved.

Thanks to the continued strong growth in the emerging markets, the global economy could post growth of 3-3.5% in 2012 and 2013 (only slightly lower than in 2011, and higher than the average of the past forty years, so quite respectable). That is one reason to expect that corporate earnings might grow significantly again in the quarters ahead.

It seems paradoxical that companies have emerged as the winners from the 2008/09 crisis. They are now reaping the benefits of the considerable restructuring measures pushed through during the recession. Cost controls go beyond (one-off and in some cases spectacular) restructuring measures and have now become an integral part of business culture. The recession of 2008/09 caused companies to be even more aware of risks (i.e. money, and hence costs). Investment projects are subject to a more thorough profitability study. A combination of debt reduction and low interest rates has resulted in a steep drop in financial charges. Globalisation (pressure of relocation) and ongoing high unemployment have made employees powerless to demand high pay increases. Maintaining purchasing power is now about all that is on offer. There is no question of real wage rises. In brief, every cent increase in revenue goes (almost) entirely to the capital factor.

The S&P 500 is forecast to post earnings growth of 6.7% in the 2012 calendar year. The projected earning growth for the MSCI Europe index over the next twelve months is 7.8%. Against a backdrop of reasonable global growth (3-3.5%), some price gains (2.5-3%) and a further increase in margins should be readily achievable.

The money market rate won't increase rapidly and bond yields are close to historical lows. Everything seems to point to shares being the most attractive investment option for the months ahead. The lack of alternatives is not, of course, sufficient reason to increase the market valuation. For that to happen, investors will need to be more disposed to taking risk. The present valuation prices in very gloomy scenarios. Based on forecast earnings for the next twelve months, the price-earnings ratio is 12.8 for the US S&P 500 index and 9.7 for the MSCI Europe. That is 25% and 35% respectively lower than the historical average. Equities are certainly dirt-cheap compared with bonds. The earnings yield – the inverse of the price/earnings ratio – is currently slightly more than 10% for the MSCI Europe, an unprecedented premium of more than 800 basis points above German bond yields.

Edited to 4 July 2012

1.3 AGGREGATED BALANCE SHEET (IN EUR)

Balance sheet layout	30/06/2012 (in the currency of the bevek)	30/06/2011 (in the currency of the bevek)
TOTAL NET ASSETS	4.223.202.821,45	4.145.481.634,40
II. Securities, money market instruments, UCIs and derivatives		
A. Bonds and other debt instruments		
a) Bonds	11.417.239,98	12.220,67
a) Collateral received in the form of bonds	158.525.984,87	128.517.739,14
C. Shares and similar instruments		
a) Shares	3.987.289.647,07	3.933.633.329,39
Of which securities lent	147.565.657,69	119.994.649,60
b) Closed-end undertakings for collective investment	100.035,00	3.114.589,16
D. Other securities	462.093,96	1.163.539,71
E. Open-end undertakings for collective investment	163.794.462,67	198.314.062,95
F. Derivative financial instruments		
j) Foreign exchange		
Futures and forward contracts (+/-)	203.882,59	
m) Financial indices		
Futures and forward contracts (+/-)	577.701,71	163.123,32
n) Derivative financial instruments		
Swap contracts (+/-)	2.198.748,00	100.911,92
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable	3.024.748,78	48.676.490,11
b) Tax assets	1.545.190,99	1.364.370,16
c) Collateral		485.800,33
B. Payables		
a) Accounts payable (-)	-12.459.006,68	-44.573.608,27
c) Borrowings (-)	-10.170.970,40	-71.586.402,26
d) Collateral (-)	-158.525.984,87	-128.517.739,14
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	66.046.918,59	65.594.051,58
VI. Accruals and deferrals		
A. Expense to be carried forward	1.168.440,32	1.972.513,11
B. Accrued income	10.783.194,14	10.373.540,16
C. Accrued expense (-)	-2.779.503,26	-3.326.897,62
TOTAL SHAREHOLDERS' EQUITY	4.223.202.821,45	4.145.481.634,40
A. Capital	4.111.576.107,89	4.257.623.177,29
B. Income equalization	-3.344.784,61	-254.390,21
D. Result for the period	114.971.498,15	-111.887.152,67

Off-balance-sheet headings

I Collateral (+/-)		
I.A Collateral (+/-)		
I.A. Securities/market instruments		
A	158.525.984,86	128.517.739,14
I.A. Cash at bank and in hand/deposits		
B		485.800,33
III Notional amounts of futures and forward contracts		
III.A Purchased futures and forward contracts	18.014.393,25	6.723.935,93
III.B Written futures and forward contracts	-26.704.664,07	
IV Notional amounts of swap contracts (+)	17.700.000,00	19.680.000,00
IX Financial instruments lent	147.565.657,69	119.994.649,60

1.4 AGGREGATED PROFIT AND LOSS ACCOUNT (IN EUR)

Income Statement	30/06/2012 (in the currency of the bevek)	30/06/2011 (in the currency of the bevek)
I. Net gains(losses) on investments		
A. Bonds and other debt instruments		
a) Bonds	-967.215,90	12.086,80
b) Other debt instruments		
b1 With embedded derivative financial instruments		50.852,50
C. Shares and similar instruments		
a) Shares	17.695.369,37	34.313.784,46
b) Closed-end undertakings for collective investment	61.939,46	35.507,40
D. Other securities	-149.463,35	-694.220,83
E. Open-end undertakings for collective investment	3.756.581,48	-2.123.612,87
F. Derivative financial instruments		
l) Financial indices		
Option contracts	66.448,38	
Futures and forward contracts	2.905.387,68	-5.200.756,54
m) Derivative financial instruments		
Swap contracts (+/-)	1.338.088,00	-844.788,73
G. Receivables, deposits, cash at bank and in hand and payables	-0,06	-1,17
H. Foreign exchange positions and transactions		
a) Derivative financial instruments		
Futures and forward contracts	279.978,15	47.151,41
b) Other foreign exchange positions and transactions	45.680.464,06	-156.318.746,76
II. Investment income and expenses		
A. Dividends	75.242.316,54	59.351.376,50
B. Interests		
a) Securities and money market instruments	2.473.947,10	1.671.564,91
b) Cash at bank and in hand and deposits	146.490,26	185.519,10
c) Collateral (+/-)	0,62	-3.898,97
C. Interest on borrowings (-)	-90.851,05	-126.732,06
III. Other income		
A. Income received to cover the acquisition and realization of assets, to discourage withdrawals and for delivery charges	7.532.737,42	7.522,16
B. Other		1.674.699,88

IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-7.841.333,86	-6.352.452,51
B. Financial expenses (-)	-29.528,62	-97.347,93
C. Custodian's fee (-)	-1.128.783,80	-1.500.315,23
D. Manager's fee (-)		
a) Financial management	-27.325.123,67	-29.044.367,24
b) Administration and accounting management	-2.060.056,23	-2.103.707,47
E. Administrative expenses (-)	-10.177,76	-9.484,67
F. Formation and organisation expenses (-)	-252.797,48	-1.291.377,18
G. Remuneration, social security charges and pension	-346,71	-850,24
H. Services and sundry goods (-)	-416.924,35	-392.355,08
J. Taxes	-518.766,08	-1.587.597,36
K. Other expenses (-)	-1.416.881,46	-1.544.604,97
Income and expenditure for the period		
Subtotal II + III + IV	44.303.920,90	18.835.591,69
V. Profit (loss) on ordinary activities before tax	114.971.498,15	-111.887.152,67
VII. Result for the period	114.971.498,15	-111.887.152,67

1.5 SUMMARY OF ACCOUNTING POLICIES

1.5.1 SUMMARY OF RULES

Summary of the valuation rules pursuant to the Royal Decree of 10 November 2006 on the accounting, annual accounts and periodic reports of certain open-ended undertakings for collective investment.

The assets of the various sub-funds are valued as follows:

- When purchased or sold, securities, money market instruments, units in undertakings for collective investment and financial derivatives are recorded in the accounts at their acquisition price or sale price, respectively. Any additional expenses, such as trading and delivery costs, are charged directly to the profit and loss account.
- After initial recognition, securities, money market instruments and financial derivatives are measured at fair value on the basis of the following rules:
 - Securities that are traded on an active market without the involvement of third-party financial institutions are measured at fair value using the closing price;
 - Assets that have an active market which functions through third-party financial institutions that guarantee continuous bid and ask prices are measured using the current bid price set on that market. However, since most international benchmarks use mid-prices, and the data providers cannot supply bid prices (e.g., JP Morgan, iBoxx, MSCI, etc.), the mid-prices are used to measure debt instruments, as provided for in the Notes to the aforementioned Royal Decree. The method to correct these mid-prices and generate the bid price is not used, as it is not reliable enough and could result in major fluctuations.
 - Securities whose last known price is not representative and securities that are not admitted to official listing or admitted to another organised market are valued as follows:
 - When measuring these securities at fair value, use is made of the current fair value of similar assets for which there is an active market, provided this fair value is adjusted to take account of the differences between the assets concerned.
 - If no fair value for similar assets exists, the fair value is calculated on the basis of other valuation techniques which make maximum use of market data, which are consistent with generally accepted economic methods and which are verified and tested on a regular basis.
 - If no organised or unofficial market exists for the assets being valued, account is also taken of the uncertain character of these assets, based on the risk that the counterparties involved might not meet their obligations.
 - Shares for which there is no organised or unofficial market, and whose fair value cannot be calculated reliably as set out above, are measured at cost. Impairment is applied to these shares if there are objective instructions to this end.
 - Units in undertakings for collective investment (for which there is no organised market) are measured at fair value using their last net asset value.
- Liquid assets, including assets on demand at credit institutions, obligations on current account vis-à-vis credit institutions, amounts payable and receivable in the short term that are not represented by negotiable securities or money market instruments (other than vis-à-vis credit institutions), tax assets and liabilities, are measured at nominal value. Other amounts receivable in the longer term that are not represented by negotiable securities are measured at fair value. Impairment is applied to assets, amounts to be received and receivables if there is uncertainty that they will be paid in full or in part at maturity, or if the realisation value of this asset is less than its acquisition value. Additional impairment is recorded on the assets, amounts to be received and receivables referred to in the previous paragraph to ensure that any change in their value, or risks inherent in the asset in question, are taken into account.
- The income arising from securities lending is recognised as the lending rate and is included on an accruals basis in the profit and loss account over the term of the transaction.
- Securities issued in a currency other than that of the relevant sub-fund are converted into the currency of the sub-fund at the last known mid-market exchange rate.

DIFFERENCES

A minor difference may appear from time to time between the net asset value as published in the press and the net asset value shown in this report. These are minimal differences in the net asset value calculated that are identified after publication.

If these differences reach or exceed a certain tolerance limit, the difference will be compensated. For those buying or selling shares in the bevek and for the bevek itself, this tolerance limit will be a certain percentage of the net asset value and the net assets, respectively.

This tolerance limit is:

- money market funds: 0.25%
- bond funds, balanced funds and funds offering capital guarantee: 0.50%
- equity funds: 1%
- other funds (real estate funds, etc.): 0.50%

- Errors were detected in the net asset values calculated for the KBC Equity Fund Turkey sub-fund between 30 March 2011 and 13 March 2012 which led to the tolerance limit being exceeded four times. The material deviations varied between 0.26% (undervaluation) and 1.02% (overvaluation). Since no investors bought or sold units on the days on which the tolerance limit was exceeded, no payments had to be made.

1.5.2 EXCHANGE RATES

	30/06/2012		30/06/2011	
		5,7409	ARS	5,9502
	1,23805	AUD	1,3542	AUD
	1,9563	BGN	1,9561	BGN
	2,5615	BRL	2,2651	BRL
	1,29375	CAD	1,39925	CAD
	1,20115	CHF	1,2208	CHF
	2.265,00	COP	2.570,29	COP
	25,533	CZK	24,333	CZK
	7,4344	DKK	7,4589	DKK
	1,00	EUR	1,00	EUR
	0,8091	GBP	0,90305	GBP
	9,8438	HKD	11,2817	HKD
	7,5193	HRK	7,384	HRK
	285,76	HUF	265,52	HUF
	11.919,60	IDR	12.433,20	IDR
	4,9584	ILS	4,9331	ILS
	70,8574	INR	64,812	INR
	101,26	JPY	117,09	JPY
	1.453,51	KRW	1.547,93	KRW
	11,066	MAD	11,3482	MAD
	17,0382	MXN	17,0023	MXN
	4,0299	MYR	4,3779	MYR
	7,5438	NOK	7,7791	NOK
	1,5789	NZD	1,7555	NZD
	53,4715	PHP	62,8293	PHP
	4,2352	PLN	3,9803	PLN
	4,449	RON	4,231	RON
	8,7595	SEK	9,1487	SEK
	1,6077	SGD	1,7799	SGD
	40,3051	THB	44,5467	THB
	2,2954	TRY	2,3546	TRY
	37,9256	TWD	41,6448	TWD
	1,2691	USD	1,4499	USD

1 EUR =

	99.999,00	VEF	99.999,00	VEF
	10,379	ZAR	9,8286	ZAR

SOFT COMMISSIONS

The Manager has entered into a Commission Sharing Agreement with one or more brokers for transactions in shares on behalf of one or more sub-funds. This agreement specifically concerns the execution of orders and the delivery of research reports.

What the Commission Sharing Agreement entails

The Manager can ask the broker to pay invoices on its behalf for a number of goods and services provided.

The broker will then pay those invoices up to a certain percentage of the gross commission that it receives from the sub-funds for carrying out transactions (specified below under 'CSA Credits').

N.B.:

Only goods and services that assist the manager in managing the sub-funds in the interest of the *bevek* can be covered by a Commission Sharing Agreement.

Goods and services eligible for a Commission Sharing Agreement:

- Research and advisory services
- Portfolio valuation and analysis
- Performance measurement
- Market price services
- Computer hardware associated with specialised computer software or research services
- Dedicated telephone lines
- Seminar fees, where the subject matter is of relevance to the provision of investment services
- Publications, where the subject matter is of relevance to the provision of investment services.

Broker	Commission gross in EUR paid during the period: 1-01-12 - 30-06-12	CSA Credits in EUR accrued during the period: 1-01-12 - 30-06-12	Percentage
CITI	795,641	495,139	62.23%
CSFBSAS	481,808	285,613	59.28%
DEUTSCHE	242,430	142,797	58.90%
EQ CSA MACQUARIE	93,858	58,661	62.50%
HSBC	54,343	24,300	44.72%
JP MORGAN	257,740	161,628	62.71%
MERRILL	283,924	176,945	62.32%
MORGAN STANLEY	551,731	333,246	60.40%
NOMURA	608,785	362,671	59.57%
SOCGEN	9,707	4,853	50.00%
UBSWDR	837,745	512,008	61.12%
WOOD	10,477	2,619	25.00%

TABLE OF CONTENTS

- 2. Information on KBC Equity Fund High Dividend
 - 2.1. Management report
 - 2.1.1. Launch date and subscription price
 - 2.1.2. Stock exchange listing
 - 2.1.3. Aim and distinctive features of the investment policy
 - 2.1.4. Financial portfolio management
 - 2.1.5. Distributors
 - 2.1.6. Index and benchmark
 - 2.1.7. Policy conducted during the financial year
 - 2.1.8. Future policy
 - 2.1.9. Synthetic risk and reward indicator (SRRI)
 - 2.2. Balance sheet
 - 2.3. Profit and loss account
 - 2.4. Composition of the assets and key figures
 - 2.4.1. Composition of the assets
 - 2.4.2. Change in the composition of the assets
 - 2.4.3. Value of commitments in respect of financial derivatives positions
 - 2.4.4. Evolution of the number of subscriptions, repayments and the net asset value
 - 2.4.5. Return figures
 - 2.4.6. Expenses
 - 2.4.7. Notes to the financial statements and other data

2 INFORMATION ON KBC EQUITY FUND HIGH DIVIDEND

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Classic Shares :

Launch date: 2 May 2003

Initial subscription price: 500 EUR

Currency: EUR

Institutional B Shares :

Launch date: 25 November 2011

Initial subscription price: 686.86 EUR

Currency: EUR

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

The main objective of this sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. To this end, the assets are invested, either directly or indirectly via correlated financial instruments, primarily in shares.

SUB-FUND'S INVESTMENT POLICY:

PERMITTED ASSET CLASSES:

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the sub-fund's object.

The sub-fund shall invest no more than 10% of its assets in units of other undertakings for collective investment.

RESTRICTIONS OF THE INVESTMENT POLICY:

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

PERMITTED DERIVATIVES TRANSACTIONS:

Derivates may be used either for hedging purposes or to achieve investment objectives.

Changes will be made to the investments at regular intervals to comply with the sub-fund's investment strategy. **In addition, listed and unlisted derivates may be used to achieve the objectives:** these may be forward contracts, options or swaps on securities, indices, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions. **Such derivatives may also be used to hedge the assets against exchange-rate fluctuations.** Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions.

STRATEGY SELECTED

This fund invests at least 75% of its assets in shares with a high dividend yield.

LENDING FINANCIAL INSTRUMENTS:

The sub-fund may lend financial instruments within the limits set by law and regulations.

This lending does not affect the sub-fund's risk profile since:

- it takes place within the framework of a securities lending system managed by a principal. In addition, the sub-fund has a relationship only with the principal of the securities lending system which acts as counterparty and to which title of the loaned securities is transferred. The choice of principal is subject to strict selection criteria. The return of securities similar to the securities that have been lent is guaranteed by the principal.
- through a margin management system, the sub-fund is always guaranteed financial security, the actual value of which always exceeds the actual value of the securities that have been lent, in case the principal does not return similar securities.

The return of securities similar to the securities that have been lent can be requested at any time, which means that the lending of securities does not affect the management of the sub-fund's assets. By lending securities, the sub-fund can generate an additional return. The principal pays a fee to the management company. After deducting the fee for the margin management and clearing services of KBC Bank, most of this fee is paid to the sub-fund.

The relationship with the counterparty or counterparties is governed by standard international agreements.

More information is provided on the terms and conditions governing securities lending in the annual or half-yearly report for the sub-fund.

VOLATILITY OF THE NET ASSET VALUE:

The volatility of the net asset value may be high due to the composition of the portfolio.

GENERAL STRATEGY FOR HEDGING THE EXCHANGE RATE RISK:

In order to protect its assets against exchange rate fluctuations and within the limitations laid down in the articles of association, the sub-fund may perform transactions relating to the sale of forward currency contracts, as well as the sale of call options and the purchase of put options on currencies. The transactions in question may relate solely to contracts traded on a regulated market that operates regularly, is recognised and is open to the public or that are traded with a recognised, prime financial institution specialising in such transactions and dealing in the over-the-counter (OTC) market in options. With the same objective, the sub-fund may also sell currencies forward or exchange them in private transactions with prime financial institutions specialising in such transactions. The hedging objective of the aforementioned transactions suggests that there is a direct link between these transactions and the assets to be hedged, which implies that the transactions carried out in a particular currency may in principle not exceed, in terms of volume, either the valuation value of all the assets in the same currency or the holding period of those assets.

SOCIAL, ETHICAL AND ENVIRONMENTAL ASPECTS:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

THE EUROPEAN SAVINGS DIRECTIVE AND TAX ON DEBT CLAIM RETURNS OBTAINED THROUGH THE REDEMPTION OF OWN UNITS OR IN THE EVENT OF FULL OR PARTIAL DISTRIBUTION OF EQUITY CAPITAL.

The following information is of a general character and is not intended to cover all aspects of an investment in a UCITS. In certain cases entirely different rules might even apply. Moreover, both tax law and the interpretation of it can change. Investors who wish to have more information about the tax implications – in both Belgium and abroad – of acquiring, holding and transferring units should seek the advice of their usual financial and tax advisers.

This UCITS shall invest a maximum of 15% of its assets directly or indirectly in debt instruments as intended by the European Savings Directive.

A. European Savings Directive (Directive 2003/48/EC)

The European Savings Directive has been implemented in Belgium through:

- The Law of 17 May 2004 transposing into Belgian law Directive 2003/48/EC of 3 June 2003 of the Council of the European Union on taxation of savings income in the form of interest payments and amending Income Tax Code 1992 on withholding tax;
- The Royal Decree of 27 September 2009 implementing Article 338bis § 2 of Income Tax Code 1992;
- The Royal Decree of 27 September 2009 concerning the entry into effect of Article 338bis § 2, paragraphs one to three, of Income Tax Code 1992;

Since this UCITS invests a maximum of 15% of its assets directly or indirectly in debt claims as intended by the European Savings Directive, the income of this UCITS does not fall within the scope of this directive.

B. Tax on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital (Article 19bis Income Tax Code 1992).

The income from this UCITS is not subject to the tax on debt instrument returns as intended by Article 19bis, Income Tax Code 1992.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company has delegated the intellectual management, to KBC Fund Management Limited, Joshua Dawson House, Dawson Street, Dublin 2, IRELAND..

KBC Fund Management Limited has delegated the intellectual management, to Kleinwort Benson Investors Dublin Ltd, Joshua Dawson House Dawson Street, Dublin 2, IRELAND.

2.1.5 DISTRIBUTORS

KBC Asset Management S.A., 5, Place de la Gare, L-1616 Luxembourg.

2.1.6 INDEX AND BENCHMARK

See 'Sub-fund's investment policy'.

2.1.7 POLICY PERSUED DURING THE FINANCIAL YEAR

The KBC Equity Fund High Dividend Global Fund invests primarily in shares that achieve a higher-than-average dividend yield within their industry and region. Dividend yield is not only an important valuation criterion for shares; it also provides a basic return. The fund avoids classic style exposure through industry group and regional neutrality.

Focussing on the high dividend theme, we aim to achieve a neutral industry group allocation. This means that we look for shares with higher-than-average dividend yields and equity scores in every sector. Consequently, there are also shares in the portfolio that appear at first sight to have a low dividend yield.

During the first six months of 2012 global equity markets were volatile and dominated by the familiar themes of the last 12 months. The MSCI World equity index rose by 8.7% in euro terms (6.8% in local currency) for the first six months, and the eurozone bond index rose 5.2%. The dominant theme driving volatility during the first half of the year was the eurozone debt crisis. Equity markets had a good first quarter helped by the announcement of the ECB's LTRO financing operation for eurozone banks, but many of the gains were eroded during the second quarter following the move by Spanish banks to seek emergency funding. Yet another EU crisis summit on the last day of the quarter produced some positive announcements to deal with the crisis, and led to a solid rally in asset markets.

The theme of high dividend investing had a very mixed first six months in 2012. During Q1 2012 it was one of the worst performing styles in all regions. High dividend stocks suffered badly for the three months as the best performers in 2011 were out of favour at the start of the year. The reasons behind the poor performance of the theme were twofold. Generally, when markets are trending upwards like we witnessed in Q1 and growth styles begin to outperform, high dividend, defensive strategies struggle to rise in tandem. Due to the strong performance of defensive industries in 2011, we witnessed a declining preference for these types of assets in Q1.

Q2 2012 saw a complete reversal of the theme performance witnessed in Q1 of the year. Q2 saw much more nervous markets with muted returns mainly caused by political and economic risks associated with Greece, France and Spain. This type of environment was suitable for the theme of high dividend investing as investors looked for defensive plays and the safety of income. The best performing industry groups during the quarter were telecoms, real estate, pharmaceuticals and food, beverage & tobacco – all of which are traditional high dividend industries.

However the regional industry group neutral approach to constructing the theme that the fund adopts helped enormously during the first half of the year. More traditional high dividend approaches would have been heavily overweight Utilities, Telecoms, Energy and Pharmaceuticals – these being those industries punished most in Q1. For example the fund out-performed the MSCI Global High Yield Index by nearly 1% during those first six months of the year.

One of the most integral parts of the investment process for the fund is to focus on sustainability of dividends. The focus is to buy quality names with strong balance sheets and an ability to sustain and potentially grow that dividend. This added solid value as massive uncertainty across the globe made investors focus on more reliable, low volatility stock names with high sustainable dividends.

2.1.8 FUTURE POLICY

There continues to be two key issues for the financial markets, i.e. the eurozone fiscal crisis and the risk of a Chinese “hard landing”. The EU summit meeting at the end of June did – to everyone’s surprise – produce some new and potentially very significant ideas to tackle the crisis, but many crucial details remain to be agreed and it is far from clear whether the summit marked a genuine turning point. We maintain our strong view that the eurozone will survive (with the ECB at the centre of any eventual solution). In China, economic growth has clearly slowed, but it’s important to note that this was the result of government policies designed to slow down inflation. That objective has now been achieved and we expect growth to stabilise around current levels. While near term global market direction will continue to be dictated by a strong focus on such global macro developments, companies continue to deliver robust earnings and dividend growth at attractive valuations.

Within the high dividend portfolios there is a continued emphasis on quality and financial strength. With less earnings growth available in the coming quarters, dividend yield and dividend growth will continue to grow in importance and we believe will prove to be a winning strategy. Whilst the policies of governments and central banks have been the dominant drivers of market direction to date, we believe that the actions of the corporate sector will possibly be the major story for the medium term from here. The Fund obviously continues to focus on the high dividend theme and avoids classic style exposure by aiming at regional and industry group neutrality across the portfolio. The Fund looks for shares with higher-than-average dividend yields compared to their true peers. The dividend yield for the portfolio (market capitalisation weighted) is now 4.6%, compared to 2.9% for the MSCI World Index.

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

Classic Shares: 6 on a scale of 1 (lowest risk) to 7 (highest risk).

Institutional B Shares: 6 on a scale of 1 (lowest risk) to 7 (highest risk).

The value of a share can decrease or increase and the investor may not get back the amount invested.

In accordance with Commission Regulation (EU) No. 583/2010, a synthetic risk and reward indicator has been calculated. This indicator provides a quantitative measure of the sub-fund's potential return and the risk involved, calculated in the currency in which the sub-fund is denominated. It is given as a figure between 1 and 7. The higher the figure, the greater the potential return, but also the more difficult it is to predict this return. Losses are possible too. The lowest figure does not mean that the investment is entirely free of risk. However, it does indicate that, compared with the higher figures, this product will generally provide a lower, but more predictable return.

The synthetic risk and reward indicator is assessed regularly and can therefore go up or down based on data from the past. Data from the past is not always a reliable indicator of future risk and return.

The most recent indicator can be found under the 'Risk and reward profile' heading in the 'Key Investor Information' document.

2.2 BALANCE SHEET

Balance sheet layout	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
TOTAL NET ASSETS	170.863.149,72	217.486.752,91
II. Securities, money market instruments, UCIs and derivatives		
A. Bonds and other debt instruments		
a) Bonds		
a) Collateral received in the form of bonds	14.272.172,96	3.421.963,39
C. Shares and similar instruments		
a) Shares	169.096.605,86	218.957.167,90
Of which securities lent	13.184.456,88	3.153.918,48
D. Other securities		4.805,16
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable	29.978,95	90.826,15
b) Tax assets	75.164,93	65.033,84
B. Payables		
a) Accounts payable (-)	-423.413,19	-146.861,64
c) Borrowings (-)	-25.016,02	-2.330.847,25
d) Collateral (-)	-14.272.172,96	-3.421.963,39
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	1.659.068,50	147.401,45
VI. Accruals and deferrals		
A. Expense to be carried forward	73.840,95	127.862,81
B. Accrued income	512.974,90	734.958,66
C. Accrued expense (-)	-136.055,16	-163.594,17
TOTAL SHAREHOLDERS' EQUITY	170.863.149,72	217.486.752,91
A. Capital	160.097.702,71	222.401.056,47
B. Income equalization	-1.147.354,56	67.352,94
D. Result for the period	11.912.801,57	-4.981.656,50

Off-balance-sheet headings

I	Collateral (+/-)		
I.A	Collateral (+/-)		
I.A.A	Securities/market instruments	14.272.172,96	3.421.963,39
IX	Financial instruments lent	13.184.456,88	3.153.918,48

2.3 PROFIT AND LOSS ACCOUNT

Income Statement	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
I. Net gains(losses) on investments		
C. Shares and similar instruments		
a) Shares	3.436.579,81	6.618.539,49
D. Other securities	-9.778,04	-887,61
F. Derivative financial instruments		
I) Financial indices		
Futures and forward contracts	126.232,45	
G. Receivables, deposits, cash at bank and in hand and payables		0,01
H. Foreign exchange positions and transactions		
b) Other foreign exchange positions and transactions	4.385.576,77	-13.827.271,14
II. Investment income and expenses		
A. Dividends	5.552.780,77	4.506.763,11
B. Interests		
a) Securities and money market instruments	90.021,41	77.261,05
b) Cash at bank and in hand and deposits	2.654,39	721,83
C. Interest on borrowings (-)	-3.371,22	-5.644,93
III. Other income		
A. Income received to cover the acquisition and realization of assets, to discourage withdrawals and for delivery charges	702.510,33	
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-486.848,32	-370.373,83
B. Financial expenses (-)	-1.712,21	-3.177,81
C. Custodian's fee (-)	-70.807,02	-108.185,90
D. Manager's fee (-)		
a) Financial management		
Classic Shares	-398.542,07	-1.575.522,16
Institutional B Shares	-1.154.247,12	
b) Administration and accounting management	-111.969,88	-104.462,50
E. Administrative expenses (-)	-1.865,66	-2.924,98
F. Formation and organisation expenses (-)	-11.068,45	-9.082,50
G. Remuneration, social security charges and pension	-15,09	-39,78
H. Services and sundry goods (-)	-23.089,11	-18.774,62
J. Taxes		
Classic Shares	-18.755,64	-85.945,10
Institutional B Shares	-3.933,05	
K. Other expenses (-)	-87.551,48	-72.649,13
Income and expenditure for the period		
Subtotal II + III + IV	3.974.190,58	2.227.962,75
V. Profit (loss) on ordinary activities before tax	11.912.801,57	-4.981.656,50
VII. Result for the period	11.912.801,57	-4.981.656,50

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC EQUITY FUND HIGH DIVIDEND

Name	Quantity on 30/06/2012	Currency	Price in currency	Evaluation (in the currency of the sub-fund)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
Shares							
Exchange-listed shares							
<u>Australia</u>							
AGL ENERGY LIMITED -	31.202,00	AUD	14,770	372.241,46		0,22	0,22
AMCOR -	58.523,00	AUD	7,090	335.146,46		0,20	0,20
AMP LTD -	104.553,00	AUD	3,850	325.131,50		0,19	0,19
ANZ BANKING GROUP -	22.650,00	AUD	22,030	403.036,63		0,24	0,24
BHP BILLITON LTD -	17.386,00	AUD	31,450	441.653,97		0,26	0,26
COCA-COLA AMATIL LTD -	33.799,00	AUD	13,380	365.276,54		0,22	0,21
COMMONWEALTH BK OF AUSTRALIA -	18.021,00	AUD	53,100	772.921,21		0,46	0,45
COMPUTERSHARE LTD -	48.486,00	AUD	7,410	290.199,31		0,17	0,17
CSL LIMITED -	10.429,00	AUD	39,420	332.063,47		0,20	0,19
GOODMAN GROUP -	114.536,00	AUD	3,670	339.523,54		0,20	0,20
GPT GROUP -	121.275,00	AUD	3,290	322.276,77		0,19	0,19
MACQUARIE GROUP LTD -	14.196,00	AUD	26,000	298.126,89		0,18	0,17
NATIONAL AUSTRALIA BANK -	43.789,00	AUD	23,540	832.594,05		0,49	0,49
OZ MINERALS -	44.546,00	AUD	7,860	282.808,90		0,17	0,17
SONIC HEALTHCARE LTD -	30.399,00	AUD	12,700	311.834,98		0,18	0,18
TATTERSALL'S LTD -	182.516,00	AUD	2,620	386.246,05		0,23	0,23
WESFARMERS -	13.580,00	AUD	29,900	327.968,98		0,19	0,19
WESTFIELD GROUP -	42.631,00	AUD	9,500	327.122,89		0,19	0,19
WESTPAC BANKING -	27.417,00	AUD	21,130	467.930,38		0,28	0,27
WOODSIDE PETROLEUM LTD -	11.976,00	AUD	31,020	300.065,04		0,18	0,18
WOOLWORTH CORP -	14.719,00	AUD	26,800	318.621,38		0,19	0,19
<u>Belgium</u>							
AGEAS NV (BRU) B STRIP-VVPR	23.028,00	EUR	0,001	23,03			
BELGACOM -	67.229,00	EUR	22,455	1.509.627,20		0,89	0,88
<u>Canada</u>							
BCE INC -	12.643,00	CAD	41,980	410.243,97		0,24	0,24
C.I.B.C. -	16.707,00	CAD	71,650	925.261,10		0,55	0,54
CANADIAN OIL SANDS LTD -	113.412,00	CAD	19,720	1.728.683,78		1,02	1,01
GREAT-WEST LIFECO INC. -	53.453,00	CAD	22,070	911.851,37		0,54	0,53
HUSKY ENERGY INC -	25.021,00	CAD	25,450	492.200,54		0,29	0,29
IGM FINANCIAL INC -	80.344,00	CAD	40,040	2.486.549,77		1,47	1,46
NAT. BK CANADA -	6.104,00	CAD	72,770	343.333,78		0,20	0,20
POWER CORP -	40.470,00	CAD	23,920	748.245,33		0,44	0,44
POWER FINANCIAL CORP -	71.015,00	CAD	25,450	1.396.971,40		0,83	0,82
ROGERS COMM. "B"	11.815,00	CAD	36,910	337.075,67		0,20	0,20
ROYAL BK CANADA -	26.026,00	CAD	52,160	1.049.287,85		0,62	0,61
SHAW COMMUNICATIONS INC "B"	86.395,00	CAD	19,240	1.284.823,03		0,76	0,75
SUN LIFE FINANCIAL INC -	66.575,00	CAD	22,150	1.139.815,46		0,67	0,67
TMX GROUP INC -	25.280,00	CAD	46,400	906.660,48		0,54	0,53
<u>Cayman Islands</u>							
SEAGATE TECHNOLOGY -	232.762,00	USD	24,730	4.535.658,55		2,68	2,66

<u>Denmark</u>							
COLOPLAST A/S "B"	2.759,00	DKK	1.054,000	391.152,75		0,23	0,23
<u>Finland</u>							
METSO OYJ (HEL)	10.807,00	EUR	27,110	292.977,77		0,17	0,17
UPM-KYMMENE CORP -	120.049,00	EUR	8,900	1.068.436,10		0,63	0,63
<u>France</u>							
BIC (PAR)	4.620,00	EUR	81,400	376.068,00		0,22	0,22
BOUYGUES -	82.718,00	EUR	21,200	1.753.621,60		1,04	1,03
GDF SUEZ STRIP VVPR	1.688,00	EUR	0,001	1,69			
GECINA REG	5.644,00	EUR	70,250	396.491,00		0,23	0,23
SANOFI -	13.989,00	EUR	59,740	835.702,86		0,49	0,49
TOTAL -	45.660,00	EUR	35,500	1.620.930,00		0,96	0,95
VIVENDI -	72.658,00	EUR	14,630	1.062.986,54		0,63	0,62
<u>Germany</u>							
BASF SE -	33.813,00	EUR	54,700	1.849.571,10		1,09	1,08
DAIMLER AG -	7.816,00	EUR	35,345	276.256,52		0,16	0,16
PROSIEBEN SAT.1 MEDIA AG PREF	65.775,00	EUR	17,620	1.158.955,50		0,69	0,68
VOLKSWAGEN AG PREF	2.409,00	EUR	124,600	300.161,40		0,18	0,18
<u>Hong Kong</u>							
BOC HONG KONG HOLD LTD -	125.500,00	HKD	23,600	300.879,74		0,18	0,18
NWS HOLDINGS LTD -	289.000,00	HKD	11,240	329.990,45		0,20	0,19
ORIENT OVERSEAS INTL LTD -	68.000,00	HKD	37,600	259.737,09		0,15	0,15
SUN HUNG KAI PROPS -	33.000,00	HKD	91,150	305.567,97		0,18	0,18
<u>Italy</u>							
E.N.E.I. -	163.003,00	EUR	2,542	414.353,63		0,25	0,24
ENI -	69.400,00	EUR	16,780	1.164.532,00		0,69	0,68
MEDIOBANCA (MIL)	228.399,00	EUR	3,474	793.458,13		0,47	0,46
<u>Japan</u>							
AEON CREDIT SERVICE CO LTD -	28.900,00	JPY	1.472,000	420.114,56		0,25	0,25
AOZORA BANK LTD -	171.000,00	JPY	189,000	319.168,48		0,19	0,19
BROTHER INDUSTRIES -	35.300,00	JPY	904,000	315.141,22		0,19	0,18
CANON INC -	15.700,00	JPY	3.165,000	490.721,90		0,29	0,29
COCA-COLA WEST COMPANY LTD -	22.600,00	JPY	1.389,000	310.007,90		0,18	0,18
DAIHATSU MOTOR CO LTD -	32.000,00	JPY	1.387,000	438.317,20		0,26	0,26
DAITO TRUST CONSTRUCTION -	7.200,00	JPY	7.550,000	536.835,87		0,32	0,31
DENKI KAGAKU KOGYO K.K. -	116.000,00	JPY	276,000	316.176,18		0,19	0,19
EISAI CO. -	19.900,00	JPY	3.490,000	685.868,06		0,41	0,40
FUJI HEAVY IND. -	48.000,00	JPY	637,000	301.955,36		0,18	0,18
ITOCHU TECHNO-SCIENCE CORP. -	10.000,00	JPY	3.845,000	379.715,58		0,23	0,22
JAPAN PRIME REALTY INC CORP -	129,00	JPY	224.200,000	285.619,20		0,17	0,17
KANEKA CORP -	72.000,00	JPY	439,000	312.146,95		0,19	0,18
KANSAI ELECTRIC POWER -	30.549,00	JPY	955,000	288.112,73		0,17	0,17
LAWSON INC -	7.100,00	JPY	5.580,000	391.250,25		0,23	0,23
MILLEA HOLDINGS INC -	17.000,00	JPY	1.986,000	333.418,92		0,20	0,20
MITSUBISHI CORP -	22.300,00	JPY	1.596,000	351.479,36		0,21	0,21
MITSUBISHI UFJ FINANCIAL GROUP -	137.100,00	JPY	378,000	511.789,45		0,30	0,30
mitsui & co -	84.300,00	JPY	1.174,000	977.367,17		0,58	0,57
NIPPON EXPRESS CO LTD -	167.000,00	JPY	328,000	540.944,10		0,32	0,32
NIPPON TEL & TEL -	13.700,00	JPY	3.700,000	500.592,53		0,30	0,29
NISSAN MOTOR -	55.300,00	JPY	748,000	408.496,94		0,24	0,24
NTT DOCOMO, INC. -	236,00	JPY	132.700,000	309.275,13		0,18	0,18
RIKOH CO -	74.000,00	JPY	666,000	486.707,49		0,29	0,29
SANKYO CO LTD GUNMA -	17.545,00	JPY	3.880,000	672.275,33		0,40	0,39

SUMITOMO CORP -	87.300,00	JPY	1.108,000	955.247,88		0,57	0,56
SUMITOMO METAL MINING -	43.000,00	JPY	891,000	378.362,63		0,22	0,22
SUMITOMO MITSUI FINANCIAL GROUP INC -	34.200,00	JPY	2.612,000	882.188,43		0,52	0,52
TAKEDA PHARMACEUTICAL CO LTD -	8.871,00	JPY	3.615,000	316.696,28		0,19	0,19
TONENGENERAL SEKIYU KK -	55.000,00	JPY	707,000	384.011,46		0,23	0,23
TOYOTA INDUSTRIES CORP. -	30.000,00	JPY	2.262,000	670.156,03		0,40	0,39
<u>Netherlands</u>							
BOSKALIS WESTMINSTER (AMS)	69.055,00	EUR	25,970	1.793.358,35		1,06	1,05
<u>New Zealand</u>							
FLECHTER BUILDING LTD -	83.166,00	NZD	5,870	309.192,74		0,18	0,18
<u>Norway</u>							
AKER KVAERNER ASA -	63.276,00	NOK	83,900	703.737,69		0,42	0,41
DNB ASA -	74.318,00	NOK	58,950	580.747,91		0,34	0,34
GJENSIDIGE FORSIKRING ASA -	49.470,00	NOK	69,150	453.465,16		0,27	0,27
STATOIL -	85.626,00	NOK	141,400	1.604.962,54		0,95	0,94
YARA INTL ASA -	9.731,00	NOK	258,800	333.834,78		0,20	0,20
<u>Portugal</u>							
ENERGIAS DE PORTUGAL SA -	667.338,00	EUR	1,864	1.243.918,03		0,74	0,73
<u>Spain</u>							
BANCO SANTANDER CENTRAL HISPANO SA -	176.779,00	EUR	5,221	922.963,16		0,55	0,54
ENAGAS -	38.675,00	EUR	14,370	555.759,75		0,33	0,33
<u>Sweden</u>							
ELECTROLUX "B"	32.223,00	SEK	137,000	503.972,94		0,30	0,30
INVESTOR AB "B"	74.275,00	SEK	131,700	1.116.732,40		0,66	0,65
NORDEA BANK AB -	127.376,00	SEK	59,400	863.763,27		0,51	0,51
SVENSKA HANDBK "A"	18.604,00	SEK	226,700	481.480,31		0,29	0,28
SWEDBANK -	70.935,00	SEK	108,600	879.449,85		0,52	0,52
<u>Switzerland</u>							
ADECCO SA CHESEREX REG	17.440,00	CHF	42,000	609.815,59		0,36	0,36
NESTLE AG REG	43.899,00	CHF	56,550	2.066.759,73		1,22	1,21
NOVARTIS AG REG	31.422,00	CHF	52,900	1.383.860,30		0,82	0,81
ROCHE HOLDING GENOTS	2.703,00	CHF	163,600	368.156,18		0,22	0,22
<u>U.K.</u>							
ASTRAZENECA PLC -	89.690,00	GBP	28,530	3.162.595,11		1,87	1,85
BAT HOLDINS BV -	81.013,00	GBP	32,415	3.245.626,49		1,92	1,90
BILLITON PLC -	16.099,00	GBP	18,060	359.347,35		0,21	0,21
DIAGEO -	17.127,00	GBP	16,420	347.577,98		0,21	0,20
GKN "NEW"	140.660,00	GBP	1,806	313.968,56		0,19	0,18
HSBC HOLDING PLC -	95.468,00	GBP	5,611	662.057,78		0,39	0,39
MARKS&SPENCER -	86.789,00	GBP	3,250	348.614,82		0,21	0,20
MORRISON SUPERMARKETS -	98.703,00	GBP	2,661	324.618,32		0,19	0,19
NAT. GRID PLC -	51.935,00	GBP	6,755	433.594,02		0,26	0,25
RECKITT BENCKISER PLC -	9.216,00	GBP	33,650	383.288,10		0,23	0,22
ROYAL & SUN ALLIANCE INS. -	1.209.807,00	GBP	1,081	1.616.365,55		0,96	0,95
SAGE GROUP -	93.952,00	GBP	2,773	321.998,39		0,19	0,19
STANDARD CHARTERED -	18.099,00	GBP	13,845	309.702,95		0,18	0,18
STANDARD LIFE PLC -	222.793,00	GBP	2,334	642.688,00		0,38	0,38
VODAFONE GROUP PLC -	426.169,00	GBP	1,793	944.145,26		0,56	0,55
<u>U.S.A.</u>							
ABBOTT LAB. -	7.965,00	USD	64,470	404.620,24		0,24	0,24
ACCENTURE LTD "A"	63.396,00	USD	60,090	3.001.706,44		1,78	1,76
AETNA INC NEW	17.757,00	USD	38,770	542.462,29		0,32	0,32

ALLIANT ENERGY CORP -	19.305,00	USD	45,570	693.191,12		0,41	0,41
ANNALY CAPITAL MANAGEMENT INC -	178.914,00	USD	16,780	2.365.595,24		1,40	1,38
AT&T INC -	80.769,00	USD	35,660	2.269.500,07		1,34	1,33
AUTOMATIC DATA PROCESSING, INC. -	10.467,00	USD	55,660	459.060,14		0,27	0,27
AVON PRODUCTS INC -	38.212,00	USD	16,210	488.075,42		0,29	0,29
BAXTER INTL INC -	16.365,00	USD	53,150	685.367,39		0,41	0,40
BEST BUY -	27.421,00	USD	20,960	452.875,39		0,27	0,27
BLACKROCK INC. -	2.422,00	USD	169,820	324.091,12		0,19	0,19
BRISTOL-MYERS SQUIBB CO -	56.989,00	USD	35,950	1.614.336,58		0,96	0,95
CA INC -	28.512,00	USD	27,090	608.612,47		0,36	0,36
CABLEVISION SYSTEMS "A"	32.618,00	USD	13,290	341.575,31		0,20	0,20
CARDINAL HEALTH INC -	19.715,00	USD	42,000	652.454,50		0,39	0,38
CHEVRON CORP -	31.026,00	USD	105,500	2.579.184,46		1,53	1,51
CONOCOPHILLIPS -	65.823,00	USD	55,880	2.898.265,89		1,71	1,70
DEERE & COMPANY -	18.112,00	USD	80,870	1.154.138,71		0,68	0,68
DOVER CORPORATION -	7.457,00	USD	53,610	315.002,58		0,19	0,18
DTE ENERGY COMPANY -	8.448,00	USD	59,330	394.941,17		0,23	0,23
DU PONT DE NEMOURS -	42.074,00	USD	50,570	1.676.528,39		0,99	0,98
EATON CORP. -	14.775,00	USD	39,630	461.376,76		0,27	0,27
EATON VANCE CORP -	16.351,00	USD	26,950	347.222,01		0,21	0,20
EMERSON ELECTRIC CO -	21.280,00	USD	46,580	781.043,57		0,46	0,46
ENERGY CORPORATION -	29.715,00	USD	67,890	1.589.592,11		0,94	0,93
EXELON CORP -	47.728,00	USD	37,620	1.414.803,69		0,84	0,83
EXXON MOBIL CORP -	52.140,00	USD	85,570	3.515.577,81		2,08	2,06
GAP INC -	65.118,00	USD	27,360	1.403.851,93		0,83	0,82
GENERAL ELEC CAP CORP -	110.167,00	USD	20,840	1.809.061,76		1,07	1,06
GENUINE PARTS -	8.497,00	USD	60,250	403.391,58		0,24	0,24
H&R BLOCK, INC. -	101.620,00	USD	15,980	1.279.558,43		0,76	0,75
HARRIS CORP -	58.998,00	USD	41,850	1.945.525,41		1,15	1,14
HASBRO INC. -	13.302,00	USD	33,870	355.006,49		0,21	0,21
HEWLETT PACKARD -	18.969,00	USD	20,110	300.580,40		0,18	0,18
HOME DEPOT -	13.523,00	USD	52,990	564.639,33		0,33	0,33
ILLINOIS TOOL WORKS INC -	8.451,00	USD	52,890	352.197,14		0,21	0,21
INTEL CORP -	19.943,00	USD	26,650	418.785,71		0,25	0,25
INVESCO LTD -	56.684,00	USD	22,600	1.009.422,74		0,60	0,59
KIMBERLEY-CLARK CORP -	26.616,00	USD	83,770	1.756.853,14		1,04	1,03
LEGGETT & PLATT, INC. -	46.450,00	USD	21,130	773.373,65		0,46	0,45
LILLY (ELI) & CO -	143.327,00	USD	42,910	4.846.081,14		2,87	2,84
LORILLARD INC -	52.993,00	USD	131,950	5.509.752,07		3,26	3,23
M&T BANK CORP -	18.336,00	USD	82,570	1.192.974,17		0,71	0,70
MARATHON OIL CORP. -	15.088,00	USD	25,570	303.995,08		0,18	0,18
MATTEL INC -	16.341,00	USD	32,440	417.699,19		0,25	0,24
MAXIM INTEGRATED PRODUCTS -	38.319,00	USD	25,640	774.170,01		0,46	0,45
MC DONALD'S CORP -	7.868,00	USD	88,530	548.856,70		0,33	0,32
MCGRAW-HILL INC. -	10.725,00	USD	45,000	380.289,18		0,23	0,22
MEADWESTVACO CORP -	63.950,00	USD	28,750	1.448.713,66		0,86	0,85
MEDTRONIC INC -	11.132,00	USD	38,730	339.722,92		0,20	0,20
MICROCHIP TECHNOLOGY INC. -	13.754,00	USD	33,080	358.507,86		0,21	0,21
MICROSOFT CORP -	77.003,00	USD	30,590	1.856.056,87		1,10	1,09
NORFOLK STHN CP -	8.784,00	USD	71,770	496.751,78		0,29	0,29
NUCOR CORPORATION -	21.859,00	USD	37,900	652.790,25		0,39	0,38
NYSE GROUP INC -	18.771,00	USD	25,580	378.348,58		0,22	0,22
PAYCHEX INC -	14.283,00	USD	31,410	353.501,72		0,21	0,21
PFIZER -	79.600,00	USD	23,000	1.442.597,12		0,85	0,84
PINNACLE WEST CAPITAL CORPORATION -	10.426,00	USD	51,740	425.058,10		0,25	0,25
PITNEY BOWES -	144.916,00	USD	14,970	1.709.394,47		1,01	1,00
PROCTER & GAMBLE -	19.204,00	USD	61,250	926.833,98		0,55	0,54
RAYONIER INC -	30.718,00	USD	44,900	1.086.784,49		0,64	0,64

REYNOLDS AMERICAN INC -	56.361,00	USD	44,870	1.992.686,21		1,18	1,17
ROCKWELL AUTOMATION CORP -	22.408,00	USD	66,060	1.166.395,46		0,69	0,68
SAFEWAY INC. -	135.541,00	USD	18,150	1.938.436,02		1,15	1,13
SLM CORP -	29.007,00	USD	15,710	359.073,34		0,21	0,21
SPECTRA ENERGY CORP -	81.370,00	USD	29,060	1.863.219,76		1,10	1,09
STRYKER CORPORATION -	8.020,00	USD	55,100	348.201,09		0,21	0,20
TIME WARNER INC -	20.509,00	USD	38,500	622.170,44		0,37	0,36
TOTAL SYSTEMS SERVICES -	37.203,00	USD	23,930	701.495,38		0,42	0,41
TRAVELERS COS INC -	7.610,00	USD	63,840	382.808,60		0,23	0,22
UNITED PARCEL SERVICE "B"	8.761,00	USD	78,760	543.705,27		0,32	0,32
VERIZON COMMUNICATIONS INC -	9.181,00	USD	44,440	321.490,54		0,19	0,19
WAL-MART STORES -	7.872,00	USD	69,720	432.460,67		0,26	0,25
WEST UNION COMPANY -	45.136,00	USD	16,840	598.920,68		0,35	0,35
Total shares				169.096.605,86		100,00	98,97
TOTAL SECURITIES PORTFOLIO				169.096.605,86		100,00	98,97
COLLATERAL RECEIVED							
<u>Belgium</u>							
KBC GROUP COLLATERAL EUR	14.272.172,96	EUR	1,000	14.272.172,96			8,36
TOTAL RECEIVED COLLATERAL				14.272.172,96			8,35
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP AUD	22.398,27	AUD	1,000	18.091,57			0,01
KBC GROUP CAD	25.362,87	CAD	1,000	19.604,15			0,01
KBC GROUP CHF	-0,02	CHF	1,000	-0,02			
KBC GROUP DKK	24,21	DKK	1,000	3,26			
KBC GROUP EURO	591.294,15	EUR	1,000	591.294,15			0,35
KBC GROUP GBP	163.348,44	GBP	1,000	201.889,06			0,12
KBC GROUP HKD	-246.252,47	HKD	1,000	-25.016,00			-0,02
KBC GROUP JPY	37.397.635,00	JPY	1,000	369.322,88			0,22
KBC GROUP NOK	23,55	NOK	1,000	3,12			
KBC GROUP NZD	87.602,92	NZD	1,000	55.483,51			0,03
KBC GROUP SEK	-0,01	SEK	1,000	0,00			
KBC GROUP SGD	28,47	SGD	1,000	17,71			
KBC GROUP USD	511.901,06	USD	1,000	403.357,54			0,24
Total demand accounts				1.634.050,93			0,96
Managed futures accounts							
<u>Belgium</u>							
KBC GROUP FUT.REK.GBP	1,00	GBP	1,000	1,24			
KBC GROUP USD FUT REK	0,39	USD	1,000	0,31			
Total managed futures accounts				1,55			
TOTAL CASH AT BANK AND IN HAND				1.634.052,48			0,96
OTHER RECEIVABLES AND PAYABLES							
Receivables							
<u>Belgium</u>							
KBC GROUP EUR RECEIVABLE	29.978,95	EUR	1,000	29.978,95			0,02
KBC GROUP WHT TO BE RECOVERED EUR	75.164,93	EUR	1,000	75.164,93			0,04
Total receivables				105.143,88			0,06

Payables							
<u>Belgium</u>							
KBC GROUP COUNTERPART ENTRY COLLATERAL IN EUR	-14.272.172,96	EUR	1,000	-14.272.172,96			-8,35
KBC GROUP EUR PAYABLE	-423.413,19	EUR	1,000	-423.413,19			-0,25
Payables				-14.695.586,15			-8,60
TOTAL RECEIVABLES AND PAYABLES				-14.590.442,27			-8,54
OTHER							
Interest receivable		EUR		493.562,66			0,29
Accrued interest		EUR		19.412,24			0,01
Expenses payable		EUR		-136.055,16			-0,08
Expenses to be carried forward		EUR		73.840,95			0,04
TOTAL OTHER				450.760,69			0,26
TOTAL NET ASSETS				170.863.149,72			100,00

Geographic breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Australia	4,73	5,95	4,97	4,82
Belgium	0,86	0,93	0,85	0,89
Bermuda	0,24	1,72	0,00	0,00
Canada	5,57	6,68	6,26	8,37
Switzerland	2,53	2,11	1,97	2,62
Cyprus	0,00	0,00	0,11	0,00
Germany	3,96	3,15	3,01	2,12
Denmark	0,00	0,00	0,19	0,23
Spain	1,79	2,59	1,60	0,87
Finland	0,95	1,03	0,89	0,81
France	4,80	4,64	3,97	3,58
U.K.	8,49	9,19	7,04	8,53
Greece	0,15	1,00	0,16	0,00
Hong Kong	0,79	0,52	0,59	0,71
Ireland	1,20	1,13	0,00	0,00
Italy	1,60	0,99	1,20	1,40
Japan	9,84	8,60	8,88	8,56
Netherlands	0,86	0,59	0,52	1,06
Norway	0,57	0,97	2,17	2,17
New Zealand	0,24	0,00	0,00	0,18
Portugal	0,35	0,20	0,19	0,74
Sweden	2,02	2,23	3,16	2,27
U.S.A.	48,46	45,78	52,27	50,07
Total	100,00	100,00	100,00	100,00

Sector breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Cyclicals	25,25	25,10	25,10	22,26
Consum(cycl)	13,56	13,61	13,89	13,59
Cons.goods	10,20	10,05	11,95	12,07
Pharma	8,49	9,72	10,18	11,04
Financials	20,06	19,99	16,67	18,55
Technology	11,09	9,55	10,98	10,76
Telecomm.	5,11	5,81	4,93	4,94
Utilities	4,00	4,02	4,36	4,22
Real est.	2,24	2,15	1,83	2,57
Governm.	0,00	0,00	0,11	0,00
Total	100,00	100,00	100,00	100,00

Currency breakdown (as a % of net assets)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
AUD	4,69	6,01	4,88	4,79
CAD	5,87	6,75	6,16	8,32
CHF	2,65	2,13	1,93	2,60
DKK	0,00	0,00	0,19	0,23
EUR	15,80	14,24	13,96	11,54
GBP	7,79	8,70	6,32	7,99
HKD	0,79	0,52	0,59	0,69
JPY	9,78	8,66	8,74	8,71
NOK	0,68	2,14	2,13	2,16
NZD	0,24	0,00	0,00	0,21
SEK	2,01	2,00	3,11	2,26
USD	49,70	48,85	51,99	50,50
Total	100,00	100,00	100,00	100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC EQUITY FUND HIGH DIVIDEND (IN THE CURRENCY OF THE SUB-FUND)

	1st half of year	Year
Purchases	221.312.763,86	221.312.763,86
Sales	229.215.617,98	229.215.617,98
Total 1	450.528.381,84	450.528.381,84
Subscriptions	202.476.231,54	202.476.231,54
Redemptions	213.709.006,71	213.709.006,71
Total 2	416.185.238,25	416.185.238,25
Monthly average of total assets	230.046.754,32	230.046.754,32
Turnover rate	14,93 %	14,93 %

	1st half of year	Year
Purchases	221.312.763,86	221.312.763,86
Sales	229.215.617,98	229.215.617,98
Total 1	450.528.381,84	450.528.381,84
Subscriptions	202.476.231,54	202.476.231,54
Redemptions	213.709.006,71	213.709.006,71
Total 2	416.185.238,25	416.185.238,25
Monthly average of total assets	202.590.511,96	202.590.511,96
Corrected turnover rate	16,95 %	16,95 %

The table above shows the capital volume of portfolio transactions. This volume (adjusted to take account of total subscriptions and redemptions) is also compared to the average net assets at the beginning and end of the period.

A figure close to 0% implies that the transactions relating to the securities or transactions relating to the assets (excluding deposits and cash) in a given period only involve subscriptions and redemptions.

A negative percentage shows that subscriptions and redemptions entailed few, if any, transactions in the portfolio.

Active asset management may result in high turnover rates (monthly percentage >50%).

The detailed list of transactions is available for consultation free of charge at the registered office of the Bevek or fund at Havenlaan 2, 1080 Brussels.

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

NAME	Currency	Value in currency	In the currency of the sub-fund	Lot-size	Transaction date
KBC COLLATERAL EUR	EUR	14.272.172,96	14.272.172,96	N/A	29.06.2012

2.4.4 CHANGES OF THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND THE NET ASSET VALUE

Classic Shares

Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2010 - 06	437.730,65	45.613,36	352.782,94	13.270,00	249.166,93	48.810,36	297.977,29
2011 - 06	401.989,80	21.053,65	397.539,58	22.953,63	253.617,15	46.910,38	300.527,53
2012 - 06	143.331,70	2.803,05	357.706,17	8.151,55	39.242,67	41.561,88	80.804,55

Period	Amounts received and paid by the UCI (in the currency of the class)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2010 - 06	278.438.343,10	23.392.545,70	232.316.555,95	7.093.149,41
2011 - 06	291.976.077,30	12.251.146,65	291.321.179,86	14.017.011,69
2012 - 06	102.020.920,29	1.736.888,94	249.288.905,99	4.933.941,28

Period	Net asset value End of period (in the currency of the class)		
Year	Of the class	Of one share	
		Capitalization	Distribution
2010 - 06	195.817.661,43	677,42	553,70
2011 - 06	217.486.752,91	746,83	598,56
2012 - 06	58.846.663,98	818,05	643,48

Institutional B Shares

Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2012 - 06	399.802,00		262.893,00		136.909,00		136.909,00

Period	Amounts received and paid by the UCI (in the currency of the class)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2012 - 06	308.504.959,12		210.059.199,04	

Period	Net asset value End of period (in the currency of the class)		
Year	Of the class	Of one share	
		Capitalization	Distribution
2012 - 06	112.016.485,74	818,18	

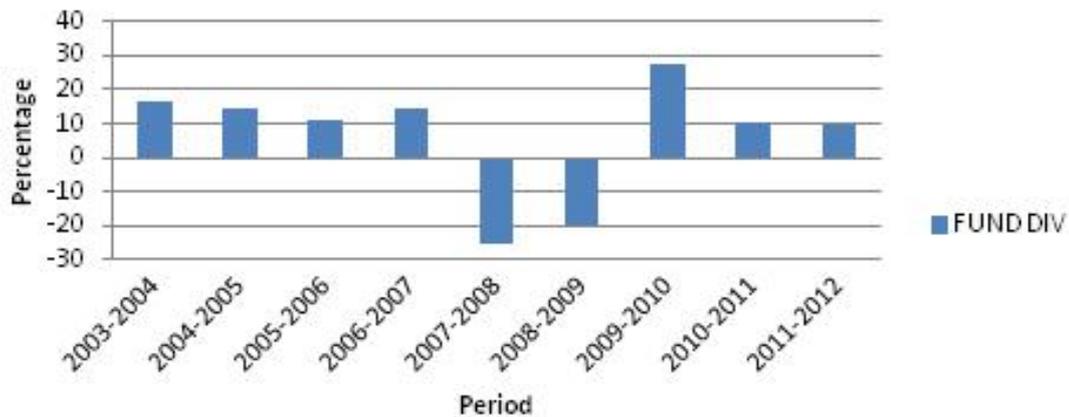
2.4.5 PERFORMANCE FIGURES

Classic Shares

BE0940703946

KBC Equity Fund - High Dividend - DIV:

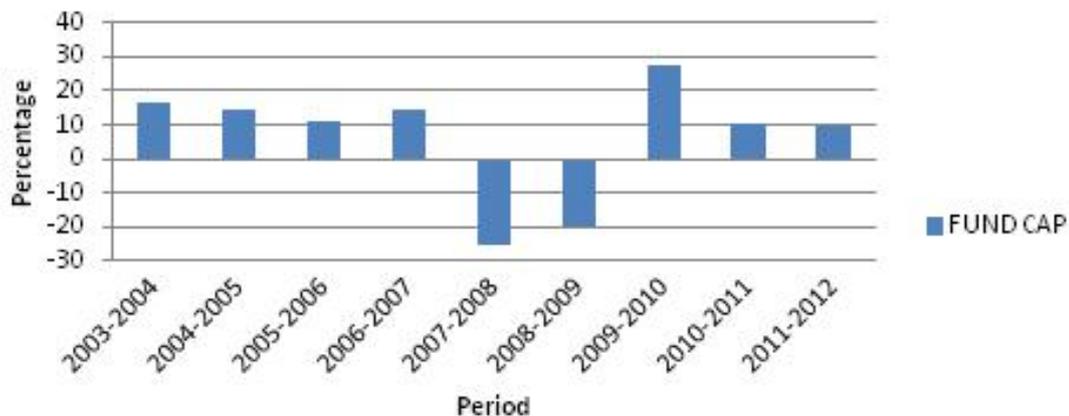
Annual performance on 30/06/2012 (in EUR)



BE0940704951

KBC Equity Fund - High Dividend - CAP:

Annual performance on 30/06/2012 (in EUR)



Cap Div	ISIN code	Currency	1 Year		3 Years*		5 Years*		10 Years*		Since launch*	
			Share classes	Bench mark	Launch Date	Share classes						
CAP	BE0940704951	EUR	9.54%		15.57%		-1.63%				02/05/2003	5.52%
DIV	BE0940703946	EUR	9.51%		15.56%		-1.64%				02/05/2003	5.51%

Risk warning: Past performance is not a guide to future performance.

* Return on annual basis.

Institutional B Shares

The cumulative returns are shown where they relate to a period of at least one year.

Classic Shares

- The bar chart shows the performance for full financial years.
- The figures do not take account of any restructuring.
- Calculated in EUR.
- The return is calculated as the change in the net asset value between two dates expressed as a percentage. In the case of units that pay dividends, the dividend is incorporated geometrically in the return.
- Calculation method for date D, where NAV stands for net asset value:

Capitalisation units (CAP)

Return on date D over a period of X years:

$$[\text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where $Y = D - X$

Return on date D since the start date S of the unit:

$$[\text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where $F = 1$ if the unit has existed for less than one year on date D

where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D

Distribution units (DIV)

Return on date D over a period of X years:

$$[C * \text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where $Y = D - X$

Return on date D since the start date S of the unit:

$$[C * \text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where $F = 1$ if the unit has existed for less than one year on date D

where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D

where C is a factor that is determined for all N dividends between the calculation date D and the reference date.

For dividend i on date Di with value Wi:

$$C_i = [W_i / \text{NIW}(D_i)] + 1$$

$i = 1 \dots N$

from which $C = C_0 * \dots * C_N$.

- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the n^{th} square root of 1 plus the total return of the unit.
- The return figures shown above do not take account of the fees and charges associated with the issue and redemption of units.

These are the performance figures for capitalisation and distribution shares.

2.4.6 COSTS

Total expense ratio (TER): *

Classic Shares Distribution: 1.701%
Classic Shares Capitalization: 1.701%
Institutional B Shares Capitalization: Not applicable

Percentage calculated at the end of the financial year: 31 December

* The following costs have not been included in the TER:

- Transaction charges
- Interest payments on loans taken out
- Payments in respect of financial derivatives
- Fees and charges paid directly by the investor
- Any soft commissions

SOFT COMMISSIONS

The management company or the appointed manager, as the case may be, is the recipient of soft commissions.

The recipient has laid down an internal policy as regards accepting soft commissions and avoiding possible conflicts of interest in this respect, and has put appropriate internal controls in place to ensure this policy is observed.

For more information, please see the 'General' section of the annual report.

	Commission gross in EUR paid during the period: 1-01-12 -	CSA Credits in EUR accrued during the period: 1-01-12 -	
Broker	30-06-12	30-06-12	Percentage
CITI	36,357	22,724	62.50%
CSFBSAS	50,799	31,750	62.50%
DEUTSCHE	9,482	5,926	62.50%
MERRILL	86,610	54,132	62.50%
MORGAN STANLEY	28,791	17,829	61.93%
NOMURA	51,994	32,496	62.50%
UBSWDR	86,325	53,954	62.50%

FEE-SHARING AGREEMENTS AND REBATES:

The management company may share its fee with the distributor, and institutional and/or professional parties.

In principle, the percentage share amounts to between 35% and 60% if the distributor is an entity of KBC Group NV or to between 35% and 70% if the distributor is not an entity of KBC Group NV. However, in a small number of cases, the distributor's fee is less than 35%. Investors may, on request, obtain more information on these cases.

If the management company invests the assets of the undertaking for collective investment in units of undertakings for collective investment that are not managed by an entity of KBC Group NV, and receives a fee for doing so, it will pay this fee to the undertaking for collective investment.

Fee-sharing does not affect the amount of the management fee paid by the sub-fund to the management company. This management fee is subject to the limitations laid down in the articles of association. The limitations may only be amended after approval by the general meeting of shareholders.

The management company has concluded a distribution agreement with the distributor in order to facilitate the wider distribution of the sub-fund's units by using multiple distribution channels. It is in the interests of the holders of units, the sub-fund and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund to be maximised in this way. In this respect, there is therefore no question of any conflict of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: 1.35% per annum calculated on the basis of the average total net assets of the sub-fund, excluding those assets invested in investment undertakings managed by a financial institution of the KBC group.

KBC Fund Management Limited receives a fee from the management company of max. 1.35% calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.

Kleinwort Benson Investors Dublin Ltd receives a fee of max. 0.5% from KBC Fund Management Limited calculated on that part of the portfolio that it manages, without the total management fee received by KBC Fund Management Limited being exceeded.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the average total net assets of the sub-fund.

Auditor's fee: 1 700 EUR per year. This fee is not including VAT and will be increased at the end of the 3-year mandate.

The custody fee is calculated on the value of the securities held in custody by the custodian on the final banking day of the preceding calendar year, except on those assets invested in investment undertakings managed by a financial institution of the KBC group. The custody fee is paid at the beginning of the calendar year.

Social, ethical and environmental aspects:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

Exercising voting rights

If necessary, relevant and in the interest of the shareholders, the management company will exercise the voting rights attached to the shares in the Bevek's portfolio.

The management company will adhere to the following criteria when determining how it stands relative to the items on the agenda that are put to the vote:

- Shareholder value may not be adversely affected.
- Corporate governance rules, especially with regard to the rights of minority shareholders, must be respected.
- The minimum standards with regard to sustainable business and corporate social responsibility must be met.

The list of companies for which voting rights are exercised is available at the registered office of the Bevek.

Securities lending

In accordance with the Royal Decree of 7 March 2006 concerning securities lending, the undertaking for collective investment has taken out securities loans with a principal to whom the full title of the loaned securities was transferred, without recording this transfer of ownership in the accounts.

For the period from 1 January 2012 to 30 June 2012, the fee for securities lent comes to 70,609.17 EUR. KBC Asset Management NV receives 50% of the net fee received for securities lent. The detailed list of securities lending transactions carried out can be obtained from the registered office of the collective investment undertaking at 2 Havenlaan, 1080 Brussels.

Overview of securities lent as at 30/06/2012

Name	Currency	Quantity	Price	Value in currency of the portfolio
AEON CREDIT SERVICE CO LTD	JPY	28.899	1.472,000	420.100,02
AGL ENERGY	AUD	14.399	14,770	171.780,81
BHP BILLITON	AUD	5.285	31,450	134.254,07
BOUYGUES	EUR	34.335	21,200	727.902,00
CAN IMP BK COMMERCE	CAD	16.700	71,650	924.873,43
COMMON BK AUST	AUD	18.020	53,100	772.878,32
CSL LIMITED	AUD	9.698	39,420	308.788,14
DAITO TRUST CONSTR.	JPY	99	7.550,000	7.381,49
GOODMAN GROUP STAPLED UNITS	AUD	70.401	3,670	208.692,44
GPT GROUP	AUD	115.000	3,290	305.601,55
HUSKY ENERGY INC	CAD	25.020	25,450	492.180,87
IGM FINANCIAL INC	CAD	80.300	40,040	2.485.188,02
MACQUARIE GROUP LTD	AUD	14.024	26,000	294.514,76
NATIONAL AUSTRALIA BANK LTD	AUD	927	23,540	17.625,77
NATIONAL BK CANADA	CAD	6.100	72,770	343.108,79
NWS HOLDINGS LTD	HKD	23.002	11,240	26.264,50
OZ MINERALS LTD	AUD	32.345	7,860	205.348,49
POWER FINANCIAL CORP	CAD	71.000	25,450	1.396.676,33
RICOH	JPY	73.999	666,000	486.700,91
ROGERS COMMUNICATIONS INC - CL B	CAD	11.814	36,910	337.047,14
SHAW COMMUNICATIONS INC -B-	CAD	82.975	19,240	1.233.962,51
SONIC HEALTHCARE LTD	AUD	1.702	12,700	17.459,23
SUMITOMO CORP	JPY	87.299	1.108,000	955.236,93
TONENGENERAL SEKIYU	JPY	41.999	707,000	293.238,13
WESFARMERS	AUD	5.383	29,900	130.004,20
WESTFIELD GROUP	AUD	42.569	9,500	326.647,15
WOODSIDE PETROLEUM - AUSTRAL.REGD.	AUD	1.947	31,020	48.783,12
WOOLWORTHS LTD	AUD	5.184	26,800	112.217,76
			Total	13.184.456,88

Details of collateral received for securities lent

Name	Currency	Nominal value	Currency fund	Value in Currency fund
OESTERREICH 2009 3.40% 20/10/14	EUR	2.890.000	EUR	3.152.891,74
GERMANY 2009 2,25% 11/04/14	EUR	1.944.000	EUR	2.029.153,03
FRANCE 2001 3% 25/07/2012	EUR	829.000	EUR	1.059.975,15
OAT FRANCE 2005 3% 25/10/15	EUR	6.188.000	EUR	6.733.546,46
FRANCE 2007 4,50% 12/07/2012	EUR	881.000	EUR	920.702,27
NEDERLAND 2009 4.00% 15/07/19	EUR	315.000	EUR	375.904,31
			Total	14.272.172,96

For the valuation of the collateral received, indicative prices have been used in this detail list by the Collateral Management Division of KBC Bank.

TABLE OF CONTENTS

- 2. Information on KBC Equity Fund Fallen Angels
 - 2.1. Management report
 - 2.1.1. Launch date and subscription price
 - 2.1.2. Stock exchange listing
 - 2.1.3. Aim and distinctive features of the investment policy
 - 2.1.4. Financial portfolio management
 - 2.1.5. Distributors
 - 2.1.6. Index and benchmark
 - 2.1.7. Policy conducted during the financial year
 - 2.1.8. Future policy
 - 2.1.9. Synthetic risk and reward indicator (SRRI)
 - 2.2. Balance sheet
 - 2.3. Profit and loss account
 - 2.4. Composition of the assets and key figures
 - 2.4.1. Composition of the assets
 - 2.4.2. Change in the composition of the assets
 - 2.4.3. Value of commitments in respect of financial derivatives positions
 - 2.4.4. Evolution of the number of subscriptions, repayments and the net asset value
 - 2.4.5. Return figures
 - 2.4.6. Expenses
 - 2.4.7. Notes to the financial statements and other data

2 INFORMATION ON KBC EQUITY FUND FALLEN ANGELS

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Launch date: 30 April 1999
Initial subscription price: 500 EUR
Currency: EUR

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

The main objective of this sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. To this end, the assets are invested, either directly or indirectly via correlated financial instruments, primarily in shares.

SUB-FUND'S INVESTMENT POLICY:

PERMITTED ASSET CLASSES:

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the sub-fund's object.

The sub-fund shall invest no more than 10% of its assets in units of other undertakings for collective investment.

RESTRICTIONS OF THE INVESTMENT POLICY:

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

PERMITTED DERIVATIVES TRANSACTIONS:

Derivates may be used either for hedging purposes or to achieve investment objectives.

Changes will be made to the investments at regular intervals to comply with the sub-fund's investment strategy. **In addition, listed and unlisted derivates may be used to achieve the objectives:** these may be forward contracts, options or swaps on securities, indices, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions. **Such derivatives may also be used to hedge the assets against exchange-rate fluctuations.** Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions.

STRATEGY SELECTED

At least 75% of the assets are invested in shares whose price has fallen significantly compared with their local market but for which the outlook is positive again. The sub-fund focuses on the higher growth potential of the companies concerned, taking account of their undervaluation compared with the local market.

LENDING FINANCIAL INSTRUMENTS:

The sub-fund may lend financial instruments within the limits set by law and regulations.

This lending does not affect the sub-fund's risk profile since:

- it takes place within the framework of a securities lending system managed by a principal. In addition, the sub-fund has a relationship only with the principal of the securities lending system which acts as counterparty and to which title of the loaned securities is transferred. The choice of principal is subject to strict selection criteria. The return of securities similar to the securities that have been lent is guaranteed by the principal.
- through a margin management system, the sub-fund is always guaranteed financial security, the actual value of which always exceeds the actual value of the securities that have been lent, in case the principal does not return similar securities.

The return of securities similar to the securities that have been lent can be requested at any time, which means that the lending of securities does not affect the management of the sub-fund's assets. By lending securities, the sub-fund can generate an additional return. The principal pays a fee to the management company. After deducting the fee for the margin management and clearing services of KBC Bank, most of this fee is paid to the sub-fund.

The relationship with the counterparty or counterparties is governed by standard international agreements.

More information is provided on the terms and conditions governing securities lending in the annual or half-yearly report for the sub-fund.

VOLATILITY OF THE NET ASSET VALUE:

The volatility of the net asset value may be high due to the composition of the portfolio.

GENERAL STRATEGY FOR HEDGING THE EXCHANGE RATE RISK:

In order to protect its assets against exchange rate fluctuations and within the limitations laid down in the articles of association, the sub-fund may perform transactions relating to the sale of forward currency contracts, as well as the sale of call options and the purchase of put options on currencies. The transactions in question may relate solely to contracts traded on a regulated market that operates regularly, is recognised and is open to the public or that are traded with a recognised, prime financial institution specialising in such transactions and dealing in the over-the-counter (OTC) market in options. With the same objective, the sub-fund may also sell currencies forward or exchange them in private transactions with prime financial institutions specialising in such transactions. The hedging objective of the aforementioned transactions suggests that there is a direct link between these transactions and the assets to be hedged, which implies that the transactions carried out in a particular currency may in principle not exceed, in terms of volume, either the valuation value of all the assets in the same currency or the holding period of those assets.

SOCIAL, ETHICAL AND ENVIRONMENTAL ASPECTS:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

THE EUROPEAN SAVINGS DIRECTIVE AND TAX ON DEBT CLAIM RETURNS OBTAINED THROUGH THE REDEMPTION OF OWN UNITS OR IN THE EVENT OF FULL OR PARTIAL DISTRIBUTION OF EQUITY CAPITAL.

The following information is of a general character and is not intended to cover all aspects of an investment in a UCITS. In certain cases entirely different rules might even apply. Moreover, both tax law and the interpretation of it can change. Investors who wish to have more information about the tax implications – in both Belgium and abroad – of acquiring, holding and transferring units should seek the advice of their usual financial and tax advisers.

This UCITS shall invest a maximum of 15% of its assets directly or indirectly in debt instruments as intended by the European Savings Directive.

A. European Savings Directive (Directive 2003/48/EC)

The European Savings Directive has been implemented in Belgium through:

- The Law of 17 May 2004 transposing into Belgian law Directive 2003/48/EC of 3 June 2003 of the Council of the European Union on taxation of savings income in the form of interest payments and amending Income Tax Code 1992 on withholding tax;
- The Royal Decree of 27 September 2009 implementing Article 338bis § 2 of Income Tax Code 1992;
- The Royal Decree of 27 September 2009 concerning the entry into effect of Article 338bis § 2, paragraphs one to three, of Income Tax Code 1992;

Since this UCITS invests a maximum of 15% of its assets directly or indirectly in debt claims as intended by the European Savings Directive, the income of this UCITS does not fall within the scope of this directive.

B. Tax on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital (Article 19bis Income Tax Code 1992).

The income from this UCITS is not subject to the tax on debt instrument returns as intended by Article 19bis, Income Tax Code 1992.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company has delegated the intellectual management, to KBC Fund Management Limited, Joshua Dawson House, Dawson Street , Dublin 2, IRELAND..

2.1.5 DISTRIBUTORS

KBC Asset Management S.A., 5, Place de la Gare, L-1616 Luxembourg.

2.1.6 INDEX AND BENCHMARK

See 'Sub-fund's investment policy'.

2.1.7 POLICY PERSUED DURING THE FINANCIAL YEAR

The fund invests in stocks that have for various reasons underperformed their sector or local market index during a relatively long period. Academic research shows that stocks that underperform over a relatively long period become cheap as a result and tend to outperform in the subsequent period of time. History shows that market participants tend to extrapolate the problems of the past on to the future, thereby ignoring the strengths of underperforming and cheap stocks. A hint of good news is sometimes sufficient to again bring these positive elements under the spotlight and can inspire a recovery in the stock price. Moreover, investors tend to lose interest in underperforming stocks and focus rather on the top names of the moment. As a result of this lack of interest, the pricing of these stocks is no longer efficient and this subsequently creates opportunities for bargain hunters. The period of outperformance tends to be surprisingly long which implies that KBC Equity Fund Fallen Angels is characterised as a long-term investor, as opposed to a trading fund.

The first six months of the year were quite turbulent for equity markets. The changing situation in Europe was the primary concern for investors over the period, however there was also negative news concerns with regard to growth in China. Throughout the first quarter, the situation in Europe continued to evolve. Towards the beginning of the year, there was positive news from Greece as the country secured acceptance of their debt swap offer. The ECB continued to extend liquidity to European banks through the LTRO. In Russia, despite some unrest, Putin won the Russian presidential election. Markets were largely strong over this period, with both emerging and developed markets rising and with Emerging Asia outperforming.

Moving into the second quarter, the situation in Europe worsened. In May, French socialist, Francois Hollande won the French presidential election. Following parliamentary elections in Greece, it was not possible to form a government. Anti-austerity parties gained seats in this election, causing growing fears that the country would not remain in the euro. A second election was called for mid-June with the uncertainty continuing in the meantime. At this stage, concern spread to the situation in Spain, with growth disappointing further and banks coming under more pressure. Despite initially stating that the country did not need a bailout, by the end of June, Spain had requested assistance from Europe and the IMF. In June, the second Greek election took place, with the New Democracy winning narrowly and forming a government. Throughout this period of uncertainty, markets were very weak, with most regions reversing most of the gains achieved in Q1. On the final day of the quarter, EU leaders agreed that Europe would support troubled banks directly, without the need for local governments to add to their debt levels. This saw a significant rally on the final day of the first half.

While the volatility globally continued, Asian investors were also concerned about weakening growth in China. Growth was slower than most expected, with the official growth target being lowered to 7.5%. Most domestic activity metrics were weak – industrial production, investment and retail sales. On the positive side, inflation continued to fall, leaving room for policy makers to make changes if needed. While there was some slowdown in employment growth, there was no mass unemployment as was seen in 2008/2009. Following this slowdown, Chinese authorities began to take steps to boost growth. Initially the focus was on increasing investment, with particular focus on water and other environmental areas, utilities, railways and social housing. However at the beginning of June, the People's Bank of China took the decision to lower lending and deposit rates by 25bps. They also took steps to liberalise the interest rate regime, seen as a significant positive.

The first quarter of the year was an upbeat period for KBC Equity Fund Fallen Angels, with the fund ending the quarter in positive terms when compared to the broad index of global stocks. The fund also outperformed the broad world market during this period. The banking and materials industry groups contributed positively to the performance of the fund during the first quarter with Regions Financial Corp, Royal Bank of Scotland and Siam City Cement all among the top performers over the period. US Banking group Regions Financial Corp which is the 10th biggest in terms of deposits, was one of the worst performing banks during 2008 and 2009. However it is now actively making plans to repay the rescue aid it received from the TARP program by selling \$900 million worth of common stock. The TARP repayment will further enable the bank to achieve investment grade ratings in the future. By the end of the first quarter, Regions was upgraded by investment analysts after an improvement in their credit situation. In the Materials group, Siam City Cement was the stalwart name in the first quarter after their share price rose the most in four years. There was widespread speculation as to whether the Bangkok flood-related reconstruction would boost demand and prices for the company. Siam City which is Thailand's second largest cement maker was set to enjoy a growth in their cement sales as the Government set about rebuilding the damaged infrastructure from the floods which engulfed Bangkok in late 2011.

In a similar pattern to 2011, the second quarter was more volatile with the fund performing in negative terms on an absolute basis; it also underperformed the index over the period. The banking sector continued with its strong performance, followed closely by the Food & Beverage, Pharmaceuticals and Materials sectors. The top performing names over the first half of the year were Grupo Modelo, Regions Financial Corp and Sunoco Inc. Mexican brewer Grupo Modelo was the top performing stock in terms of contribution to performance. Shares soared from mid June onwards as Anheuser Busch Inbev moved closer throughout the month to acquiring full ownership of the Mexican brewer. The acquisition brings to an end the decade long consolidation of the beer industry. AB Inbev already owned 50% of Grupo modelo and the deal to acquire the remaining 50% is valued at \$20 billion. The technology sector contributed negatively to performance over the period, with names such as Sandisk, Lexmark and Dell providing disappointing returns for the second quarter. Technology manufacturer Sandisk Corp saw its shares plummet during April after releasing their second quarter sales forecast which was lower than analyst's expected. Sandisk was subsequently downgraded by a number of analysts. The first quarter gains for the fund were almost wiped out during the second quarter making it a volatile period for KBC Equity Fund Fallen Angels with the fund slightly underperforming the broad index over the half-year period.

2.1.8 FUTURE POLICY

On a regional basis, all sectors of the fund were in positive territory over the first six months of the year. North America was the strongest performing region and also the largest regional exposure for the fund, this was followed by a strong performance by the Emerging Markets. Despite the ongoing fiscal worries within Europe, the regional picks performed well. Pacific whilst being in positive territory was the least impressive of the four regions. Overall, the markets were very volatile during the first half of 2012 and while some concerns eased towards the end of the period, the volatility is likely to continue going forward. Globally, while recent moves by policy makers have been positive, we still expect turbulence in markets going forward. Europe has clearly made some steps forward, however the problems are not yet resolved and the growth outlook continues to be a concern. Budgetary cuts to control spending across the region have negative implications on demand in the context of international trade. This is a concern for Asia, where has is driven by both domestic and international factors.

Emerging markets - especially Asia - remain our focus for growth in the equities portfolio. The MSCI Emerging Asia index is cheaper than traditional bourses. Given the region's better economic fundamentals (higher growth, healthy public finances, no credit problems, high savings surpluses, balance-of-payments surpluses in most cases, and no dependence on foreign funding), Asia would now actually merit a higher P/E. We highlight two sectors in the portfolio: Energy and Technology. The valuation of oil companies has not tracked the rise in oil prices in recent years. A catch-up exercise is likely. Despite good results in recent quarters, analysts' earnings forecasts for Technology companies for the coming 12 months remain very modest. The sector is trading very cheaply in historical terms.

In line with the theme, KBC Equity Fund Fallen Angels will continue to invest in a global portfolio of shares that have in the past underperformed the market, but that demonstrate the potential to outperform in the future. We will continue to ensure that the portfolio is diversified, with sector and regional allocation in line with the MSCI World All Countries Index.

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

6 on a scale of 1 (lowest risk) to 7 (highest risk).

The value of a share can decrease or increase and the investor may not get back the amount invested.

In accordance with Commission Regulation (EU) No. 583/2010, a synthetic risk and reward indicator has been calculated. This indicator provides a quantitative measure of the sub-fund's potential return and the risk involved, calculated in the currency in which the sub-fund is denominated. It is given as a figure between 1 and 7. The higher the figure, the greater the potential return, but also the more difficult it is to predict this return. Losses are possible too. The lowest figure does not mean that the investment is entirely free of risk. However, it does indicate that, compared with the higher figures, this product will generally provide a lower, but more predictable return.

The synthetic risk and reward indicator is assessed regularly and can therefore go up or down based on data from the past. Data from the past is not always a reliable indicator of future risk and return. The most recent indicator can be found under the 'Risk and reward profile' heading in the 'Key Investor Information' document.

2.2 BALANCE SHEET

Balance sheet layout	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
TOTAL NET ASSETS	12.403.914,04	13.846.452,31
II. Securities, money market instruments, UCIs and derivatives		
A. Bonds and other debt instruments		
a) Bonds		
a) Collateral received in the form of bonds	672.000,64	72.361,23
C. Shares and similar instruments		
a) Shares	12.356.755,56	13.825.528,31
Of which securities lent	241.609,36	69.972,52
D. Other securities	6.978,97	3.342,40
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable	20.348,00	404,86
b) Tax assets	525,30	525,30
B. Payables		
a) Accounts payable (-)	-17.863,14	-9.946,48
c) Borrowings (-)	-25.184,23	-23.513,46
d) Collateral (-)	-672.000,64	-72.361,23
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	41.022,32	25.238,08
VI. Accruals and deferrals		
A. Expense to be carried forward	5.255,95	6.538,44
B. Accrued income	22.845,93	25.923,05
C. Accrued expense (-)	-6.770,62	-7.588,19
TOTAL SHAREHOLDERS' EQUITY	12.403.914,04	13.846.452,31
A. Capital	11.597.801,66	14.027.432,56
B. Income equalization	-1.228,81	-218,46
D. Result for the period	807.341,19	-180.761,79

Off-balance-sheet headings

I	Collateral (+/-)		
I.A	Collateral (+/-)		
I.A.A	Securities/market instruments	672.000,64	72.361,23
IX	Financial instruments lent	241.609,36	69.972,52

2.3 PROFIT AND LOSS ACCOUNT

Income Statement	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
I. Net gains(losses) on investments		
C. Shares and similar instruments		
a) Shares	480.518,38	544.163,57
D. Other securities	1.664,58	187,30
E. Open-end undertakings for collective investment		-7.521,81
H. Foreign exchange positions and transactions		
b) Other foreign exchange positions and transactions	186.585,63	-738.952,78
II. Investment income and expenses		
A. Dividends	243.004,82	156.032,92
B. Interests		
a) Securities and money market instruments	1.574,22	5.290,52
b) Cash at bank and in hand and deposits	628,77	789,96
C. Interest on borrowings (-)	-496,27	-675,46
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-1.544,15	-18.051,19
B. Financial expenses (-)	-88,40	-1.147,40
C. Custodian's fee (-)	-4.918,75	-5.539,35
D. Manager's fee (-)		
a) Financial management	-85.216,38	-99.101,07
b) Administration and accounting management	-6.000,67	-7.002,26
E. Administrative expenses (-)	-35,20	-28,04
F. Formation and organisation expenses (-)	-883,97	-568,73
G. Remuneration, social security charges and pension		-2,70
H. Services and sundry goods (-)	-2.134,35	-1.203,10
J. Taxes	-4.731,84	-5.405,86
K. Other expenses (-)	-585,23	-2.026,31
Income and expenditure for the period		
Subtotal II + III + IV	138.572,60	21.361,93
V. Profit (loss) on ordinary activities before tax	807.341,19	-180.761,79
VII. Result for the period	807.341,19	-180.761,79

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC EQUITY FUND FALLEN ANGELS

Name	Quantity on 30/06/2012	Currency	Price in currency	Evaluation (in the currency of the sub-fund)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
Shares							
Exchange-listed shares							
<u>Australia</u>							
GPT GROUP -	15.365,00	AUD	3,290	40.831,02		0,33	0,33
SUNCORP GROUP LTD -	11.720,00	AUD	8,090	76.583,98		0,62	0,62
TELSTRA CORP -	10.798,00	AUD	3,690	32.183,37		0,26	0,26
<u>Austria</u>							
VOESTALPINE AG -	1.538,00	EUR	20,855	32.074,99		0,26	0,26
<u>Bermuda</u>							
AXIS CAPITAL HOLDINGS LTD -	1.569,00	USD	32,550	40.241,86		0,33	0,32
<u>Brazil</u>							
SABESP-CIA SANEAM. BASICO SAO PAULO -	700,00	BRL	77,000	21.042,36		0,17	0,17
TELEF BRASIL PREF	1.926,00	BRL	49,980	37.580,12		0,30	0,30
<u>Canada</u>							
CANADIAN OIL SANDS LTD -	3.761,00	CAD	19,720	57.327,09		0,46	0,46
ENERPLUS RESOURCES FUND -	3.338,00	CAD	13,080	33.747,66		0,27	0,27
LOBLAW COMPANIES LTD -	6.800,00	CAD	32,400	170.295,65		1,38	1,37
PEMBINA PIPELINE CORP -	4.354,00	CAD	26,020	87.567,98		0,71	0,71
PENN WEST ENERGY TRUST -	4.276,00	CAD	13,660	45.147,95		0,37	0,36
SHERRITT INTERNATIONAL CORPORATION -	4.123,00	CAD	4,900	15.615,61		0,13	0,13
YAMANA GOLD INC -	9.099,00	CAD	15,710	110.489,11		0,89	0,89
<u>China</u>							
COUNTRY GARDEN HOLDINGS COMPANY -	53.504,00	HKD	3,030	16.468,96		0,13	0,13
DATANG INTER POWER GENERATION CO LTD -	42.000,00	HKD	3,040	12.970,60		0,11	0,11
<u>Czech Republic</u>							
CEZ A.S. -	1.902,00	CZK	696,900	51.913,36		0,42	0,42
<u>Denmark</u>							
H. LUNDBECK A/S -	7.580,00	DKK	121,000	123.369,74		1,00	1,00
<u>Finland</u>							
NESTE OIL OYJ -	8.001,00	EUR	8,855	70.848,86		0,57	0,57
STORA ENSO OYJ "R"	7.178,00	EUR	4,840	34.741,52		0,28	0,28
<u>France</u>							
ATOS SA -	365,00	EUR	47,120	17.198,80		0,14	0,14
AXA -	4.687,00	EUR	10,480	49.119,76		0,40	0,40
COMPAGNIE GENERALE DE GEOPHYSIQUE SA -	3.038,00	EUR	20,235	61.473,93		0,50	0,50
IMERYS (PAR)	1.071,00	EUR	40,090	42.936,39		0,35	0,35
PEUGEOT -	5.147,00	EUR	7,753	39.904,69		0,32	0,32
SAINT GOBAIN -	1.129,00	EUR	29,100	32.853,90		0,27	0,27
SANOFI -	3.174,00	EUR	59,740	189.614,76		1,53	1,53
TELEVISION FRANCAISE (TF1) (PAR)	1.726,00	EUR	6,290	10.856,54		0,09	0,09

<u>Germany</u>							
FRAPORT AG -	491,00	EUR	42,415	20.825,77		0,17	0,17
<u>Hungary</u>							
GEDEON RICHTER -	247,00	HUF	37.200,000	32.154,26		0,26	0,26
<u>Indonesia</u>							
VALE INDONESIA TBK -	94.500,00	IDR	2.675,000	21.207,72		0,17	0,17
<u>Ireland</u>							
KERRY GROUP PLC -	1.940,00	EUR	34,600	67.124,00		0,54	0,54
<u>Italy</u>							
BANCO POPLARE DI VERONA E NOVARA -	18.535,00	EUR	1,058	19.610,03		0,16	0,16
E.N.E.L. -	13.007,00	EUR	2,542	33.063,79		0,27	0,27
ENI -	7.435,00	EUR	16,780	124.759,30		1,01	1,01
PARMALAT SPA -	22.282,00	EUR	1,494	33.289,31		0,27	0,27
TELECOM ITALIA (MIL)	114.764,00	EUR	0,781	89.573,30		0,72	0,72
<u>Japan</u>							
AEON CO LTD. -	3.000,00	JPY	992,000	29.389,69		0,24	0,24
AJINOMOTO -	3.000,00	JPY	1.107,000	32.796,76		0,27	0,26
AUTOBACS SEVEN -	600,00	JPY	3.905,000	23.138,46		0,19	0,19
CENTRAL JAPAN RAILWAY -	7,00	JPY	627.000,000	43.343,87		0,35	0,35
CHUBU ELECTRIC POWER -	2.700,00	JPY	1.294,000	34.503,26		0,28	0,28
CREDIT SAISON -	1.200,00	JPY	1.757,000	20.821,65		0,17	0,17
DAIWA HOUSE -	4.000,00	JPY	1.127,000	44.519,06		0,36	0,36
DIC CORPORATION -	24.000,00	JPY	154,000	36.500,10		0,30	0,29
EBARA CORP -	5.000,00	JPY	306,000	15.109,62		0,12	0,12
FUJI ELECTRIC HOLDINGS CO LTD -	9.000,00	JPY	193,000	17.153,86		0,14	0,14
FUKUOKA FINANCIAL GROUP INC -	9.000,00	JPY	310,000	27.552,83		0,22	0,22
HITACHI -	7.000,00	JPY	487,000	33.665,81		0,27	0,27
HOKUHOKU FINANCIAL GROUP INC -	20.000,00	JPY	129,000	25.478,97		0,21	0,21
INPEX CORP -	4,00	JPY	444.500,000	17.558,76		0,14	0,14
ISHIKAWAJIMA HARIMA HEAVY IND -	12.000,00	JPY	169,000	20.027,65		0,16	0,16
ITOCHU TECHNO-SCIENCE CORP. -	500,00	JPY	3.845,000	18.985,78		0,15	0,15
JAPAN PETROLEUM EXPLORATION CO -	400,00	JPY	3.020,000	11.929,69		0,10	0,10
KAJIMA CORP -	11.000,00	JPY	233,000	25.311,08		0,21	0,20
KAO CORP -	1.000,00	JPY	2.194,000	21.667,00		0,18	0,18
MARUI CY -	2.200,00	JPY	606,000	13.166,11		0,11	0,11
mitsubishi mater.corp -	19.000,00	JPY	229,000	42.968,60		0,35	0,35
MITSUBISHI MOTOR -	42.000,00	JPY	80,000	33.181,91		0,27	0,27
MITSUBISHI UFJ FINANCIAL GROUP -	17.400,00	JPY	378,000	64.953,58		0,53	0,52
MITSUI MINING & SMELTING CO LTD -	15.000,00	JPY	173,000	25.627,10		0,21	0,21
NHK SPRING CO LTD -	5.000,00	JPY	852,000	42.069,92		0,34	0,34
NIPPON TEL & TEL -	1.100,00	JPY	3.700,000	40.193,56		0,33	0,32
NIPPON YUSEN KK -	13.000,00	JPY	209,000	26.831,92		0,22	0,22
NISSAN MOTOR -	6.500,00	JPY	748,000	48.015,01		0,39	0,39
NTN CORP -	5.000,00	JPY	248,000	12.245,70		0,10	0,10
OKUMA CORPORATION -	3.000,00	JPY	534,000	15.820,66		0,13	0,13
ORIX (ORIENT LEASING) -	280,00	JPY	7.370,000	20.379,22		0,17	0,16
OTSUKA CORP -	300,00	JPY	6.790,000	20.116,53		0,16	0,16
SANWA SHUTTER CORPORATION -	8.000,00	JPY	344,000	27.177,56		0,22	0,22
SEIKO EPSON CORP -	1.600,00	JPY	801,000	12.656,53		0,10	0,10
SEVEN & I HOLDINGS CO LTD -	1.700,00	JPY	2.397,000	40.241,95		0,33	0,32
SHIMAMURA CO LTD -	200,00	JPY	9.210,000	18.190,80		0,15	0,15
SHIMIZU CONSTR. -	8.000,00	JPY	276,000	21.805,25		0,18	0,18
SUMITOMO HEAVY INDUSTRIES LTD -	4.000,00	JPY	355,000	14.023,31		0,11	0,11
SUMITOMO MITSUI FINANCIAL GROUP INC -	2.300,00	JPY	2.612,000	59.328,46		0,48	0,48

SUMITOMO MITSUI TRUST HOLD INC -	13.000,00	JPY	236,000	30.298,24		0,25	0,24
TAKEDA PHARMACEUTICAL CO LTD -	3.100,00	JPY	3.615,000	110.670,55		0,90	0,89
TOKYO GAS CO. LTD -	15.000,00	JPY	407,000	60.290,34		0,49	0,49
TOKYU LAND CORPORATION -	11.000,00	JPY	392,000	42.583,45		0,34	0,34
TONENGENERAL SEKIYU KK -	2.000,00	JPY	707,000	13.964,05		0,11	0,11
TOSHIBA CORP -	8.000,00	JPY	300,000	23.701,36		0,19	0,19
TOSOH CORP -	16.000,00	JPY	215,000	33.971,95		0,28	0,27
YOKOGAWA ELECTRIC -	3.400,00	JPY	818,000	27.465,93		0,22	0,22
ZEON CORP -	6.000,00	JPY	603,000	35.729,80		0,29	0,29
<u>Jersey/The Channel Islands</u>							
WOLSELEY PLC -	1.958,00	GBP	23,770	57.522,75		0,47	0,46
<u>Luxembourg</u>							
ARCELORMITTAL -	2.969,00	EUR	12,110	35.954,59		0,29	0,29
<u>Malaysia</u>							
ALLIANCE FINANCIAL GROUP BHD -	78.007,00	MYR	4,160	80.525,35		0,65	0,65
AMBANK HOLDINGS BERHAD -	10.700,00	MYR	6,290	16.700,91		0,14	0,14
DRB-HICOM BHD -	90.300,00	MYR	2,520	56.466,91		0,46	0,46
GENTING MALAYSIA BHD -	24.800,00	MYR	3,600	22.154,40		0,18	0,18
IGB CORP BERHAD -	38.683,00	MYR	2,690	25.821,30		0,21	0,21
MALAYSIAN AIRLINES -	36.000,00	MYR	1,090	9.737,21		0,08	0,08
TELEKOM MALAYSIA SYARIKAT -	32.000,00	MYR	5,650	44.864,64		0,36	0,36
TENAGA NASIONAL (BHD) -	9.125,00	MYR	6,740	15.261,54		0,12	0,12
YTL POWER INTERNATIONAL BHD -	33.400,00	MYR	1,760	14.586,96		0,12	0,12
<u>Mexico</u>							
GRUPO MODELA "C"	18.700,00	MXN	117,960	129.465,08		1,05	1,04
<u>Netherlands</u>							
DE MASTER BLENDERS 1753 NV -	4.808,00	EUR	8,910	42.839,28		0,35	0,35
ING GROEP NV -	11.770,00	EUR	5,266	61.980,82		0,50	0,50
REED ELSEVIER NV -	2.443,00	EUR	9,012	22.016,32		0,18	0,18
SBM OFFSHORE NV (AMS)	5.637,00	EUR	10,885	61.358,75		0,50	0,50
<u>New Zealand</u>							
TELECOM CORP NEW ZEAL NZL REGD	14.500,00	NZD	2,390	21.948,83		0,18	0,18
<u>Norway</u>							
ORKLA ASA "A"	5.677,00	NOK	43,060	32.404,31		0,26	0,26
<u>Philippines</u>							
AYALA LAND -	83.000,00	PHP	21,600	33.528,14		0,27	0,27
BANCO DE ORO UNIBANK INC -	86.108,00	PHP	63,400	102.096,39		0,83	0,82
FILINVEST LAND INC -	4.000,00	PHP	1,280	95,75		0,00	0,00
<u>Poland</u>							
ASSECO POLAND SA -	3.985,00	PLN	48,800	45.917,08		0,37	0,37
GRUPA LOTOS SA -	5.982,00	PLN	27,900	39.407,30		0,32	0,32
KGHM POLSKA MIEDZ SA -	588,00	PLN	145,000	20.131,28		0,16	0,16
POLISH OIL & GAS -	65.074,00	PLN	4,150	63.764,90		0,52	0,51
POLSKI KONCERN NAFTOWY ORLEN SA -	5.563,00	PLN	37,410	49.138,61		0,40	0,40
<u>Singapore</u>							
FLEXTRONICS INTL LTD -	17.505,00	USD	6,200	85.518,08		0,69	0,69
<u>South Africa</u>							
BIDVEST GROUP LTD -	1.449,00	ZAR	182,000	25.408,81		0,21	0,21
FIRSTRAND LTD. -	9.776,00	ZAR	26,390	24.856,79		0,20	0,20
REUNERT LTD -	3.433,00	ZAR	68,000	22.491,95		0,18	0,18

<u>South Korea</u>							
HANA FINANCIAL GROUP INC -	2.430,00	KRW	36.200,000	60.519,71		0,49	0,49
KOREA EXCHANGE BANK -	8.240,00	KRW	8.150,000	46.202,64		0,37	0,37
SK TELECOM CO LTD -	341,00	KRW	125.000,000	29.325,56		0,24	0,24
<u>Spain</u>							
FOMENTO CONSTR Y CONT -	1.866,00	EUR	10,080	18.809,28		0,15	0,15
GAS NATURAL SDG -	3.324,00	EUR	10,105	33.589,02		0,27	0,27
INDRA SISTEMAS SA -	5.915,00	EUR	7,326	43.333,29		0,35	0,35
ZARDOYA OTIS S.A. (MAD)	3.083,00	EUR	8,780	27.068,74		0,22	0,22
<u>Sweden</u>							
SKANSKA AB "B"	2.883,00	SEK	105,700	34.788,87		0,28	0,28
SSAB AB "A"	4.692,00	SEK	57,100	30.585,44		0,25	0,25
SWEDBANK -	8.372,00	SEK	108,600	103.795,79		0,84	0,84
<u>Switzerland</u>							
ARYZTA AG -	1.492,00	EUR	39,250	58.561,00		0,47	0,47
HOLCIM LTD (NOM)	1.096,00	CHF	52,350	47.767,22		0,39	0,39
LINDT & SPRUENGLI AG -	4,00	CHF	34.795,000	115.872,29		0,94	0,93
SWISS LIFE HOLDING -	460,00	CHF	89,050	34.103,15		0,28	0,28
<u>Taiwan</u>							
ADVANTECH CO LTD -	18.700,00	TWD	98,600	48.616,77		0,39	0,39
EVA AIRWAYS CORP -	24.904,00	TWD	18,150	11.918,27		0,10	0,10
MITAC INTERNATIONAL -	130.439,00	TWD	9,940	34.187,03		0,28	0,28
SHIN KONG FINANCIAL HOLDING CO -	88.000,00	TWD	8,580	19.908,45		0,16	0,16
TUNG HO STEEL ENTERPRISE CORP -	52.000,00	TWD	29,000	39.762,06		0,32	0,32
<u>Thailand</u>							
ADVANCED INFO SERVICE PUBLIC CO LTD LOCAL	14.100,00	THB	184,500	64.543,94		0,52	0,52
KRUNG THAI BANK PCL LOCAL	139.300,00	THB	16,100	55.643,83		0,45	0,45
SIAM CITY CEMENT FOREIGN	18.100,00	THB	328,000	147.296,50		1,19	1,19
THANACHART CAPITAL PCL FOREIGN	20.400,00	THB	28,750	14.551,51		0,12	0,12
<u>Turkey</u>							
AKCANSI CIMENTO AS -	11.929,00	TRY	7,220	37.521,73		0,30	0,30
IS GAYRIMENKUL YATIRIM ORTAK -	23.306,00	TRY	1,140	11.574,82		0,09	0,09
KOC HOLDING A.S. -	7.479,00	TRY	6,900	22.481,96		0,18	0,18
TRAKYA CAM SANAYII AS -	11.573,00	TRY	2,430	12.251,63		0,10	0,10
<u>U.K.</u>							
ASSOCIATED BRITISH FOODS PLC -	4.580,00	GBP	12,820	72.569,03		0,59	0,59
AVIVA PLC -	12.754,00	GBP	2,726	42.970,47		0,35	0,35
BT GROUP PLC -	44.248,00	GBP	2,114	115.610,27		0,94	0,93
DAILY MAIL&GEN.TRUST -	3.977,00	GBP	4,230	20.791,88		0,17	0,17
HOME RETAIL GROUP -	5.809,00	GBP	0,847	6.077,52		0,05	0,05
HOWDEN JOINERY GROUP -	11.028,00	GBP	1,275	17.378,20		0,14	0,14
INTERNAT CONSOLIDATED AIRLINES GROUP -	8.328,00	GBP	1,595	16.417,20		0,13	0,13
KINGFISHER PLC -	6.553,00	GBP	2,874	23.276,88		0,19	0,19
LADBROKES PLC -	10.719,00	GBP	1,572	20.825,94		0,17	0,17
LLOYDS BANKING GROUP PLC -	212.033,00	GBP	0,311	81.500,76		0,66	0,66
LONMIN PLC -	2.992,00	GBP	7,745	28.640,51		0,23	0,23
MARKS&SPENCER -	4.845,00	GBP	3,250	19.461,44		0,16	0,16
MEGGITT PLC -	8.070,00	GBP	3,853	38.430,00		0,31	0,31
PERSIMMON -	12.532,00	GBP	6,090	94.326,88		0,76	0,76
ROYAL BANK OF SCOTLAND GROUP PLC -	22.711,00	GBP	2,153	60.433,55		0,49	0,49
SAINSBURY PLC -	19.036,00	GBP	3,014	70.911,51		0,57	0,57
TRAVIS PERINKS PLC -	3.294,00	GBP	9,705	39.510,90		0,32	0,32
UNITED UTILITIES WATER PLC -	6.258,00	GBP	6,750	52.208,01		0,42	0,42

<u>U.S.A.</u>							
ABERCROMBIE & FITCH -	628,00	USD	34,140	16.893,80		0,14	0,14
ADOBE SYSTEMS -	4.864,00	USD	32,370	124.062,47		1,00	1,00
AGCO CORP -	2.006,00	USD	45,730	72.283,02		0,59	0,58
ALLEGHENY TECHNOLOGIES INC -	470,00	USD	31,890	11.810,18		0,10	0,10
AMEREN CORP. -	1.475,00	USD	33,540	38.981,56		0,32	0,31
APPLIED MATERIALS -	2.355,00	USD	11,460	21.265,70		0,17	0,17
ARCHER DANIEL -	2.168,00	USD	29,520	50.428,93		0,41	0,41
AUTODESK INC -	3.989,00	USD	34,990	109.979,60		0,89	0,89
AVERY DENNISON CORPORATION -	337,00	USD	27,340	7.259,93		0,06	0,06
CARNIVAL CORP CORP	1.174,00	USD	34,270	31.701,98		0,26	0,26
CBS CORP -	2.441,00	USD	32,780	63.049,39		0,51	0,51
CHESAPEAKE ENERGY CORP -	3.844,00	USD	18,600	56.337,88		0,46	0,45
CIGNA CORP. -	935,00	USD	44,000	32.416,67		0,26	0,26
CLOROX COMPANY -	3.700,00	USD	72,460	211.253,64		1,71	1,70
COCA-COLA ENTERPRISE -	2.972,00	USD	28,040	65.664,55		0,53	0,53
COVENTRY HEALTH CARE INC -	1.159,00	USD	31,790	29.032,08		0,24	0,23
DELL INC -	8.734,00	USD	12,520	86.163,17		0,70	0,70
DOVER CORPORATION -	1.533,00	USD	53,610	64.757,80		0,52	0,52
DR HORTON INC -	3.305,00	USD	18,380	47.865,34		0,39	0,39
DU PONT DE NEMOURS -	1.545,00	USD	50,570	61.563,82		0,50	0,50
DUKE REALTY CORP -	3.369,00	USD	14,640	38.863,89		0,31	0,31
EATON CORP. -	2.118,00	USD	39,630	66.138,48		0,54	0,53
ELECTRONIC ARTS -	6.264,00	USD	12,350	60.956,90		0,49	0,49
ENSCO INTERNATIONAL INC -	1.082,00	USD	46,970	40.045,34		0,32	0,32
ENTERGY CORPORATION -	669,00	USD	67,890	35.787,89		0,29	0,29
FEDEX CORP -	1.056,00	USD	91,610	76.227,37		0,62	0,62
FIFTH THIRD BANCORPORATION -	9.622,00	USD	13,400	101.595,46		0,82	0,82
FIRSTENERGY CORP -	1.482,00	USD	49,190	57.441,95		0,47	0,46
FOOT LOCKER INC -	1.778,00	USD	30,580	42.842,36		0,35	0,35
FOREST LABORATORIES "A"	3.245,00	USD	34,990	89.466,98		0,72	0,72
GAMESTOP CORPORATION -	1.539,00	USD	18,360	22.264,63		0,18	0,18
GENERAL ELEC CAP CORP -	10.400,00	USD	20,840	170.779,29		1,38	1,38
HEALTH NET INC -	1.159,00	USD	24,270	22.164,47		0,18	0,18
HERSHEY CORP -	2.139,00	USD	72,030	121.402,70		0,98	0,98
HILLSHIRE BRANDS CO/THE -	961,00	USD	28,990	21.952,08		0,18	0,18
HOLOGIC INC -	2.057,00	USD	18,040	29.239,84		0,24	0,24
INTEL CORP -	4.770,00	USD	26,650	100.165,87		0,81	0,81
INTERNATIONAL GAME TECHNOLOGY -	2.501,00	USD	15,750	31.038,33		0,25	0,25
INTERPUBLIC GROUP -	5.246,00	USD	10,850	44.849,97		0,36	0,36
INTL PAPER COMP. -	1.734,00	USD	28,910	39.500,39		0,32	0,32
KEYCORP -	13.287,00	USD	7,740	81.034,89		0,66	0,65
KIMCO REALTY -	2.848,00	USD	19,030	42.705,41		0,35	0,34
KINDER MORGAN -	2.199,00	USD	32,220	55.828,37		0,45	0,45
KLA-TENCOR CORPORATION -	582,00	USD	49,250	22.585,69		0,18	0,18
L.S.I.LOGIC CORP -	4.446,00	USD	6,370	22.315,83		0,18	0,18
LEGG MASON INC. -	5.610,00	USD	26,370	116.567,41		0,94	0,94
LEVEL 3 COMMUNICATIONS INC -	6.400,00	USD	22,150	111.701,21		0,90	0,90
LEXMARK INTERNATIONAL INC "A"	4.262,00	USD	26,580	89.263,23		0,72	0,72
LINCOLN NATIONAL CORPORATION -	1.296,00	USD	21,870	22.333,56		0,18	0,18
MACY'S INC -	1.785,00	USD	34,350	48.313,57		0,39	0,39
MARSH & MCLENNAN CO -	2.207,00	USD	32,230	56.048,86		0,45	0,45
MCGRAW-HILL INC. -	1.516,00	USD	45,000	53.754,63		0,44	0,43
MOODY'S CORP -	4.300,00	USD	36,550	123.839,73		1,00	1,00
MYLAN LABORATORIES -	4.728,00	USD	21,370	79.613,40		0,64	0,64
NABORS INDUSTRIES LTD -	3.975,00	USD	14,400	45.102,83		0,37	0,36
NASDAQ OMX GROUP INC -	7.000,00	USD	22,670	125.041,37		1,01	1,01

NEWELL RUBBERMAID,INC. -	3.112,00	USD	18,140	44.481,66		0,36	0,36
NISOURCE INC. -	2.253,00	USD	24,750	43.938,03		0,36	0,35
NORDSTROM -	1.115,00	USD	49,690	43.656,41		0,35	0,35
NUCOR CORPORATION -	1.509,00	USD	37,900	45.064,30		0,36	0,36
NVIDIA CORP NAS	1.486,00	USD	13,820	16.181,96		0,13	0,13
OMNICARE INC -	1.346,00	USD	31,230	33.122,35		0,27	0,27
ORCHARD SUPPLY HARDWARE STORES -	30,00	USD	1,950	46,10			
ORCHARD SUPPLY HARDWARE STORES -	30,00	USD	16,630	393,11		0,00	0,00
PATTERSON-UTI ENERGY INC. -	3.239,00	USD	14,560	37.160,07		0,30	0,30
PENNEY -	1.501,00	USD	23,310	27.569,39		0,22	0,22
PEPCO HOLDING INC -	2.133,00	USD	19,570	32.891,66		0,27	0,27
PFIZER -	9.400,00	USD	23,000	170.356,95		1,38	1,37
PITNEY BOWES -	534,00	USD	14,970	6.298,94		0,05	0,05
PLAINS EXPLORATION & PRODUCT -	1.363,00	USD	35,180	37.782,95		0,31	0,31
PPG INDUSTRIES -	610,00	USD	106,120	51.007,17		0,41	0,41
PRINCIPAL FINANCIAL GROUP INC -	1.868,00	USD	26,230	38.608,18		0,31	0,31
PROLOGIS TRUST -	1.091,00	USD	33,230	28.566,65		0,23	0,23
R.R. DONNELLEY & SONS COMPANY -	624,00	USD	11,770	5.787,16		0,05	0,05
REGIONS FINANCIAL CORPORATION -	17.339,00	USD	6,750	92.221,46		0,75	0,74
REYNOLDS AMERICAN INC -	2.286,00	USD	44,870	80.823,28		0,65	0,65
ROWAN -	2.781,00	USD	32,330	70.845,27		0,57	0,57
SANDISK CORP -	2.811,00	USD	36,480	80.801,58		0,65	0,65
SCANA CORP -	1.163,00	USD	47,840	43.840,45		0,36	0,35
SEALED AIR CORPORATION -	2.499,00	USD	15,440	30.403,09		0,25	0,25
SEARS HOLDINGS CORP -	681,00	USD	59,700	32.035,06		0,26	0,26
SOUTHWEST AIRLINES -	7.355,00	USD	9,220	53.434,01		0,43	0,43
SUNCOKE ENERGY INC -	1.415,00	USD	14,650	16.334,21		0,13	0,13
SUNOCO,INC. -	2.669,00	USD	47,500	99.895,60		0,81	0,81
SUNTRUST BANKS -	4.467,00	USD	24,230	85.285,17		0,69	0,69
SYMANTEC CORPORATION -	7.645,00	USD	14,610	88.009,97		0,71	0,71
TOTAL SYSTEMS SERVICES -	7.497,00	USD	23,930	141.362,55		1,14	1,14
TYCO INTERNATIONAL -	2.441,00	USD	52,850	101.652,23		0,82	0,82
TYSON FOODS INC -A-	4.167,00	USD	18,830	61.826,97		0,50	0,50
UNITEDHEALTH GROUP INC. -	1.518,00	USD	58,500	69.973,21		0,57	0,56
VALERO ENERGY CORPORATION -	4.209,00	USD	24,150	80.094,04		0,65	0,65
VIACOM B	1.409,00	USD	47,020	52.203,28		0,42	0,42
WASTE MANAGEMENT INC. -	711,00	USD	33,400	18.712,00		0,15	0,15
XEROX CORPORATION -	13.445,00	USD	7,870	83.375,74		0,67	0,67
ZIMMER HOLDINGS INC. -	701,00	USD	64,360	35.549,89		0,29	0,29
Total shares				12.356.755,56		99,94	99,62
Warrants							
<u>U.S.A.</u>							
KINDER MORGAN 25/05/2017	3.327,00	USD	2,160	5.662,53		0,05	0,05
Total Warrants				5.662,53		0,05	0,05
Rights							
<u>Spain</u>							
ZARDOYA OTIS S.A. CP 14/06/12	3.083,00	EUR	0,427	1.316,44		0,01	0,01
Total rights				1.316,44		0,01	0,01
TOTAL SECURITIES PORTFOLIO				12.363.734,53		100,00	99,68

COLLATERAL RECEIVED						
<u>Belgium</u>						
KBC GROUP COLLATERAL EUR	672.000,64	EUR	1,000	672.000,64		5,42
TOTAL RECEIVED COLLATERAL				672.000,64		5,42
CASH AT BANK AND IN HAND						
Demand accounts						
<u>Belgium</u>						
KBC GROUP AUD	5.115,19	AUD	1,000	4.131,65		0,03
KBC GROUP CAD	1.185,40	CAD	1,000	916,25		0,01
KBC GROUP CHF	1.754,93	CHF	1,000	1.461,04		0,01
KBC GROUP CZK	73.582,61	CZK	1,000	2.881,86		0,02
KBC GROUP DKK	36.253,61	DKK	1,000	4.876,47		0,04
KBC GROUP EURO	5.026,29	EUR	1,000	5.026,29		0,04
KBC GROUP GBP	1.744,55	GBP	1,000	2.156,16		0,02
KBC GROUP HKD	793,34	HKD	1,000	80,59		0,00
KBC GROUP HUF	194.036,75	HUF	1,000	679,02		0,01
KBC GROUP JPY	149.596,00	JPY	1,000	1.477,35		0,01
KBC GROUP MXN	5.770,53	MXN	1,000	338,68		0,00
KBC GROUP NOK	7.388,24	NOK	1,000	979,38		0,01
KBC GROUP NZD	3.901,72	NZD	1,000	2.471,16		0,02
KBC GROUP PLN	16.131,46	PLN	1,000	3.808,90		0,03
KBC GROUP SEK	3.278,72	SEK	1,000	374,30		0,00
KBC GROUP SGD	3.116,69	SGD	1,000	1.938,60		0,02
KBC GROUP TRY	9.442,01	TRY	1,000	4.113,45		0,03
KBC GROUP USD	-31.961,31	USD	1,000	-25.184,23		-0,20
KBC GROUP ZAR	34.366,59	ZAR	1,000	3.311,17		0,03
Total demand accounts				15.838,09		0,13
TOTAL CASH AT BANK AND IN HAND				15.838,09		0,13
OTHER RECEIVABLES AND PAYABLES						
Receivables						
<u>Belgium</u>						
KBC GROUP EUR RECEIVABLE	146,11	EUR	1,000	146,11		0,00
KBC GROUP PHP TE ONTVANGEN	1.080.225,52	PHP	1,000	20.201,89		0,16
KBC GROUP WHT TO BE RECOVERED EUR	525,30	EUR	1,000	525,30		0,00
Total receivables				20.873,30		0,17
Payables						
<u>Belgium</u>						
KBC GROUP COUNTERPART ENTRY COLLATERAL IN EUR	-672.000,64	EUR	1,000	-672.000,64		-5,42
KBC GROUP EUR PAYABLE	-17.863,14	EUR	1,000	-17.863,14		-0,14
Payables				-689.863,78		-5,56
TOTAL RECEIVABLES AND PAYABLES				-668.990,48		-5,39
OTHER						
Interest receivable		EUR		21.911,52		0,18
Accrued interest		EUR		934,41		0,01
Expenses payable		EUR		-6.770,62		-0,05

Expenses to be carried forward		EUR		5.255,95			0,04
TOTAL OTHER				21.331,26			0,17
TOTAL NET ASSETS				12.403.914,04			100,00

Geographic breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Australia	1,71	1,25	1,25	1,21
Austria	1,48	0,67	0,27	0,26
Belgium	0,29	0,00	0,00	0,00
Bermuda	0,73	0,54	0,32	0,33
Brazil	1,08	0,38	0,46	0,47
Canada	3,79	5,41	4,93	4,21
Switzerland	1,25	1,91	1,95	2,07
China	0,84	0,40	0,37	0,24
Czech Republic	0,10	0,49	0,48	0,42
Cayman Islands	0,14	0,00	0,00	0,00
Germany	0,69	0,20	0,15	0,17
Denmark	0,68	1,11	0,90	1,00
Egypt	0,12	0,00	0,00	0,00
Spain	0,80	1,47	1,42	1,00
Finland	0,59	1,00	0,79	0,85
France	3,86	4,63	3,67	3,59
U.K.	8,06	6,52	5,98	6,64
Greece	0,00	0,47	0,38	0,00
Hong Kong	0,12	0,29	0,00	0,00
Hungary	1,13	0,24	0,22	0,26
India	0,30	0,25	0,21	0,17
Ireland	3,04	1,55	0,45	0,54
Italy	1,53	2,73	2,49	2,43
Jersey/The Channel Islands	0,26	0,32	0,41	0,47
Japan	11,40	11,96	12,86	11,95
South Korea	0,57	1,46	1,40	1,10
Luxembourg	0,00	0,52	0,34	0,29
Mexico	0,20	0,56	0,75	1,05
Malaysia	1,76	2,10	2,77	2,31
Netherlands	2,06	1,63	1,45	1,52
Norway	0,27	0,27	0,27	0,26
New Zealand	0,56	0,15	0,19	0,18
Philippines	0,64	0,66	0,84	1,10
Poland	2,18	2,08	1,57	1,77
Russia	0,15	0,51	0,00	0,00
Singapore	0,20	0,56	0,63	0,69
Sweden	1,30	1,31	1,25	1,37
Thailand	1,05	1,52	1,96	2,28
Turkey	1,05	0,63	0,58	0,68
Taiwan	1,01	1,17	1,13	1,25
U.S.A.	41,92	40,13	44,41	45,28
South Africa	1,09	0,95	0,50	0,59
Total	100,00	100,00	100,00	100,00

Sector breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Cyclicals	27,15	26,65	25,55	24,72
Consum(cycl)	11,83	9,90	9,95	10,71
Cons.goods	10,09	11,46	13,02	12,58
Pharma	8,14	9,26	8,21	8,47
Financials	20,34	19,06	18,27	18,94
Technology	11,08	11,35	12,32	12,20
Telecomm.	4,50	5,15	5,35	4,75
Utilities	3,93	4,16	4,74	4,59
Real est.	2,94	3,01	2,59	3,04
Total	100,00	100,00	100,00	100,00

Currency breakdown (as a % of net assets)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
AUD	1,75	1,25	1,30	1,24
BRC	0,64	0,00	0,00	0,00
BRL	0,44	0,38	0,46	0,47
CAD	3,82	5,42	4,94	4,21
CHF	0,58	1,54	1,53	1,61
CZK	0,12	0,50	0,50	0,44
DKK	0,68	1,12	0,92	1,04
EUR	13,40	13,94	11,66	11,02
GBP	8,31	6,85	6,39	7,11
HKD	1,34	0,70	0,38	0,24
HUF	1,13	0,24	0,22	0,27
IDR	0,00	0,25	0,21	0,17
INR	0,29	0,00	0,00	0,00
JPY	11,39	11,95	12,87	11,94
KRW	0,57	1,46	1,39	1,10
MXN	0,22	0,58	0,77	1,05
MYR	1,75	2,10	2,76	2,31
NOK	0,27	0,28	0,30	0,27
NZD	0,61	0,17	0,22	0,20
PHP	0,64	0,66	0,84	1,26
PLN	2,18	2,10	1,62	1,79
SEK	1,30	1,31	1,25	1,37
SGD	0,22	0,03	0,02	0,02
THB	1,04	1,52	1,95	2,28
TRY	1,06	0,64	0,59	0,71
TWD	1,01	1,17	1,12	1,25
USD	44,14	42,88	45,28	46,02
ZAR	1,10	0,96	0,51	0,61
Total	100,00	100,00	100,00	100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC EQUITY FUND FALLEN ANGELS (IN THE CURRENCY OF THE SUB-FUND)

	1st half of year	Year
Purchases	87.535,80	87.535,80
Sales	569.618,02	569.618,02
Total 1	657.153,81	657.153,81
Subscriptions	308.989,18	308.989,18
Redemptions	920.951,39	920.951,39
Total 2	1.229.940,57	1.229.940,57
Monthly average of total assets	12.668.647,74	12.668.647,74
Turnover rate	-4,52 %	-4,52 %

	1st half of year	Year
Purchases	87.535,80	87.535,80
Sales	569.618,02	569.618,02
Total 1	657.153,81	657.153,81
Subscriptions	308.989,18	308.989,18
Redemptions	920.951,39	920.951,39
Total 2	1.229.940,57	1.229.940,57
Monthly average of total assets	12.717.290,34	12.717.290,34
Corrected turnover rate	-4,50 %	-4,50 %

The table above shows the capital volume of portfolio transactions. This volume (adjusted to take account of total subscriptions and redemptions) is also compared to the average net assets at the beginning and end of the period.

A figure close to 0% implies that the transactions relating to the securities or transactions relating to the assets (excluding deposits and cash) in a given period only involve subscriptions and redemptions.

A negative percentage shows that subscriptions and redemptions entailed few, if any, transactions in the portfolio.

Active asset management may result in high turnover rates (monthly percentage >50%).

The detailed list of transactions is available for consultation free of charge at the registered office of the Bevek or fund at Havenlaan 2, 1080 Brussels.

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

NAME	Currency	Value in currency	In the currency of the sub-fund	Lot-size	Transaction date
KBC COLLATERAL EUR	EUR	672.000,64	672.000,64	N/A	29.06.2012

2.4.4 CHANGES OF THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND THE NET ASSET VALUE

Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2010 - 06	2.584,71	295,00	6.940,15	1.040,00	28.302,07	6.068,00	34.370,07
2011 - 06	1.313,86	34,00	4.724,96	1.607,00	24.890,96	4.495,00	29.385,96
2012 - 06	1.014,83	3,00	3.742,97	871,00	22.162,82	3.627,00	25.789,82

Period	Amounts received and paid by the UCI (in the currency of the sub-fund)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2010 - 06	1.005.352,08	108.373,98	2.743.399,07	350.094,37
2011 - 06	625.982,99	13.565,26	2.249.284,12	640.648,52
2012 - 06	487.393,58	1.224,54	1.733.872,20	332.861,11

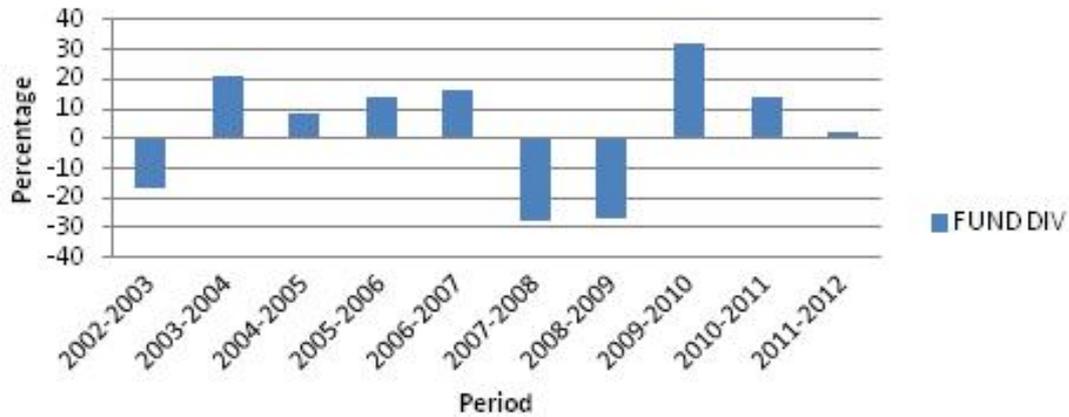
Period	Net asset value End of period (in the currency of the sub-fund)		
Year	Of the sub-fund	Of one share	
		Capitalization	Distribution
2010 - 06	14.197.402,70	424,48	359,87
2011 - 06	13.846.452,31	482,69	407,51
2012 - 06	12.403.914,04	492,02	413,39

2.4.5 PERFORMANCE FIGURES

BE0170814942

KBC Equity Fund - Fallen Angels - DIV:

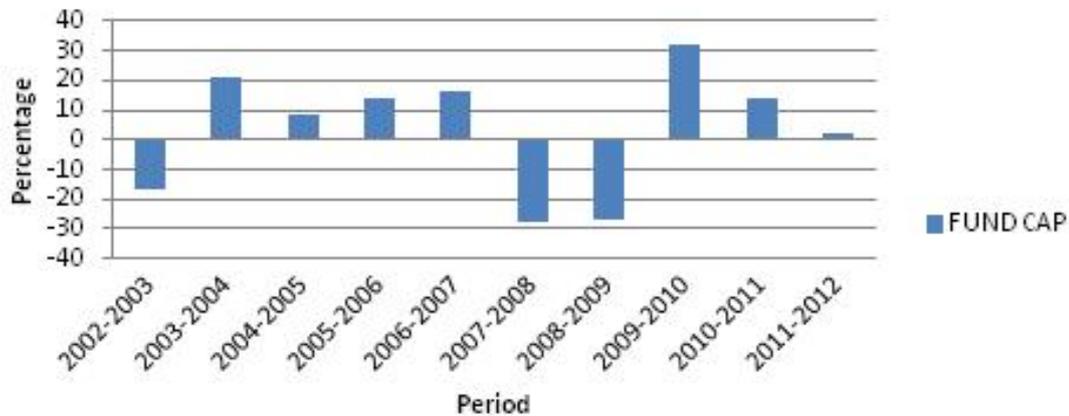
Annual performance on 30/06/2012 (in EUR)



BE0170815956

KBC Equity Fund - Fallen Angels - CAP:

Annual performance on 30/06/2012 (in EUR)



Cap Div	ISIN code	Cur- rency	1 Year		3 Years*		5 Years*		10 Years*		Since launch*	
			Share classes	Bench mark	Launch Date	Share classes						
CAP	BE0170815956	EUR	1.93%		15.30%		-3.95%		1.66%		30/04/1999	-0.12%
DIV	BE0170814942	EUR	1.95%		15.31%		-3.95%		1.66%		30/04/1999	-0.13%

Risk warning: Past performance is not a guide to future performance.

* Return on annual basis.

- The bar chart shows the performance for full financial years.
- The figures do not take account of any restructuring.
- Calculated in EUR.
- the return is calculated as the change in the net asset value between two dates expressed as a percentage. In the case of units that pay dividends, the dividend is incorporated geometrically in the return.
- Calculation method for date D, where NAV stands for net asset value:
 - Capitalisation units (CAP)
 - Return on date D over a period of X years:

$$[\text{NAV}(D) / \text{NAV}(Y)]^{[1 / X]} - 1$$
 where $Y = D - X$
 - Return on date D since the start date S of the unit:

$$[\text{NAV}(D) / \text{NAV}(S)]^{[1 / F]} - 1$$
 where $F = 1$ if the unit has existed for less than one year on date D
 where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D
 - Distribution units (DIV)
 - Return on date D over a period of X years:

$$[C * \text{NAV}(D) / \text{NAV}(Y)]^{[1 / X]} - 1$$
 where $Y = D - X$
 - Return on date D since the start date S of the unit:

$$[C * \text{NAV}(D) / \text{NAV}(S)]^{[1 / F]} - 1$$
 where $F = 1$ if the unit has existed for less than one year on date D
 where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D
 where C is a factor that is determined for all N dividends between the calculation date D and the reference date.
 - For dividend i on date Di with value Wi:

$$C_i = [W_i / \text{NAV}(D_i)] + 1$$

$$i = 1 \dots N$$
 from which $C = C_0 * \dots * C_N$.
- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the n^{th} square root of 1 plus the total return of the unit.
- The return figures shown above do not take account of the fees and charges associated with the issue and redemption of units.
- These are the performance figures for capitalisation and distribution shares.

2.4.6 COSTS

Total expense ratio (TER): *

Distribution: 1.664%

Capitalization: 1.664%

Percentage calculated at the end of the financial year: 31 December

* The following costs have not been included in the TER:

- Transaction charges
- Interest payments on loans taken out
- Payments in respect of financial derivatives
- Fees and charges paid directly by the investor
- Any soft commissions

SOFT COMMISSIONS

The management company or the appointed manager, as the case may be, is the recipient of soft commissions.

The recipient has laid down an internal policy as regards accepting soft commissions and avoiding possible conflicts of interest in this respect, and has put appropriate internal controls in place to ensure this policy is observed.

For more information, please see the 'General' section of the annual report.

	Commission gross in EUR paid during the period: 1-01-12 -	CSA Credits in EUR accrued during the period: 1-01-12 -	
Broker	30-06-12	30-06-12	Percentage
DEUTSCHE	24	12	50.00%
JP MORGAN	29	16	55.56%
MORGAN STANLEY	230	90	39.19%
NOMURA	371	98	26.37%
UBSWDR	72	39	54.81%

FEE-SHARING AGREEMENTS AND REBATES:

The management company may share its fee with the distributor, and institutional and/or professional parties.

In principle, the percentage share amounts to between 35% and 60% if the distributor is an entity of KBC Group NV or to between 35% and 70% if the distributor is not an entity of KBC Group NV. However, in a small number of cases, the distributor's fee is less than 35%. Investors may, on request, obtain more information on these cases.

If the management company invests the assets of the undertaking for collective investment in units of undertakings for collective investment that are not managed by an entity of KBC Group NV, and receives a fee for doing so, it will pay this fee to the undertaking for collective investment.

Fee-sharing does not affect the amount of the management fee paid by the sub-fund to the management company. This management fee is subject to the limitations laid down in the articles of association. The limitations may only be amended after approval by the general meeting of shareholders.

The management company has concluded a distribution agreement with the distributor in order to facilitate the wider distribution of the sub-fund's units by using multiple distribution channels.

It is in the interests of the holders of units, the sub-fund and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund to be maximised in this way. In this respect, there is therefore no question of any conflict of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: 1.35% per annum calculated on the basis of the average total net assets of the sub-fund, excluding those assets invested in investment undertakings managed by a financial institution of the KBC group.

KBC Fund Management Limited receives a fee from the management company of max. 1.35% calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the average total net assets of the sub-fund.

Auditor's fee: 1 700 EUR per year. This fee is not including VAT and will be increased at the end of the 3-year mandate.

The custody fee is calculated on the value of the securities held in custody by the custodian on the final banking day of the preceding calendar year, except on those assets invested in investment undertakings managed by a financial institution of the KBC group. The custody fee is paid at the beginning of the calendar year.

Social, ethical and environmental aspects:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

Exercising voting rights

If necessary, relevant and in the interest of the shareholders, the management company will exercise the voting rights attached to the shares in the Bevek's portfolio.

The management company will adhere to the following criteria when determining how it stands relative to the items on the agenda that are put to the vote:

- Shareholder value may not be adversely affected.
- Corporate governance rules, especially with regard to the rights of minority shareholders, must be respected.
- The minimum standards with regard to sustainable business and corporate social responsibility must be met.

The list of companies for which voting rights are exercised is available at the registered office of the Bevek.

Securities lending

In accordance with the Royal Decree of 7 March 2006 concerning securities lending, the undertaking for collective investment has taken out securities loans with a principal to whom the full title of the loaned securities was transferred, without recording this transfer of ownership in the accounts.

For the period from 1 January 2012 to 30 June 2012, the fee for securities lent comes to 639.81 EUR. KBC Asset Management NV receives 50% of the net fee received for securities lent.

The detailed list of securities lending transactions carried out can be obtained from the registered office of the collective investment undertaking at 2 Havenlaan, 1080 Brussels.

Overview of securities lent as at 30/06/2012

Name	Currency	Quantity	Price	Value in currency of the portfolio
ENERPLUS CORP	CAD	3.300	13,080	33.363,48
HOME RETAIL GROUP	GBP	2.534	0,847	2.651,13
KGHM POLSKA MIEDZ SA	PLN	587	145,000	20.097,04
PENN WEST PETROLEUM LTD	CAD	4.250	13,660	44.873,43
POLISH OIL & GAS	PLN	65.073	4,150	63.763,92
POLSKI KONCERN NAFTO	PLN	5.562	37,410	49.129,77
YAKULT HONSHA	JPY	900	3.120,000	27.730,59
			Total	241.609,36

Details of collateral received for securities lent

Name	Currency	Nominal value	Currency fund	Value in Currency fund
FLEMISH 2009 3,875% 20/07/2016	EUR	500.000	EUR	559.358,00
FRANCE 2004 4% 25/04/55	EUR	41.000	EUR	44.713,41
FRANCE 2007 4,50% 12/07/2012	EUR	65.000	EUR	67.929,23
			Total	672.000,64

For the valuation of the collateral received, indicative prices have been used in this detail list by the Collateral Management Division of KBC Bank.

TABLE OF CONTENTS

- 2. Information on KBC Equity Fund BRIC
 - 2.1. Management report
 - 2.1.1. Launch date and subscription price
 - 2.1.2. Stock exchange listing
 - 2.1.3. Aim and distinctive features of the investment policy
 - 2.1.4. Financial portfolio management
 - 2.1.5. Distributors
 - 2.1.6. Index and benchmark
 - 2.1.7. Policy conducted during the financial year
 - 2.1.8. Future policy
 - 2.1.9. Synthetic risk and reward indicator (SRRI)
 - 2.2. Balance sheet
 - 2.3. Profit and loss account
 - 2.4. Composition of the assets and key figures
 - 2.4.1. Composition of the assets
 - 2.4.2. Change in the composition of the assets
 - 2.4.3. Value of commitments in respect of financial derivatives positions
 - 2.4.4. Evolution of the number of subscriptions, repayments and the net asset value
 - 2.4.5. Return figures
 - 2.4.6. Expenses
 - 2.4.7. Notes to the financial statements and other data

2 INFORMATION ON KBC EQUITY FUND BRIC

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Launch date: 24 May 2006

Initial subscription price: 1000 EUR

Currency: EUR

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

The main objective of this sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. To this end, the assets are invested, either directly or indirectly via correlated financial instruments, primarily in shares.

SUB-FUND'S INVESTMENT POLICY:

PERMITTED ASSET CLASSES:

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the sub-fund's object.

RESTRICTIONS OF THE INVESTMENT POLICY:

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

PERMITTED DERIVATIVES TRANSACTIONS:

Derivates may be used either for hedging purposes or to achieve investment objectives.

Changes will be made to the investments at regular intervals to comply with the sub-fund's investment strategy. **In addition, listed and unlisted derivates may be used to achieve the objectives:** these may be forward contracts, options or swaps on securities, indices, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions. **Such derivatives may also be used to hedge the assets against exchange-rate fluctuations.** Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions.

STRATEGY SELECTED

The sub-fund invests primarily, directly or indirectly, in shares of companies from different sectors in Brazil, Russia, India and China.

RISK CONCENTRATION

Shares of Brazilian, Russian, Indian and Chinese companies.

PRIMARILY INVESTMENTS IN ASSETS OTHER THAN SECURITIES OR MONEY MARKET INSTRUMENTS

Under the investment policy referred to above, the sub-fund may invest primarily in permitted assets other than securities or money market instruments, more specific units in UCIs.

LENDING FINANCIAL INSTRUMENTS:

The sub-fund may lend financial instruments within the limits set by law and regulations.

This lending does not affect the sub-fund's risk profile since:

- it takes place within the framework of a securities lending system managed by a principal. In addition, the sub-fund has a relationship only with the principal of the securities lending system which acts as counterparty and to which title of the loaned securities is transferred. The choice of principal is subject to strict selection criteria. The return of securities similar to the securities that have been lent is guaranteed by the principal.
- through a margin management system, the sub-fund is always guaranteed financial security, the actual value of which always exceeds the actual value of the securities that have been lent, in case the principal does not return similar securities.

The return of securities similar to the securities that have been lent can be requested at any time, which means that the lending of securities does not affect the management of the sub-fund's assets. By lending securities, the sub-fund can generate an additional return. The principal pays a fee to the management company. After deducting the fee for the margin management and clearing services of KBC Bank, most of this fee is paid to the sub-fund.

The relationship with the counterparty or counterparties is governed by standard international agreements.

More information is provided on the terms and conditions governing securities lending in the annual or half-yearly report for the sub-fund.

VOLATILITY OF THE NET ASSET VALUE:

The volatility of the net asset value may be high due to the composition of the portfolio.

GENERAL STRATEGY FOR HEDGING THE EXCHANGE RATE RISK:

In order to protect its assets against exchange rate fluctuations and within the limitations laid down in the articles of association, the sub-fund may perform transactions relating to the sale of forward currency contracts, as well as the sale of call options and the purchase of put options on currencies. The transactions in question may relate solely to contracts traded on a regulated market that operates regularly, is recognised and is open to the public or that are traded with a recognised, prime financial institution specialising in such transactions and dealing in the over-the-counter (OTC) market in options. With the same objective, the sub-fund may also sell currencies forward or exchange them in private transactions with prime financial institutions specialising in such transactions. The hedging objective of the aforementioned transactions suggests that there is a direct link between these transactions and the assets to be hedged, which implies that the transactions carried out in a particular currency may in principle not exceed, in terms of volume, either the valuation value of all the assets in the same currency or the holding period of those assets.

SOCIAL, ETHICAL AND ENVIRONMENTAL ASPECTS:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

THE EUROPEAN SAVINGS DIRECTIVE AND TAX ON DEBT CLAIM RETURNS OBTAINED THROUGH THE REDEMPTION OF OWN UNITS OR IN THE EVENT OF FULL OR PARTIAL DISTRIBUTION OF EQUITY CAPITAL.

The following information is of a general character and is not intended to cover all aspects of an investment in a UCITS. In certain cases entirely different rules might even apply. Moreover, both tax law and the interpretation of it can change. Investors who wish to have more information about the tax implications – in both Belgium and abroad – of acquiring, holding and transferring units should seek the advice of their usual financial and tax advisers.

This UCITS shall invest a maximum of 15% of its assets directly or indirectly in debt instruments as intended by the European Savings Directive.

A. European Savings Directive (Directive 2003/48/EC)

The European Savings Directive has been implemented in Belgium through:

- The Law of 17 May 2004 transposing into Belgian law Directive 2003/48/EC of 3 June 2003 of the Council of the European Union on taxation of savings income in the form of interest payments and amending Income Tax Code 1992 on withholding tax;
- The Royal Decree of 27 September 2009 implementing Article 338bis § 2 of Income Tax Code 1992;
- The Royal Decree of 27 September 2009 concerning the entry into effect of Article 338bis § 2, paragraphs one to three, of Income Tax Code 1992;

Since this UCITS invests a maximum of 15% of its assets directly or indirectly in debt claims as intended by the European Savings Directive, the income of this UCITS does not fall within the scope of this directive.

B. Tax on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital (Article 19bis Income Tax Code 1992).

The income from this UCITS is not subject to the tax on debt instrument returns as intended by Article 19bis, Income Tax Code 1992.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company has delegated the intellectual management, to KBC Fund Management Limited, Joshua Dawson House, Dawson Street , Dublin 2, IRELAND..

2.1.5 DISTRIBUTORS

KBC Asset Management S.A., 5, Place de la Gare, L-1616 Luxembourg.

2.1.6 INDEX AND BENCHMARK

See 'Sub-fund's investment policy'.

2.1.7 POLICY PERSUED DURING THE FINANCIAL YEAR

The KBC Equity Fund BRIC fund invests directly and indirectly in the following developing economies which make up the BRIC acronym: Brazil, Russia, India and China. The Equity Fund BRIC starts the investment process in these markets by following the MSCI BRIC breakdown: Brazil 33%, Russia 13%, India 17% and China 37%, and then applying any country preferences. The fund decreased in value during the first six months of 2011 underperforming its benchmark, MSCI BRIC.

The first six months of the year were quite turbulent for equity markets. The changing situation in Europe was the primary concern for investors over the period, however there was also negative news concerns with regard to growth in China. Throughout the first quarter, the situation in Europe continued to evolve. Towards the beginning of the year, there was positive news from Greece as the country secured acceptance of their debt swap offer. The ECB continued to extend liquidity to European banks through the LTRO. Markets were largely strong over this period, with both emerging and developed markets rising and with Emerging Asia outperforming.

Moving into the second quarter, the situation in Europe worsened. In May, French socialist, Francois Hollande won the French presidential election. Following parliamentary elections in Greece, it was not possible to form a government. Anti-austerity parties gained seats in this election, causing growing fears that the country would not remain in the euro. A second election was called for mid-June with the uncertainty continuing in the meantime. At this stage, concern spread to the situation in Spain, with growth disappointing further and banks coming under more pressure. Despite initially stating that the country did not need a bailout, by the end of June, Spain had requested assistance from Europe and the IMF. In mid May, the second Greek election took place, with the New Democracy winning narrowly and forming a government. Throughout this period of uncertainty, markets were very weak, with most regions reversing most of the gains achieved in Q1. On the final day of the quarter, EU leaders agreed that Europe would support troubled banks directly, without the need for local governments to add to their debt levels. This saw a significant rally on the final day of the first half.

While the volatility globally continued, Asian investors were also concerned about weakening growth in China. Growth was slower than most expected, with the official growth target being lowered to 7.5%. Most domestic activity metrics were weak – industrial production, investment and retail sales. On the positive side, inflation continued to fall, leaving room for policy makers to make changes if needed. While there was some slowdown in employment growth, there was no mass unemployment as was seen in 2008/2009. Following this slowdown, Chinese authorities began to take steps to boost growth. Initially the focus was on increasing investment, with particular focus on water and other environmental areas, utilities, railways and social housing. However at the beginning of June, the People's Bank of China took the decision to lower lending and deposit rates by 25bps. They also took steps to liberalise the interest rate regime, seen as a significant positive.

The Indian market kicked off the year strongly outperforming the region on the back of the Central Bank signaling that it would follow a monetary easing strategy. With inflation falling the RBI's focus shifted back to supporting economic growth. At the end of January the RBI cut the reserve ratio by 50bps in order to ease liquidity tightness in the financial system. Q4 GDP growth moderated to 6.1% from 6.9% the previous quarter, this was a touch below market expectations of 6.3% and was primarily driven by weaker investment growth. The RBI left official rates unchanged at its policy meeting in March, following its 75bps cash reserve ratio cut at the beginning of the month. During the review the central bank highlighted that upside inflationary risks persist from rising oil prices, fiscal slippages and Rupee depreciation. At the beginning of the second quarter the RBI positively surprised the market by cutting official rates by 50bps, more than the 25bps cut that investors were expecting, however the potential positive market catalyst was neutralised by continued hawkish rhetoric from the central bank. Inflation continued to remain sticky in the second quarter, stepping up to 7.5% in June. Global risk-off mode together with continued policy inaction and worsening macro data caused an acceleration in the sell-off of the market. In terms of macro news, 5.3% Q1 GDP growth was considerably lower than market expectations (6.1%). Hopes on the reform front were revived at the end of the period as the Indian Prime Minister Manmohan Singh took charge of the Finance portfolio.

In the first quarter of 2012, the Russian economy grew by 4 % YoY after the growth of 4.8 % YoY in 4Q11. The better-than-expected economic situation in the US and Europe as well as soft landing in China helped the Russian economy in the first quarter as it is highly dependent on exports to these countries. The surge in oil prices due to the unstable situation in some oil exporting countries, especially Iran, was also favourable for the Russian economy. However, after starting the year strongly, economic growth began decelerating as external risks mounted. The weak EU PMI data have increased the risk of a spill over effect into the Russian economy. Deceleration was already apparent in the industrial production growth which has been declining steadily over the months. The Russian inflation fell to new historically low levels as it decelerated in April to 3.6 %. Yearly inflation stayed around that level until the end of the first half of 2012. The unemployment rate declined to 5.4%, its lowest level in modern Russian history. In the presidential elections at the beginning of March Vladimir Putin achieved a clear-cut victory already in the first election round. Putin won with 64 % of the votes which was not far off the pre-election forecasts. On one hand, Putin's victory put to rest political uncertainty in Russia; on the other hand, there were worries about the budget deficit and tax hikes for the corporate sector if Putin intends to fulfil his pre-election promises. Political protests did not stop after the elections but were less frequent and organized. The second quarter was nearly a mirror image of the first one. May was especially dreadful as the Russian market was under pressure from the escalation of the euro zone crisis. The Brent oil price plunged by almost 15 % to below 100 USD per barrel. At the end of the first half of the year, the Russian stock market somewhat recovered as investors' risk appetite improved after many euro zone worries were partially resolved.

2.1.8 FUTURE POLICY

Globally, while recent moves by policy makers have been positive, we still expect turbulence in markets going forward. Europe has clearly made some steps forward, however the problems are not yet resolved and the growth outlook continues to be a concern. Budgetary cuts to control spending across the region have negative implications on demand in the context of international trade. This is a concern for Asia, where it is driven by both domestic and international factors.

We do continue to believe however, that the global economic picture is stronger than currently perceived. Falling inflation (triggered by another significant drop in the oil price) and very accommodating monetary policies: the first rate cut in China, ECB likely to cut further, and the Fed announced continuation of "Operation Twist" and additional measures if needed, should jump start the global economy in the coming months. Our stance on the Euro crisis remains unchanged: all actions needed to safeguard the union will be taken because the costs and political risks of a break-up are immense.

Even though Russia shows signs of a slow-down, GDP growth is still decent (3-4 % in 2012), inflation easing and unemployment at its lows in modern history of Russia. Risks are in oil price development, which may create pressure on fiscal policy due to the firm relation between oil price and budget revenues. The old-new president Putin also seems to be avoiding necessary long term reforms. Russian equities are cheap on historical basis, but unless outlook for global demand changes, we don't expect swift appreciation. Moreover, unclear taxation system, which is changing rapidly, partially justifies current valuation.

For India, the recent sharp decline in global commodity prices, the RBI's calibrated monetary easing and marginal improvement in liquidity are incrementally positive for corporate India and should aid a recovery in the earnings trend into the second half of 2012. Outlook on further easing remains muted given still elevated inflation and risk emanating from a weak monsoon. With a back drop of continued global uncertainty, it is critical for investors that the domestic government demonstrates decisive policy action which would serve to calm nerves and reassure market participants. However, investors are not expecting anything imminent on this front, as such if there is even a small amount of positive news on reforms it could go a long way to instilling confidence in the market. India's domestic economy is healthy, supported by consumption needs of its vast population. Income levels are rising, the savings rate is high and changing lifestyle is driving demand for consumer goods. The underlying growth story in India remains intact and the market offers an attractive investment opportunity over the medium term. In the near term inflation will remain a key concern for investors.

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

7 on a scale of 1 (lowest risk) to 7 (highest risk).

The value of a share can decrease or increase and the investor may not get back the amount invested.

In accordance with Commission Regulation (EU) No. 583/2010, a synthetic risk and reward indicator has been calculated. This indicator provides a quantitative measure of the sub-fund's potential return and the risk involved, calculated in the currency in which the sub-fund is denominated. It is given as a figure between 1 and 7. The higher the figure, the greater the potential return, but also the more difficult it is to predict this return. Losses are possible too. The lowest figure does not mean that the investment is entirely free of risk. However, it does indicate that, compared with the higher figures, this product will generally provide a lower, but more predictable return.

The synthetic risk and reward indicator is assessed regularly and can therefore go up or down based on data from the past. Data from the past is not always a reliable indicator of future risk and return. The most recent indicator can be found under the 'Risk and reward profile' heading in the 'Key Investor Information' document.

2.2 BALANCE SHEET

Balance sheet layout	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
TOTAL NET ASSETS	60.935.721,78	75.306.104,17
II. Securities, money market instruments, UCIs and derivatives		
A. Bonds and other debt instruments		
a) Bonds	298.799,90	
a) Collateral received in the form of bonds	2.289.744,51	1.916.559,39
C. Shares and similar instruments		
a) Shares	28.019.654,01	31.875.290,91
Of which securities lent	2.120.107,38	1.791.844,22
D. Other securities		6.298,49
E. Open-end undertakings for collective investment	32.144.051,45	42.678.686,32
F. Derivative financial instruments		
j) Foreign exchange		
Futures and forward contracts (+/-)	-3.257,34	
m) Financial indices		
Futures and forward contracts (+/-)	6.156,16	
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable	25.259,04	79.039,97
B. Payables		
a) Accounts payable (-)	-86.308,73	-98.782,17
c) Borrowings (-)		-57.051,53
d) Collateral (-)	-2.289.744,51	-1.916.559,39
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	128.482,40	552.607,12
VI. Accruals and deferrals		
A. Expense to be carried forward	11.967,52	18.061,87
B. Accrued income	408.610,01	273.266,95
C. Accrued expense (-)	-17.692,64	-21.313,76
TOTAL SHAREHOLDERS' EQUITY	60.935.721,78	75.306.104,17
A. Capital	60.234.180,62	83.507.961,70
B. Income equalization	-2.635,83	6.039,40
D. Result for the period	704.176,99	-8.207.896,93

Off-balance-sheet headings

I	Collateral (+/-)		
I.A	Collateral (+/-)		
I.A.A	Securities/market instruments	2.289.744,51	1.916.559,39
III	Notional amounts of futures and forward contracts		
III.A	Purchased futures and forward contracts	585.251,63	
IX	Financial instruments lent	2.120.107,38	1.791.844,22

2.3 PROFIT AND LOSS ACCOUNT

Income Statement	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
I. Net gains(losses) on investments		
A. Bonds and other debt instruments		
a) Bonds	-32.548,60	
C. Shares and similar instruments		
a) Shares	-87.631,73	-1.185.084,72
D. Other securities	633,75	-873,20
E. Open-end undertakings for collective investment	132.775,87	-3.732.888,52
F. Derivative financial instruments		
I) Financial indices		
Futures and forward contracts	662,64	
G. Receivables, deposits, cash at bank and in hand and payables		-0,70
H. Foreign exchange positions and transactions		
a) Derivative financial instruments		
Futures and forward contracts	-5.612,91	
b) Other foreign exchange positions and transactions	308.915,89	-3.493.166,68
II. Investment income and expenses		
A. Dividends	643.071,10	604.549,07
B. Interests		
a) Securities and money market instruments	71.369,64	10.480,65
b) Cash at bank and in hand and deposits	64,03	73,00
C. Interest on borrowings (-)	-819,00	-417,31
III. Other income		
B. Other		932,53
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-31.634,19	-52.593,62
B. Financial expenses (-)	-453,84	-1.726,27
C. Custodian's fee (-)	-11.112,16	-14.800,80
D. Manager's fee (-)		
a) Financial management	-226.497,75	-272.781,05
b) Administration and accounting management	-32.017,31	-39.096,01
E. Administrative expenses (-)	-351,36	-282,00
F. Formation and organisation expenses (-)	-3.784,97	-3.305,00
G. Remuneration, social security charges and pension	-5,17	-14,36
H. Services and sundry goods (-)	-6.890,86	-6.870,71
J. Taxes	-10.359,81	-12.031,51
K. Other expenses (-)	-3.596,27	-7.999,72
Income and expenditure for the period		
Subtotal II + III + IV	386.982,08	204.116,89
V. Profit (loss) on ordinary activities before tax	704.176,99	-8.207.896,93
VII. Result for the period	704.176,99	-8.207.896,93

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC EQUITY FUND BRIC

Name	Quantity on 30/06/2012	Currency	Price in currency	Evaluation (in the currency of the sub-fund)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
Investment funds							
Open-end funds							
UCITS registered with the FSMA							
<u>Belgium</u>							
HORIZON ACCESS FD BRAZIL KAP	15.043,00	EUR	764,500	11.500.373,50	35,66	19,03	18,88
HORIZON ACCESS FD CHINA KAP	10.724,00	USD	622,210	5.257.725,98	15,65	8,70	8,63
HORIZON ACCESS FD RUSSIA KAP	20.741,00	EUR	396,380	8.221.317,58	20,90	13,60	13,49
HORIZON ACCESS INDIA FD KAP	9.903,00	USD	918,170	7.164.634,39	6,40	11,85	11,76
Total investment funds				32.144.051,45		53,16	52,75
Bonds							
Corporate bonds							
<u>Ireland</u>							
D-STAR FINANCE PLC SUB 14/05/13	469.000,00	EUR	63,710	298.799,90		0,49	0,49
Total bonds				298.799,90		0,49	0,49
Shares							
Exchange-listed shares							
<u>Bermuda</u>							
CNPC HONG KONG LTD -	160.000,00	HKD	12,340	200.572,95		0,33	0,33
<u>Brazil</u>							
AES TIETE SA -	4.400,00	BRL	28,590	49.110,29		0,08	0,08
AMBEV-CIA DE BEBIDAS DAS AMERICAS CP 02/05/11	42,00	BRL	74,870	1.227,62		0,00	0,00
AMBEV-CIA DE BEBIDAS DAS AMERICAS PREF	14.979,00	BRL	77,300	452.030,72		0,75	0,74
ANHANGUERA EDUCACIONAL PARTICIPACOES -	3.000,00	BRL	25,600	29.982,43		0,05	0,05
BANCO BRADESCO S.A. PREF	37.831,00	BRL	29,940	442.186,27		0,73	0,73
BANCO DO BRASIL SA -	13.500,00	BRL	19,530	102.929,92		0,17	0,17
BANCO SANTANDER BRASIL SA -	12.600,00	BRL	15,400	75.752,49		0,13	0,12
BANCO SANTANDER BRASIL SA/BRAZ -	4.000,00	USD	7,750	24.426,76		0,04	0,04
BM&F BOVESPA SA -	45.238,00	BRL	10,250	181.022,64		0,30	0,30
BR MALLS PARTICIPACOES SA -	11.500,00	BRL	23,000	103.259,81		0,17	0,17
BRADESPAR S.A. PREF	6.300,00	BRL	32,940	81.015,81		0,13	0,13
BRASKEM SA PREF	6.200,00	BRL	13,380	32.385,71		0,05	0,05
BRF - BRASIL FOODS SA -	13.800,00	BRL	30,390	163.725,16		0,27	0,27
CEMIG-CIA ENERGETICA DE MINAS GERAIS PREF	12.040,00	BRL	37,530	176.404,92		0,29	0,29
CETIP SA - BALCAO ORGANIZADO DE ATI -	2,00	BRL	25,100	19,60			
CIA BRAS DISTRIB GRUPO PAO DE ACUCAR PREF B	2.820,00	BRL	80,000	88.073,39		0,15	0,15
CIA DE CONCESSOES RODOVIARIAS -	27.800,00	BRL	16,330	177.229,75		0,29	0,29
CIA DE TRANSMISSAO DE ENERGIA -	1.900,00	BRL	64,100	47.546,36		0,08	0,08
CIA ENERGETICA DE SP -	3.700,00	BRL	36,700	53.011,91		0,09	0,09
CIA HERING -	3.500,00	BRL	38,100	52.059,34		0,09	0,09
CIA SANEAMENTO BASICO -	600,00	USD	75,860	35.864,79		0,06	0,06

COMPANHIA BRASILEIRA DE MEIOS -	6.295,00	BRL	59,080	145.191,72		0,24	0,24
CPFL ENERGIA SA -	5.600,00	BRL	25,400	55.529,96		0,09	0,09
CSN-CIA SIDERURGICA NACIONAL S.A. -	17.600,00	BRL	11,380	78.191,68		0,13	0,13
CSN-CIA SIDERURGICA NACIONAL S.A. SP ADR	2.600,00	USD	5,670	11.616,11		0,02	0,02
CVRD-CIA VALE DO RIO DOCE PRAF A	40.200,00	BRL	39,160	614.574,27		1,02	1,01
DURATEX SA -	8.500,00	BRL	10,630	35.274,25		0,06	0,06
EMBRAER AIRCRAFT CORP-SP ADR SP ADR	1.300,00	USD	26,530	27.175,95		0,05	0,05
EMBRAER SA -	6.000,00	BRL	13,360	31.294,16		0,05	0,05
GERDAU SA -	4.500,00	USD	8,760	31.061,38		0,05	0,05
GERDAU SA PRAF	17.300,00	BRL	17,700	119.543,24		0,20	0,20
ITAU UNIBANCO HOLDINGS SA PRAF PRAF	45.800,00	BRL	28,290	505.829,40		0,84	0,83
ITAUSA-INVESTIMENTOS ITAU SA -	52.858,00	BRL	8,500	175.402,30		0,29	0,29
JBS SA -	21.100,00	BRL	6,030	49.671,29		0,08	0,08
LOJAS RENNEN SA -	3.300,00	BRL	56,350	72.596,14		0,12	0,12
MULTIPLUS SA -	1.300,00	BRL	47,170	23.939,49		0,04	0,04
NATURA COSMETICOS SA -	4.100,00	BRL	47,000	75.229,36		0,12	0,12
OBRASCON HUARTE LAIN BRASIL SA -	8.200,00	BRL	17,850	57.142,30		0,10	0,09
ODONTOPREV SA -	14.800,00	BRL	10,200	58.934,22		0,10	0,10
OGX PETROLEO E GAS PARTICIPACO -	27.100,00	BRL	5,500	58.188,56		0,10	0,10
OI SA -	15.577,00	BRL	9,450	57.467,36		0,10	0,09
PDG REALTY SA EMPREENDIMENTOS -	31.600,00	BRL	3,510	43.301,19		0,07	0,07
PETROBRAS-PETROLEO BRASILEIRO S.A. -	59.467,00	BRL	18,900	438.776,62		0,73	0,72
PETROBRAS-PETROLEO BRASILEIRO S.A. PRAF	84.026,00	BRL	18,250	598.662,70		0,99	0,98
PORTO SEGURO SA -	3.500,00	BRL	17,110	23.378,88		0,04	0,04
REDECARD SA -	8.000,00	BRL	32,850	102.596,14		0,17	0,17
SABESP-CIA SANEAM. BASICO SAO PAULO -	1.400,00	BRL	77,000	42.084,72		0,07	0,07
SOUZA CRUZ S.A. -	7.800,00	BRL	29,480	89.769,28		0,15	0,15
TELEF BRASIL PRAF	5.805,00	BRL	49,980	113.267,19		0,19	0,19
TIM PARTICIPACOES SA -	8.000,00	BRL	11,160	34.854,58		0,06	0,06
TIM PARTICIPACOES SA -	2.689,00	USD	27,460	58.182,92		0,10	0,10
TRACTEBEL ENERGIA SA -	4.100,00	BRL	37,150	59.463,21		0,10	0,10
ULTRAPAR PARTICIPACOES SA -	7.500,00	BRL	45,200	132.344,33		0,22	0,22
USIMINAS-USINAS SIDER. MINAS GERAIS PRAF	17.850,00	BRL	6,320	44.041,38		0,07	0,07
VALE SA -	26.600,00	BRL	40,130	416.731,60		0,69	0,68
<u>Cayman Islands</u>							
HENGAN INT GROUP COMPANY LTD -	36.500,00	HKD	74,950	277.908,43		0,46	0,46
SHIMAO PROPERTY HOLDINGS LTD -	120.000,00	HKD	11,840	144.334,50		0,24	0,24
TENCENT HOLDINGS -	48.116,00	HKD	226,000	1.104.676,65		1,83	1,81
TINGYI HOLDING CORP -	118.000,00	HKD	19,820	237.587,11		0,39	0,39
XINAO GAS HOLDINGS LTD -	50.000,00	HKD	27,100	137.650,09		0,23	0,23
<u>China</u>							
AGRICULTURAL BANK OF CHINA -	947.000,00	HKD	3,090	297.266,30		0,49	0,49
ALUMINUM CORP OF CHINA LTD -	464.000,00	HKD	3,300	155.549,69		0,26	0,26
ANGANG NEW STEEL CO LTD -	174.000,00	HKD	4,220	74.593,14		0,12	0,12
ANHUI CONCH CEMENT CO LTD -	84.000,00	HKD	20,950	178.772,43		0,30	0,29
BANK OF CHINA LTD - H -	3.401.500,00	HKD	2,940	1.015.909,51		1,68	1,67
BANK OF COMMUNICATIONS LTD -	365.625,00	HKD	5,190	192.770,45		0,32	0,32
CHANGSHA ZOOMLION HEAVY INDUST -	90.000,00	HKD	9,790	89.508,12		0,15	0,15
CHINA CITIC BANK CHINA CITIC BANK	364.000,00	HKD	3,950	146.061,48		0,24	0,24
CHINA COAL ENERGY CO -	206.000,00	HKD	6,340	132.676,41		0,22	0,22
CHINA COMMUNICATIONS CONST-H -	282.000,00	HKD	6,770	193.943,40		0,32	0,32
CHINA CONSTRUCTION BANK -	3.250.000,00	HKD	5,290	1.746.530,81		2,89	2,87
CHINA LIFE INSURANCE CO -	350.000,00	HKD	19,960	709.685,28		1,17	1,17
CHINA MERCHANTS BANK CO LTD -	202.669,00	HKD	14,460	297.709,60		0,49	0,49
CHINA MINSHENG BANKING CORP LT -	238.000,00	HKD	6,870	166.100,49		0,28	0,27
CHINA PACIFIC INSURANCE GROUP -	84.800,00	HKD	24,900	214.502,53		0,36	0,35

CHINA SHENHUA ENERGY COMPANY LTD -	162.000,00	HKD	27,050	445.163,45		0,74	0,73
CHINA SHIPPING -	218.000,00	HKD	3,600	79.725,31		0,13	0,13
CHINA TELECOM CORP LTD -	698.000,00	HKD	3,370	238.958,53		0,40	0,39
CHINA ZHONGWANG HOLDINGS LTD -	80.000,00	HKD	2,960	24.055,75		0,04	0,04
DONGFENG MOTOR CORP -	160.000,00	HKD	11,900	193.421,24		0,32	0,32
DONGYUE GROUP -	128.000,00	HKD	3,590	46.681,16		0,08	0,08
EVERGRANDE REAL ESTATE GROUP -	304.000,00	HKD	3,930	121.367,76		0,20	0,20
FUJIAN ZIJIN MINING IND -	454.257,00	HKD	2,600	119.980,92		0,20	0,20
GCL POLY ENERGY HOLDINGS LTD -	513.000,00	HKD	1,680	87.551,56		0,15	0,14
GOME ELECTRICAL APPLIANCES HLD -	1.130.220,00	HKD	1,020	117.111,73		0,19	0,19
GUANGZHOU AUTOMOBILE GROUP CORP -	162.038,00	HKD	6,440	106.008,32		0,18	0,17
HUANENG POWER INTL "H"	286.000,00	HKD	5,820	169.093,24		0,28	0,28
IND & COMM BK OF CHINA -	2.855.760,00	HKD	4,290	1.244.561,08		2,06	2,04
JIANGXI COPPER COMPANY LTD. -H-	118.000,00	HKD	16,940	203.063,86		0,34	0,33
LONGFOR PROPERTIES CO LTD -	100.000,00	HKD	12,060	122.513,66		0,20	0,20
PETROCHINA COMPANY LIMITID -	982.000,00	HKD	9,950	992.594,32		1,64	1,63
PICC PROPERTY & CASUALTY -H-	132.000,00	HKD	8,670	116.259,98		0,19	0,19
PING AN INSURANCE GROUP CO -	83.500,00	HKD	61,700	523.370,04		0,87	0,86
SANY HEAVY EQUIPMENT INTERNATIONAL -	130.000,00	HKD	4,140	54.674,01		0,09	0,09
SIHUAN PHARMACEUTICAL HOLDINGS -	120.000,00	HKD	2,800	34.133,16		0,06	0,06
SINOPEC-CHINA PETROL & CHEM CORP. "A"	782.000,00	HKD	6,880	546.553,16		0,90	0,90
SINOPHARM GROUP CO -	87.600,00	HKD	21,300	189.548,75		0,31	0,31
SUN ART RETAIL GROUP LTD -	100.000,00	HKD	8,490	86.247,18		0,14	0,14
WANT WANT CHINA HOLDINGS LTD -	319.000,00	HKD	9,500	307.858,75		0,51	0,51
WEICHAI POWER CO LTD -	35.000,00	HKD	30,550	108.621,67		0,18	0,18
XINYU HENGDELI HOLDINGS LTD -	324.000,00	HKD	2,440	80.310,45		0,13	0,13
YANZHOU COAL MINING CO LTD -	110.000,00	HKD	11,980	133.871,07		0,22	0,22
<u>Hong Kong</u>							
BEIJING ENTERPRISES HOLD LTD -	34.500,00	HKD	46,500	162.970,60		0,27	0,27
BELLE INTERNATIONAL HOLDINGS -	273.000,00	HKD	13,120	363.859,49		0,60	0,60
BRILIANCE CHINA AUTOMOTIVE -	148.000,00	HKD	6,740	101.334,85		0,17	0,17
CHINA EVERBRIGHT-IHD PAC LTD -	86.000,00	HKD	10,920	95.402,18		0,16	0,16
CHINA MENGNIU DAIRY CO LTD -	66.000,00	HKD	20,350	136.441,21		0,23	0,22
CHINA MERCHANTS HLDGS INTL -	74.000,00	HKD	23,450	176.283,55		0,29	0,29
CHINA MOBILE LTD. -	272.500,00	HKD	84,750	2.346.083,32		3,88	3,85
CHINA NATIONAL BUILDING MATERI -	200.000,00	HKD	8,290	168.430,89		0,28	0,28
CHINA OVERSEAS LAND & INVEST LTD -	233.158,00	HKD	17,980	425.870,18		0,70	0,70
CHINA RESOURCES ENTERPRISE -	68.000,00	HKD	22,950	158.536,34		0,26	0,26
CHINA RESOURCES LAND -	128.000,00	HKD	15,800	205.449,12		0,34	0,34
CHINA RESOURCES POWER HOLDINGS CO -	115.800,00	HKD	15,900	187.043,62		0,31	0,31
CHINA UNICOM HONG KONG LTD -	277.714,00	HKD	9,760	275.349,83		0,46	0,45
CITIC PACIFIC LTD -	120.000,00	HKD	11,700	142.627,85		0,24	0,23
CNOOC LTD -	826.000,00	HKD	15,400	1.292.224,55		2,14	2,12
COSCO PACIFIC -	126.000,00	HKD	10,500	134.399,32		0,22	0,22
HAIER ELECTRONICS GROUP CO LTD -	73.000,00	HKD	9,240	68.522,32		0,11	0,11
LENOVO GROUP LTD -	334.000,00	HKD	6,540	221.902,11		0,37	0,36
METALLURGICAL CORP OF CHINA LT -	140.000,00	HKD	1,650	23.466,55		0,04	0,04
SHANGAI INDUSTRIAL HOLDING -	65.000,00	HKD	20,400	134.704,08		0,22	0,22
SINO-OCEAN LAND HOLDINGS LTD -	360.000,00	HKD	3,830	140.067,86		0,23	0,23
<u>India</u>							
RELIANCE INDUSTRIES LTD SP GDR "144A"	24,00	USD	26,500	501,14		0,00	0,00
Total shares				28.019.654,01		46,34	45,98

Options and futures							
Exchange-listed futures							
<u>Hong Kong</u>							
HANG SENG CHINA ENTERPR INDEX JUL 12	6,00	HKD	9.537,000	290.649,95		0,48	0,48
Suspense accounts (futures)							
<u>Hong Kong</u>							
HANG SENG CHINA ENTERPR INDEX JUL 12	-2.800.500,00	HKD	1,000	-284.493,79		-0,47	-0,47
Total options and futures				6.156,16		0,01	0,01
Forward contracts		EUR		-3.257,34			-0,01
TOTAL SECURITIES PORTFOLIO				60.465.404,18		100,00	99,23
COLLATERAL RECEIVED							
<u>Belgium</u>							
KBC GROUP COLLATERAL EUR	2.289.744,51	EUR	1,000	2.289.744,51			3,76
TOTAL RECEIVED COLLATERAL				2.289.744,51			3,76
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP EURO	46.873,26	EUR	1,000	46.873,26			0,08
KBC GROUP HKD	435.326,13	HKD	1,000	44.223,38			0,07
KBC GROUP USD	12.258,32	USD	1,000	9.659,07			0,02
Total demand accounts				100.755,71			0,17
Managed futures accounts							
<u>Belgium</u>							
KBC GROUP FUT. REK. HKD	272.935,99	HKD	1,000	27.726,69			0,05
Total managed futures accounts				27.726,69			0,05
TOTAL CASH AT BANK AND IN HAND				128.482,40			0,21
OTHER RECEIVABLES AND PAYABLES							
Receivables							
<u>Belgium</u>							
KBC GROUP EUR RECEIVABLE	25.259,04	EUR	1,000	25.259,04			0,04
Total receivables				25.259,04			0,04
Payables							
<u>Belgium</u>							
KBC GROUP COUNTERPART ENTRY COLLATERAL IN EUR	-2.289.744,51	EUR	1,000	-2.289.744,51			-3,76
KBC GROUP EUR PAYABLE	-86.308,73	EUR	1,000	-86.308,73			-0,14
Payables				-2.376.053,24			-3,90
TOTAL RECEIVABLES AND PAYABLES				-2.350.794,20			-3,86
OTHER							
Interest receivable		EUR		406.720,34			0,67
Accrued interest		EUR		1.889,67			0,00
Expenses payable		EUR		-17.692,64			-0,03

Expenses to be carried forward		EUR		11.967,52			0,02
TOTAL OTHER				402.884,89			0,66
TOTAL NET ASSETS				60.935.721,78			100,00

Geographic breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Belgium	0,37	0,04	0,19	0,15
Bermuda	0,00	0,20	0,13	0,33
Brazil	31,63	30,31	28,75	29,32
China	24,45	26,03	25,80	27,83
Cayman Islands	1,74	2,65	2,44	3,15
Hong Kong	11,39	10,56	11,87	12,39
India	12,47	12,82	14,10	11,74
Indonesia	0,00	0,00	0,00	0,07
Ireland	0,00	0,00	0,53	0,49
Luxembourg	0,37	0,00	0,00	0,94
Russia	16,58	17,09	15,84	13,59
U.S.A.	1,00	0,30	0,35	0,00
Total	100,00	100,00	100,00	100,00

Sector breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Cyclicals	43,75	43,41	40,49	37,33
Consum(cycl)	5,39	6,45	6,39	6,40
Cons.goods	5,80	6,02	6,91	7,48
Pharma	1,35	1,63	1,71	1,76
Financials	27,94	25,84	25,97	27,41
Technology	3,62	4,46	4,90	4,90
Telecomm.	5,64	5,67	7,27	7,23
Utilities	3,02	3,27	3,26	3,91
Real est.	3,27	3,15	3,01	3,45
Unit trusts	0,22	0,10	0,10	0,12
Various	0,00	0,00	-0,01	0,01
Total	100,00	100,00	100,00	100,00

Currency breakdown (as a % of net assets)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
BRC	6,28	0,00	0,00	0,00
BRL	26,38	29,50	27,68	28,97
CNY	6,90	7,49	7,57	8,67
EUR	2,81	2,45	0,26	1,04
HKD	30,66	32,17	33,50	35,58
INR	12,22	12,75	14,09	11,83
USD	14,75	15,64	16,90	13,91
Total	100,00	100,00	100,00	100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC EQUITY FUND BRIC (IN THE CURRENCY OF THE SUB-FUND)

	1st half of year	Year
Purchases	11.720.641,43	11.720.641,43
Sales	13.851.602,56	13.851.602,56
Total 1	25.572.243,99	25.572.243,99
Subscriptions	3.318.510,68	3.318.510,68
Redemptions	5.379.660,21	5.379.660,21
Total 2	8.698.170,89	8.698.170,89
Monthly average of total assets	66.636.419,75	66.636.419,75
Turnover rate	25,32 %	25,32 %

	1st half of year	Year
Purchases	11.720.641,43	11.720.641,43
Sales	13.851.602,56	13.851.602,56
Total 1	25.572.243,99	25.572.243,99
Subscriptions	3.318.510,68	3.318.510,68
Redemptions	5.379.660,21	5.379.660,21
Total 2	8.698.170,89	8.698.170,89
Monthly average of total assets	65.865.463,52	65.865.463,52
Corrected turnover rate	25,62 %	25,62 %

The table above shows the capital volume of portfolio transactions. This volume (adjusted to take account of total subscriptions and redemptions) is also compared to the average net assets at the beginning and end of the period.

A figure close to 0% implies that the transactions relating to the securities or transactions relating to the assets (excluding deposits and cash) in a given period only involve subscriptions and redemptions.

A negative percentage shows that subscriptions and redemptions entailed few, if any, transactions in the portfolio.

Active asset management may result in high turnover rates (monthly percentage >50%).

The detailed list of transactions is available for consultation free of charge at the registered office of the Bevek or fund at Havenlaan 2, 1080 Brussels.

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

NAME	Currency	Value in currency	In the currency of the sub-fund	Lot-size	Transaction date
KBC COLLATERAL EUR	EUR	2.289.744,51	2.289.744,51	N/A	29.06.2012
HANGSCHE 07/12/2012	HKD	2.861.099,98	290.649,95	50,00	26.06.2012
KBC AK-VK HKD-EUR 121214-120615 9.74657	HKD	2.900.000,00	294.601,68	N/A	15.06.2012

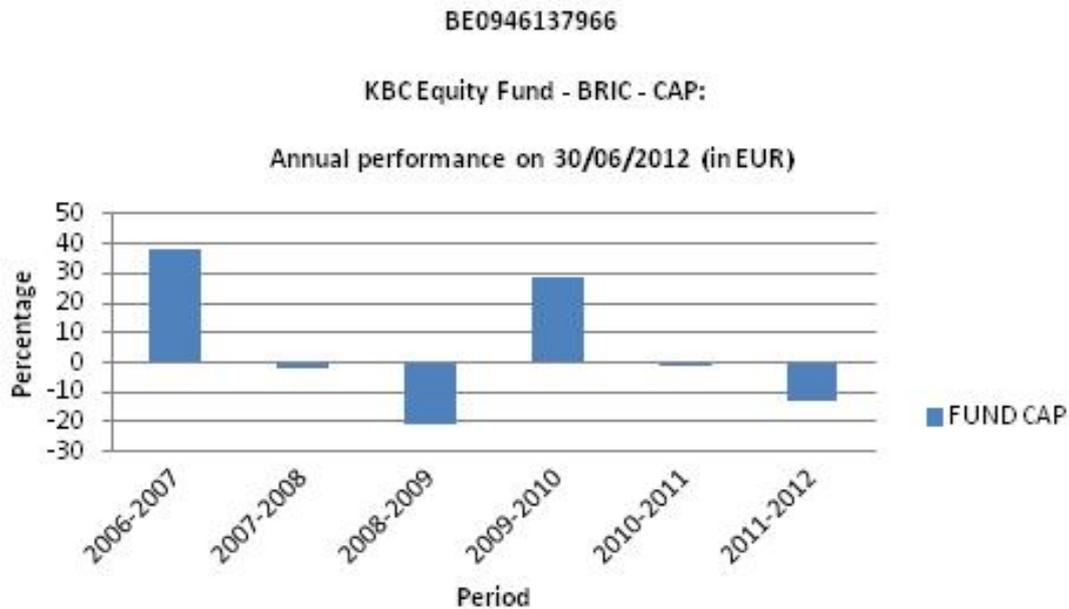
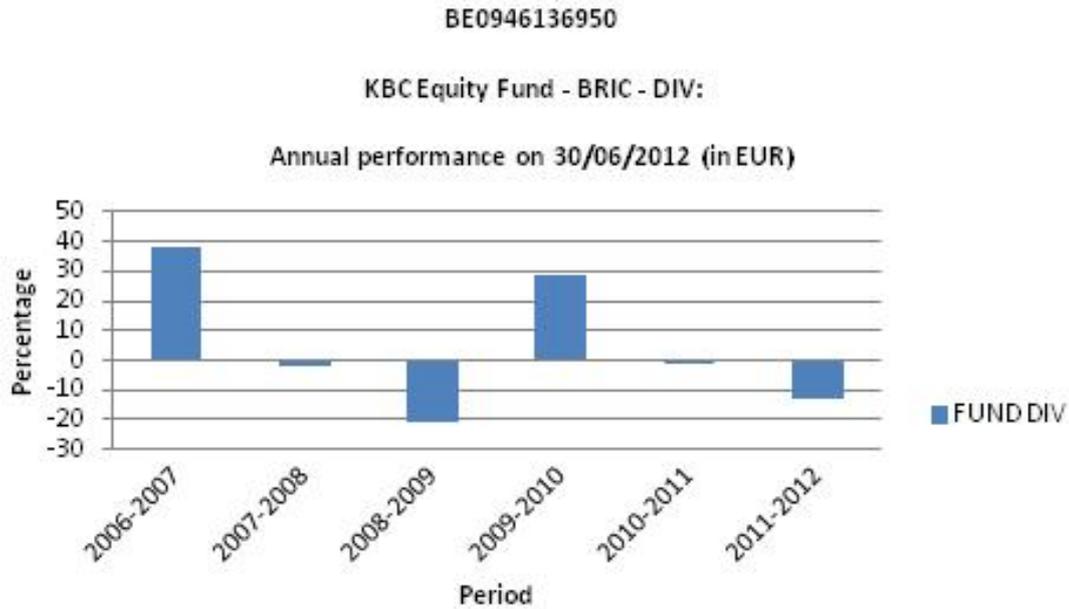
2.4.4 CHANGES OF THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND THE NET ASSET VALUE

Period	Change in number of shares in circulation						
	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2010 - 06	18.126,97	4.455,03	13.450,82	3.737,60	49.040,44	10.990,43	60.030,87
2011 - 06	7.402,80	2.070,73	14.150,86	2.105,31	42.292,38	10.955,85	53.248,22
2012 - 06	5.259,70	470,53	6.998,30	2.348,00	40.553,78	9.078,38	49.632,16

Period	Amounts received and paid by the UCI (in the currency of the sub-fund)			
	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2010 - 06	23.533.386,93	5.654.735,45	17.881.777,10	4.947.632,84
2011 - 06	11.047.111,96	3.052.659,50	21.067.912,35	3.048.440,34
2012 - 06	6.734.391,24	602.302,65	9.090.016,80	3.016.306,99

Period	Net asset value End of period (in the currency of the sub-fund)		
	Of the sub-fund	Of one share	
		Capitalization	Distribution
2010 - 06	85.357.814,38	1.427,69	1.396,05
2011 - 06	75.306.104,17	1.421,62	1.385,79
2012 - 06	60.935.721,78	1.235,00	1.195,34

2.4.5 PERFORMANCE FIGURES



Cap Div	ISIN code	Cur- rency	1 Year		3 Years*		5 Years*		10 Years*		Since launch*	
			Share classes	Bench mark	Launch Date	Share classes						
CAP	BE0946137966	EUR	-13.13%		3.68%		-2.92%				24/05/2006	3.52%
DIV	BE0946136950	EUR	-13.13%		3.67%		-2.93%				24/05/2006	3.52%

Risk warning: Past performance is not a guide to future performance.
* Return on annual basis.

- The bar chart shows the performance for full financial years.
- The figures do not take account of any restructuring.
- Calculated in EUR.
- the return is calculated as the change in the net asset value between two dates expressed as a percentage. In the case of units that pay dividends, the dividend is incorporated geometrically in the return.
- Calculation method for date D, where NAV stands for net asset value:
 - Capitalisation units (CAP)
 - Return on date D over a period of X years:

$$[\text{NAV}(D) / \text{NAV}(Y)]^{[1 / X]} - 1$$
 where $Y = D - X$
 - Return on date D since the start date S of the unit:

$$[\text{NAV}(D) / \text{NAV}(S)]^{[1 / F]} - 1$$
 where $F = 1$ if the unit has existed for less than one year on date D
 where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D
 - Distribution units (DIV)
 - Return on date D over a period of X years:

$$[C * \text{NAV}(D) / \text{NAV}(Y)]^{[1 / X]} - 1$$
 where $Y = D - X$
 - Return on date D since the start date S of the unit:

$$[C * \text{NAV}(D) / \text{NAV}(S)]^{[1 / F]} - 1$$
 where $F = 1$ if the unit has existed for less than one year on date D
 where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D
 where C is a factor that is determined for all N dividends between the calculation date D and the reference date.
 - For dividend i on date Di with value Wi:

$$C_i = [W_i / \text{NAV}(D_i)] + 1$$

$$i = 1 \dots N$$
 from which $C = C_0 * \dots * C_N$.
- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the n^{th} square root of 1 plus the total return of the unit.
- The return figures shown above do not take account of the fees and charges associated with the issue and redemption of units.
- These are the performance figures for capitalisation and distribution shares.

2.4.6 COSTS

Total expense ratio (TER): *

Distribution: 2.021%

Capitalization: 2.021%

Percentage calculated at the end of the financial year: 31 December

* The following costs have not been included in the TER:

- Transaction charges
- Interest payments on loans taken out
- Payments in respect of financial derivatives
- Fees and charges paid directly by the investor
- Any soft commissions

SOFT COMMISSIONS

The management company or the appointed manager, as the case may be, is the recipient of soft commissions.

The recipient has laid down an internal policy as regards accepting soft commissions and avoiding possible conflicts of interest in this respect, and has put appropriate internal controls in place to ensure this policy is observed.

For more information, please see the 'General' section of the annual report.

	Commission gross in EUR paid during the period: 1-01-12 -	CSA Credits in EUR accrued during the period: 1-01-12 -	
Broker	30-06-12	30-06-12	Percentage
CITI	1,891	1,182	62.50%
CSFBSAS	2,437	1,517	62.28%
MERRILL	2,653	1,658	62.50%
MORGAN STANLEY	1,126	471	41.86%
NOMURA	612	324	52.85%
UBSWDR	1,423	889	62.50%

FEE-SHARING AGREEMENTS AND REBATES:

The management company may share its fee with the distributor, and institutional and/or professional parties.

In principle, the percentage share amounts to between 35% and 60% if the distributor is an entity of KBC Group NV or to between 35% and 70% if the distributor is not an entity of KBC Group NV. However, in a small number of cases, the distributor's fee is less than 35%. Investors may, on request, obtain more information on these cases.

If the management company invests the assets of the undertaking for collective investment in units of undertakings for collective investment that are not managed by an entity of KBC Group NV, and receives a fee for doing so, it will pay this fee to the undertaking for collective investment.

Fee-sharing does not affect the amount of the management fee paid by the sub-fund to the management company. This management fee is subject to the limitations laid down in the articles of association. The limitations may only be amended after approval by the general meeting of shareholders.

The management company has concluded a distribution agreement with the distributor in order to facilitate the wider distribution of the sub-fund's units by using multiple distribution channels.

It is in the interests of the holders of units, the sub-fund and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund to be maximised in this way. In this respect, there is therefore no question of any conflict of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: 1.5% per annum calculated on the basis of the average total net assets of the sub-fund, excluding those assets invested in investment undertakings managed by a financial institution of the KBC group.

KBC Fund Management Limited receives a fee from the management company of max. 1.5% calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the average total net assets of the sub-fund.

Auditor's fee: 1 700 EUR per year. This fee is not including VAT and will be increased at the end of the 3-year mandate.

The custody fee is calculated on the value of the securities held in custody by the custodian on the final banking day of the preceding calendar year, except on those assets invested in investment undertakings managed by a financial institution of the KBC group. The custody fee is paid at the beginning of the calendar year.

Social, ethical and environmental aspects:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

Exercising voting rights

If necessary, relevant and in the interest of the shareholders, the management company will exercise the voting rights attached to the shares in the Bevek's portfolio.

The management company will adhere to the following criteria when determining how it stands relative to the items on the agenda that are put to the vote:

- Shareholder value may not be adversely affected.
- Corporate governance rules, especially with regard to the rights of minority shareholders, must be respected.
- The minimum standards with regard to sustainable business and corporate social responsibility must be met.

The list of companies for which voting rights are exercised is available at the registered office of the Bevek.

Financial derivatives on financial indices

The following financial indices were used as the underlying for financial derivatives:

The **Hang Seng China Enterprises Index** is a capitalization-weighted index comprised of state-owned Chinese companies (H-Shares) listed on the Stock Exchange of Hong Kong. The base value of this index is 2000 as of January 3, 2000.

The Stock Exchange of Hong Kong has all proprietary rights with respect to the index. In no way the Stock Exchange of Hong Kong endorses, sponsors or is otherwise involved in the issue and offering of the shares of this undertaking for collective investment. The Stock Exchange of Hong Kong disclaims any liability for the issue and offering of the shares of this undertaking for collective investment.

The value and, if available for distribution, the composition of the aforementioned financial indices may be obtained from the branches providing the financial service.

Name	Maximum management fee
Horizon-Access Fund Brazil	1,20
Horizon-Access Fund China-Classic Shares	1,50
Horizon-Access Fund Russia	1,20
Horizon-Access India Fund-Classic Shares	1,50
KBC Equity Fund-BRIC	1,50

Securities lending

In accordance with the Royal Decree of 7 March 2006 concerning securities lending, the undertaking for collective investment has taken out securities loans with a principal to whom the full title of the loaned securities was transferred, without recording this transfer of ownership in the accounts.

For the period from 1 January 2012 to 30 June 2012, the fee for securities lent comes to 26,004.57 EUR. KBC Asset Management NV receives 50% of the net fee received for securities lent. The detailed list of securities lending transactions carried out can be obtained from the registered office of the collective investment undertaking at 2 Havenlaan, 1080 Brussels.

Overview of securities lent as at 30/06/2012

Name	Currency	Quantity	Price	Value in currency of the portfolio
AGRICULTURAL BANK OF CHINA -H	HKD	940.000	3,090	295.068,98
ALUMINUM CORP OF CHINA LTD -H-	HKD	463.999	3,300	155.549,35
ANHUI CONCH CEMENT CO LTD -H-	HKD	81.000	20,950	172.387,70
BRILLIANCE CHINA	HKD	137.860	6,740	94.392,04
CHANGSHA ZOOMLION HEAVY INDS -H-	HKD	89.999	9,790	89.507,12
CHINA MINSHENG BANKING-H	HKD	50.000	6,870	34.895,06
CHINA OVERS LAND INV	HKD	233.157	17,980	425.868,35
CHINA RESOURCES ENTERPRISE	HKD	50.000	22,950	116.570,84
EVERGRANDE REAL ESTATE GROUP LTD	HKD	303.557	3,930	121.190,90
GCL POLY ENERGY HOLDINGS LTD	HKD	512.999	1,680	87.551,38
JIANGXI COPPER -H-	HKD	117.999	16,940	203.062,14
KUNLUN ENERGY COMPANY LTD	HKD	79.000	12,340	99.032,89
WEICHAJ POWER CO -H-	HKD	34.999	30,550	108.618,57
ZIJIN MINING GROUP CO -H-	HKD	440.745	2,600	116.412,06
			Total	2.120.107,38

Details of collateral received for securities lent

Name	Currency	Nominal value	Currency fund	Value in Currency fund
OESTERREICH 2007 4.3% 15/09/17	EUR	879.000	EUR	1.032.822,36
GERMANY 2009 2,25% 11/04/14	EUR	243.000	EUR	253.644,13
FRANCE 2007 4,50% 12/07/2012	EUR	592.000	EUR	618.678,48
BTAN FRANCE 2008 4 1/2% 12/07/13	EUR	155.000	EUR	168.603,73
NEDERLAND 2009 4.00% 15/07/19	EUR	181.000	EUR	215.995,81
			Total	2.289.744,51

For the valuation of the collateral received, indicative prices have been used in this detail list by the Collateral Management Division of KBC Bank.

TABLE OF CONTENTS

- 2. Information on KBC Equity Fund CSOB BRIC
 - 2.1. Management report
 - 2.1.1. Launch date and subscription price
 - 2.1.2. Stock exchange listing
 - 2.1.3. Aim and distinctive features of the investment policy
 - 2.1.4. Financial portfolio management
 - 2.1.5. Distributors
 - 2.1.6. Index and benchmark
 - 2.1.7. Policy conducted during the financial year
 - 2.1.8. Future policy
 - 2.1.9. Synthetic risk and reward indicator (SRRI)
 - 2.2. Balance sheet
 - 2.3. Profit and loss account
 - 2.4. Composition of the assets and key figures
 - 2.4.1. Composition of the assets
 - 2.4.2. Change in the composition of the assets
 - 2.4.3. Value of commitments in respect of financial derivatives positions
 - 2.4.4. Evolution of the number of subscriptions, repayments and the net asset value
 - 2.4.5. Return figures
 - 2.4.6. Expenses
 - 2.4.7. Notes to the financial statements and other data

2 INFORMATION ON KBC EQUITY FUND CSOB BRIC

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Launch date: 30 November 2007
Initial subscription price: 1000 CZK
Currency: CZK

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

The main objective of this sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. To this end, the assets are invested, either directly or indirectly via correlated financial instruments, primarily in shares.

SUB-FUND'S INVESTMENT POLICY:

PERMITTED ASSET CLASSES:

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the sub-fund's object.

RESTRICTIONS OF THE INVESTMENT POLICY:

The investment policy will be implemented within the limits set by law and regulations.
The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

PERMITTED DERIVATIVES TRANSACTIONS:

Derivates may be used either for hedging purposes or to achieve investment objectives. Changes will be made to the investments at regular intervals to comply with the sub-fund's investment strategy. **In addition, listed and unlisted derivates may be used to achieve the objectives:** these may be forward contracts, options or swaps on securities, indices, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions. **Such derivatives may also be used to hedge the assets against exchange-rate fluctuations.** Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions.

STRATEGY SELECTED

The sub-fund invests primarily, directly or indirectly, in shares of companies from different sectors in Brazil, Russia, India and China.

RISK CONCENTRATION

Shares of Brazilian, Russian, Indian and Chinese companies.

INVESTMENTS IN ASSETS OTHER THAN SECURITIES OR MONEY MARKET INSTRUMENTS

Under the investment policy referred to above, the sub-fund may invest primarily in permitted assets other than securities or money market instruments, including units in UCIs.

LENDING FINANCIAL INSTRUMENTS:

The sub-fund may lend financial instruments within the limits set by law and regulations.

This lending does not affect the sub-fund's risk profile since:

- it takes place within the framework of a securities lending system managed by a principal. In addition, the sub-fund has a relationship only with the principal of the securities lending system which acts as counterparty and to which title of the loaned securities is transferred. The choice of principal is subject to strict selection criteria. The return of securities similar to the securities that have been lent is guaranteed by the principal.
- through a margin management system, the sub-fund is always guaranteed financial security, the actual value of which always exceeds the actual value of the securities that have been lent, in case the principal does not return similar securities.

The return of securities similar to the securities that have been lent can be requested at any time, which means that the lending of securities does not affect the management of the sub-fund's assets. By lending securities, the sub-fund can generate an additional return. The principal pays a fee to the management company. After deducting the fee for the margin management and clearing services of KBC Bank, most of this fee is paid to the sub-fund.

The relationship with the counterparty or counterparties is governed by standard international agreements.

More information is provided on the terms and conditions governing securities lending in the annual or half-yearly report for the sub-fund.

VOLATILITY OF THE NET ASSET VALUE:

The volatility of the net asset value may be high due to the composition of the portfolio.

GENERAL STRATEGY FOR HEDGING THE EXCHANGE RATE RISK:

In order to protect its assets against exchange rate fluctuations and within the limitations laid down in the articles of association, the sub-fund may perform transactions relating to the sale of forward currency contracts, as well as the sale of call options and the purchase of put options on currencies. The transactions in question may relate solely to contracts traded on a regulated market that operates regularly, is recognised and is open to the public or that are traded with a recognised, prime financial institution specialising in such transactions and dealing in the over-the-counter (OTC) market in options. With the same objective, the sub-fund may also sell currencies forward or exchange them in private transactions with prime financial institutions specialising in such transactions. The hedging objective of the aforementioned transactions suggests that there is a direct link between these transactions and the assets to be hedged, which implies that the transactions carried out in a particular currency may in principle not exceed, in terms of volume, either the valuation value of all the assets in the same currency or the holding period of those assets.

SOCIAL, ETHICAL AND ENVIRONMENTAL ASPECTS:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

THE EUROPEAN SAVINGS DIRECTIVE AND TAX ON DEBT CLAIM RETURNS OBTAINED THROUGH THE REDEMPTION OF OWN UNITS OR IN THE EVENT OF FULL OR PARTIAL DISTRIBUTION OF EQUITY CAPITAL.

The following information is of a general character and is not intended to cover all aspects of an investment in a UCITS. In certain cases entirely different rules might even apply. Moreover, both tax law and the interpretation of it can change. Investors who wish to have more information about the tax implications – in both Belgium and abroad – of acquiring, holding and transferring units should seek the advice of their usual financial and tax advisers.

This UCITS shall invest a maximum of 15% of its assets directly or indirectly in debt instruments as intended by the European Savings Directive.

A. European Savings Directive (Directive 2003/48/EC)

The European Savings Directive has been implemented in Belgium through:

- The Law of 17 May 2004 transposing into Belgian law Directive 2003/48/EC of 3 June 2003 of the Council of the European Union on taxation of savings income in the form of interest payments and amending Income Tax Code 1992 on withholding tax;
- The Royal Decree of 27 September 2009 implementing Article 338bis § 2 of Income Tax Code 1992;
- The Royal Decree of 27 September 2009 concerning the entry into effect of Article 338bis § 2, paragraphs one to three, of Income Tax Code 1992;

Since this UCITS invests a maximum of 15% of its assets directly or indirectly in debt claims as intended by the European Savings Directive, the income of this UCITS does not fall within the scope of this directive.

B. Tax on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital (Article 19bis Income Tax Code 1992).

The income from this UCITS is not subject to the tax on debt instrument returns as intended by Article 19bis, Income Tax Code 1992.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company has delegated the intellectual management, to KBC Fund Management Limited, Joshua Dawson House, Dawson Street , Dublin 2, IRELAND..

2.1.5 DISTRIBUTORS

KBC Asset Management S.A., 5, Place de la Gare, L-1616 Luxembourg.

2.1.6 INDEX AND BENCHMARK

See 'Sub-fund's investment policy'.

2.1.7 POLICY PERSUED DURING THE FINANCIAL YEAR

The KBC Equity Fund CSOB BRIC fund invests directly and indirectly in the following developing economies which make up the BRIC acronym: Brazil, Russia, India and China. The Equity Fund BRIC starts the investment process in these markets by following the MSCI BRIC breakdown: Brazil 33%, Russia 13%, India 17% and China 37%, and then applying any country preferences. The fund decreased in value during the first six months of 2011 underperforming its benchmark, MSCI BRIC.

The first six months of the year were quite turbulent for equity markets. The changing situation in Europe was the primary concern for investors over the period, however there was also negative news concerns with regard to growth in China. Throughout the first quarter, the situation in Europe continued to evolve. Towards the beginning of the year, there was positive news from Greece as the country secured acceptance of their debt swap offer. The ECB continued to extend liquidity to European banks through the LTRO. Markets were largely strong over this period, with both emerging and developed markets rising and with Emerging Asia outperforming.

Moving into the second quarter, the situation in Europe worsened. In May, French socialist, Francois Hollande won the French presidential election. Following parliamentary elections in Greece, it was not possible to form a government. Anti-austerity parties gained seats in this election, causing growing fears that the country would not remain in the euro. A second election was called for mid-June with the uncertainty continuing in the meantime. At this stage, concern spread to the situation in Spain, with growth disappointing further and banks coming under more pressure. Despite initially stating that the country did not need a bailout, by the end of June, Spain had requested assistance from Europe and the IMF. In mid May, the second Greek election took place, with the New Democracy winning narrowly and forming a government. Throughout this period of uncertainty, markets were very weak, with most regions reversing most of the gains achieved in Q1. On the final day of the quarter, EU leaders agreed that Europe would support troubled banks directly, without the need for local governments to add to their debt levels. This saw a significant rally on the final day of the first half.

While the volatility globally continued, Asian investors were also concerned about weakening growth in China. Growth was slower than most expected, with the official growth target being lowered to 7.5%. Most domestic activity metrics were weak – industrial production, investment and retail sales. On the positive side, inflation continued to fall, leaving room for policy makers to make changes if needed. While there was some slowdown in employment growth, there was no mass unemployment as was seen in 2008/2009. Following this slowdown, Chinese authorities began to take steps to boost growth. Initially the focus was on increasing investment, with particular focus on water and other environmental areas, utilities, railways and social housing. However at the beginning of June, the People's Bank of China took the decision to lower lending and deposit rates by 25bps. They also took steps to liberalise the interest rate regime, seen as a significant positive.

The Indian market kicked off the year strongly outperforming the region on the back of the Central Bank signaling that it would follow a monetary easing strategy. With inflation falling the RBI's focus shifted back to supporting economic growth. At the end of January the RBI cut the reserve ratio by 50bps in order to ease liquidity tightness in the financial system. Q4 GDP growth moderated to 6.1% from 6.9% the previous quarter, this was a touch below market expectations of 6.3% and was primarily driven by weaker investment growth. The RBI left official rates unchanged at its policy meeting in March, following its 75bps cash reserve ratio cut at the beginning of the month. During the review the central bank highlighted that upside inflationary risks persist from rising oil prices, fiscal slippages and Rupee depreciation. At the beginning of the second quarter the RBI positively surprised the market by cutting official rates by 50bps, more than the 25bps cut that investors were expecting, however the potential positive market catalyst was neutralised by continued hawkish rhetoric from the central bank. Inflation continued to remain sticky in the second quarter, stepping up to 7.5% in June. Global risk-off mode together with continued policy inaction and worsening macro data caused an acceleration in the sell-off of the market. In terms of macro news, 5.3% Q1 GDP growth was considerably lower than market expectations (6.1%). Hopes on the reform front were revived at the end of the period as the Indian Prime Minister Manmohan Singh took charge of the Finance portfolio.

In the first quarter of 2012, the Russian economy grew by 4 % YoY after the growth of 4.8 % YoY in 4Q11. The better-than-expected economic situation in the US and Europe as well as soft landing in China helped the Russian economy in the first quarter as it is highly dependent on exports to these countries. The surge in oil prices due to the unstable situation in some oil exporting countries, especially Iran, was also favourable for the Russian economy. However, after starting the year strongly, economic growth began decelerating as external risks mounted. The weak EU PMI data have increased the risk of a spill over effect into the Russian economy. Deceleration was already apparent in the industrial production growth which has been declining steadily over the months. The Russian inflation fell to new historically low levels as it decelerated in April to 3.6 %. Yearly inflation stayed around that level until the end of the first half of 2012. The unemployment rate declined to 5.4%, its lowest level in modern Russian history. In the presidential elections at the beginning of March Vladimir Putin achieved a clear-cut victory already in the first election round. Putin won with 64 % of the votes which was not far off the pre-election forecasts. On one hand, Putin's victory put to rest political uncertainty in Russia; on the other hand, there were worries about the budget deficit and tax hikes for the corporate sector if Putin intends to fulfil his pre-election promises. Political protests did not stop after the elections but were less frequent and organized. The second quarter was nearly a mirror image of the first one. May was especially dreadful as the Russian market was under pressure from the escalation of the euro zone crisis. The Brent oil price plunged by almost 15 % to below 100 USD per barrel. At the end of the first half of the year, the Russian stock market somewhat recovered as investors' risk appetite improved after many euro zone worries were partially resolved.

2.1.8 FUTURE POLICY

Globally, while recent moves by policy makers have been positive, we still expect turbulence in markets going forward. Europe has clearly made some steps forward, however the problems are not yet resolved and the growth outlook continues to be a concern. Budgetary cuts to control spending across the region have negative implications on demand in the context of international trade. This is a concern for Asia, where it is driven by both domestic and international factors.

We do continue to believe however, that the global economic picture is stronger than currently perceived. Falling inflation (triggered by another significant drop in the oil price) and very accommodating monetary policies: the first rate cut in China, ECB likely to cut further, and the Fed announced continuation of "Operation Twist" and additional measures if needed, should jump start the global economy in the coming months. Our stance on the Euro crisis remains unchanged: all actions needed to safeguard the union will be taken because the costs and political risks of a break-up are immense.

Even though Russia shows signs of a slow-down, GDP growth is still decent (3-4 % in 2012), inflation easing and unemployment at its lows in modern history of Russia. Risks are in oil price development, which may create pressure on fiscal policy due to the firm relation between oil price and budget revenues. The old-new president Putin also seems to be avoiding necessary long term reforms. Russian equities are cheap on historical basis, but unless outlook for global demand changes, we don't expect swift appreciation. Moreover, unclear taxation system, which is changing rapidly, partially justifies current valuation.

For India, the recent sharp decline in global commodity prices, the RBI's calibrated monetary easing and marginal improvement in liquidity are incrementally positive for corporate India and should aid a recovery in the earnings trend into the second half of 2012. Outlook on further easing remains muted given still elevated inflation and risk emanating from a weak monsoon. With a back drop of continued global uncertainty, it is critical for investors that the domestic government demonstrates decisive policy action which would serve to calm nerves and reassure market participants. However, investors are not expecting anything imminent on this front, as such if there is even a small amount of positive news on reforms it could go a long way to instilling confidence in the market. India's domestic economy is healthy, supported by consumption needs of its vast population. Income levels are rising, the savings rate is high and changing lifestyle is driving demand for consumer goods. The underlying growth story in India remains intact and the market offers an attractive investment opportunity over the medium term. In the near term inflation will remain a key concern for investors.

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

7 on a scale of 1 (lowest risk) to 7 (highest risk).

The value of a share can decrease or increase and the investor may not get back the amount invested.

In accordance with Commission Regulation (EU) No. 583/2010, a synthetic risk and reward indicator has been calculated. This indicator provides a quantitative measure of the sub-fund's potential return and the risk involved, calculated in the currency in which the sub-fund is denominated. It is given as a figure between 1 and 7. The higher the figure, the greater the potential return, but also the more difficult it is to predict this return. Losses are possible too. The lowest figure does not mean that the investment is entirely free of risk. However, it does indicate that, compared with the higher figures, this product will generally provide a lower, but more predictable return.

The synthetic risk and reward indicator is assessed regularly and can therefore go up or down based on data from the past. Data from the past is not always a reliable indicator of future risk and return. The most recent indicator can be found under the 'Risk and reward profile' heading in the 'Key Investor Information' document.

2.2 BALANCE SHEET

Balance sheet layout	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
TOTAL NET ASSETS	405.583.617,42	420.298.997,15
II. Securities, money market instruments, UCIs and derivatives		
A. Bonds and other debt instruments		
a) Bonds		
a) Collateral received in the form of bonds	57.099.727,46	6.769.707,59
C. Shares and similar instruments		
a) Shares	188.068.122,15	187.157.914,14
Of which securities lent	53.025.302,08	6.305.213,44
D. Other securities		37.112,83
E. Open-end undertakings for collective investment	212.888.539,03	229.718.046,49
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable	1.087.750,56	781.991,34
B. Payables		
a) Accounts payable (-)	-502.563,63	-186.979,47
c) Borrowings (-)	-38.082,22	-292.281,92
d) Collateral (-)	-57.099.727,46	-6.769.707,59
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	1.482.085,28	1.847.458,15
VI. Accruals and deferrals		
A. Expense to be carried forward	75.669,66	78.374,09
B. Accrued income	2.582.237,20	1.237.007,28
C. Accrued expense (-)	-60.140,61	-79.645,78
TOTAL SHAREHOLDERS' EQUITY	405.583.617,42	420.298.997,15
A. Capital	401.877.815,22	472.536.631,40
B. Income equalization	15.150,82	-51.463,93
D. Result for the period	3.690.651,38	-52.186.170,32

Off-balance-sheet headings

I	Collateral (+/-)		
I.A	Collateral (+/-)		
I.A.A	Securities/market instruments	57.099.727,46	6.769.707,59
IX	Financial instruments lent	53.025.302,08	6.305.213,44

2.3 PROFIT AND LOSS ACCOUNT

Income Statement	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
I. Net gains(losses) on investments		
C. Shares and similar instruments		
a) Shares	-2.627.443,03	-8.089.200,83
D. Other securities	3.224,74	-2.563,83
E. Open-end undertakings for collective investment	-559.544,72	-17.761.378,95
G. Receivables, deposits, cash at bank and in hand and payables	-0,01	
H. Foreign exchange positions and transactions		
b) Other foreign exchange positions and transactions	4.424.920,40	-26.997.624,73
II. Investment income and expenses		
A. Dividends	4.272.441,18	3.007.605,37
B. Interests		
a) Securities and money market instruments	303.991,88	
b) Cash at bank and in hand and deposits	1.250,03	1.099,11
C. Interest on borrowings (-)	-2.064,78	-2.086,16
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-329.274,85	-503.595,66
B. Financial expenses (-)	-2.848,40	-27.855,14
C. Custodian's fee (-)	-63.888,39	-64.422,78
D. Manager's fee (-)		
a) Financial management	-1.418.248,04	-1.428.814,14
b) Administration and accounting management	-197.179,15	-211.620,63
F. Formation and organisation expenses (-)	-22.145,26	-16.543,84
G. Remuneration, social security charges and pension		-77,33
H. Services and sundry goods (-)	-60.657,66	-34.334,59
J. Taxes	-974,58	-1.074,50
K. Other expenses (-)	-30.907,98	-53.681,69
Income and expenditure for the period		
Subtotal II + III + IV	2.449.494,00	664.598,02
V. Profit (loss) on ordinary activities before tax	3.690.651,38	-52.186.170,32
VII. Result for the period	3.690.651,38	-52.186.170,32

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC EQUITY FUND CSOB BRIC

Name	Quantity on 30/06/2012	Currency	Price in currency	Evaluation (in the currency of the sub-fund)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
Investment funds							
Open-end funds							
UCITS registered with the FSMA							
<u>Belgium</u>							
HORIZON ACCESS FD BRAZIL KAP	3.876,00	EUR	764,500	75.659.436,96	9,19	18,87	18,66
HORIZON ACCESS FD CHINA KAP	2.790,00	USD	622,210	34.925.866,78	4,43	8,71	8,61
HORIZON ACCESS FD RUSSIA KAP	5.401,00	EUR	396,380	54.662.281,90	5,44	13,63	13,48
HORIZON ACCESS INDIA FD KAP	2.579,00	USD	918,170	47.640.953,39	1,67	11,88	11,75
Total investment funds				212.888.539,03		53,10	52,49
Shares							
Exchange-listed shares							
<u>Bermuda</u>							
CNPC HONG KONG LTD -	42.000,00	HKD	12,340	1.344.322,64		0,34	0,33
<u>Brazil</u>							
AMBEV-CIA DE BEBIDAS DAS AMERICAS ADR	2.000,00	USD	38,330	1.542.321,16		0,39	0,38
AMBEV-CIA DE BEBIDAS DAS AMERICAS CP 02/05/11	5,00	BRL	74,870	3.731,52		0,00	0,00
AMBEV-CIA DE BEBIDAS DAS AMERICAS PREF	2.100,00	BRL	77,300	1.618.103,41		0,40	0,40
AMIL PARTICIPACOES SA -	1.600,00	BRL	20,100	320.570,48		0,08	0,08
ANHANGUERA EDUCACIONAL PARTICIPACOES -	1.500,00	BRL	25,600	382.770,72		0,10	0,09
BANCO BRADESCO S.A. ADR	6.200,00	USD	14,870	1.854.849,43		0,46	0,46
BANCO BRADESCO S.A. PREF	5.000,00	BRL	29,940	1.492.207,73		0,37	0,37
BM&F BOVESPA SA -	10.100,00	BRL	10,250	1.031.935,91		0,26	0,25
BR MALLS PARTICIPACOES SA -	2.400,00	BRL	23,000	550.232,91		0,14	0,14
BRASIL TELECOM PARTICIPACOES S.A. PREF	6.163,00	BRL	8,250	506.819,83		0,13	0,13
BRF - BRASIL FOODS SA -	2.500,00	USD	15,190	764.018,34		0,19	0,19
BRF - BRASIL FOODS SA -	2.000,00	BRL	30,390	605.854,28		0,15	0,15
CEMIG-CIA ENERGETICA DE MINAS GERAIS PREF	3.125,00	BRL	37,530	1.169.058,04		0,29	0,29
CETIP SA - BALCAO ORGANIZADO DE ATI -	900,00	BRL	25,100	225.176,84		0,06	0,06
CIA BRAS DISTRIB GRUPO PAO DE ACUCAR PREF B	604,00	BRL	80,000	481.653,16		0,12	0,12
CIA DE CONCESSOES RODOVIARIAS -	9.100,00	BRL	16,330	1.481.272,85		0,37	0,37
CIA ENERGETICA DE SP -	1.900,00	BRL	36,700	695.067,77		0,17	0,17
CIA PARANAENSE DE ENERGIA-COPEL PREF	1.000,00	BRL	44,200	440.585,05		0,11	0,11
COMPANHIA BRASILEIRA DE MEIOS -	1.440,00	BRL	59,080	848.028,53		0,21	0,21
CPFL ENERGIA SA -	3.100,00	BRL	25,400	784.879,34		0,20	0,19
CSN-CIA SIDERURGICA NACIONAL S.A. -	5.900,00	BRL	11,380	669.270,62		0,17	0,17
CVRD-CIA VALE DO RIO DOCE PREF A	10.500,00	BRL	39,160	4.098.637,10		1,02	1,01
CYRELA BRAZIL REALTY SA -	2.700,00	BRL	14,800	398.320,78		0,10	0,10
EMBRAER AIRCRAFT CORP-SP ADR SP ADR	400,00	USD	26,530	213.502,64		0,05	0,05
EMBRAER SA -	1.500,00	BRL	13,360	199.758,47		0,05	0,05
GERDAU SA -	2.700,00	USD	8,760	475.854,16		0,12	0,12
GERDAU SA PREF	3.000,00	BRL	17,700	529.300,14		0,13	0,13
IKPC-INDS KLABIN DE PAPEL E CELULOSE PREF	4.000,00	BRL	9,100	362.834,75		0,09	0,09

INVESTIMENTOS ITAU SA -	221,00	BRL	8,400	18.504,57		0,01	0,01
ITAU UNIBANCO HOLDINGS SA PREF PREF	6.600,00	BRL	28,290	1.861.162,82		0,46	0,46
ITAU UNIBANCO HOLDINGS SA PREF PREF	7.500,00	USD	13,920	2.100.421,73		0,52	0,52
ITAUSA-INVESTIMENTOS ITAU SA -	17.160,00	BRL	8,500	1.453.930,66		0,36	0,36
JBS SA -	6.300,00	BRL	6,030	378.673,88		0,09	0,09
LIGHT SA -	2.200,00	BRL	24,800	543.853,40		0,14	0,13
LOJAS AMERICANAS SA -PREF-	3.300,00	BRL	13,250	435.850,25		0,11	0,11
LOJAS RENNER SA -	900,00	BRL	56,350	505.526,49		0,13	0,13
MMX MINERACAO E METALICOS SA -	3.600,00	BRL	5,850	209.925,82		0,05	0,05
NATURA COSMETICOS SA -	1.500,00	BRL	47,000	702.743,12		0,18	0,17
OGX PETROLEO E GAS PARTICIPACO -	6.400,00	USD	2,710	348.943,62		0,09	0,09
OI SA -	601,00	BRL	9,450	56.612,69		0,01	0,01
PDG REALTY SA EMPREENDIMENTOS -	7.200,00	BRL	3,510	251.910,98		0,06	0,06
PETROBRAS-PETROLEO BRASILEIRO S.A. -	7.200,00	BRL	18,900	1.356.443,74		0,34	0,33
PETROBRAS-PETROLEO BRASILEIRO S.A. ADR-PREF	6.000,00	USD	18,140	2.189.750,01		0,55	0,54
PETROBRAS-PETROLEO BRASILEIRO S.A. ARD - ORD	4.600,00	USD	18,770	1.737.113,15		0,43	0,43
PETROBRAS-PETROLEO BRASILEIRO S.A. PREF	12.300,00	BRL	18,250	2.237.564,00		0,56	0,55
PORTO SEGURO SA -	1.600,00	BRL	17,110	272.883,63		0,07	0,07
REDECARD SA -	2.500,00	BRL	32,850	818.620,97		0,20	0,20
TELEF BRASIL PREF	1.960,00	BRL	49,980	976.472,03		0,24	0,24
ULTRAPAR PARTICIPACOES SA -	1.800,00	USD	22,680	821.337,32		0,21	0,20
VALE SA -	4.200,00	USD	19,850	1.677.319,53		0,42	0,41
VALE SA -	3.600,00	BRL	40,130	1.440.055,22		0,36	0,36
<u>Cayman Islands</u>							
CHINA INFRASTRUCTURE MACHINERY HLD -	78.000,00	HKD	1,840	372.264,39		0,09	0,09
HENGAN INT GROUP COMPANY LTD -	10.000,00	HKD	74,950	1.944.064,64		0,49	0,48
PARKSON RETAIL GROUP LTD -	39.000,00	HKD	6,860	693.949,37		0,17	0,17
SHIMAO PROPERTY HOLDINGS LTD -	38.000,00	HKD	11,840	1.167.009,42		0,29	0,29
TENCENT HOLDINGS -	12.284,00	HKD	226,000	7.200.908,81		1,80	1,78
TINGYI HOLDING CORP -	30.000,00	HKD	19,820	1.542.282,64		0,39	0,38
XINAO GAS HOLDINGS LTD -	18.000,00	HKD	27,100	1.265.263,15		0,32	0,31
<u>China</u>							
AGRICULTURAL BANK OF CHINA -	240.000,00	HKD	3,090	1.923.573,50		0,48	0,47
ALIMUM CORP OF CHINA LTD -	100.000,00	HKD	3,300	855.959,08		0,21	0,21
ANGANG NEW STEEL CO LTD -	46.000,00	HKD	4,220	503.511,45		0,13	0,12
ANHUI CONCH CEMENT CO LTD -	23.000,00	HKD	20,950	1.249.829,95		0,31	0,31
ANTA SPORTS PRODUCTS LTD -	42.000,00	HKD	4,680	509.840,35		0,13	0,13
BANK OF CHINA LTD - H -	843.000,00	HKD	2,940	6.428.563,96		1,60	1,59
BANK OF COMMUNICATIONS LTD -	103.895,00	HKD	5,190	1.398.624,30		0,35	0,35
CHANGSHA ZOOMLION HEAVY INDUST -	23.200,00	HKD	9,790	589.128,10		0,15	0,15
CHINA CITIC BANK CHINA CITIC BANK	94.600,00	HKD	3,950	969.231,00		0,24	0,24
CHINA COAL ENERGY CO -	59.000,00	HKD	6,340	970.242,59		0,24	0,24
CHINA COMMUNICATIONS CONST-H -	67.000,00	HKD	6,770	1.176.528,73		0,29	0,29
CHINA CONSTRUCTION BANK -	846.000,00	HKD	5,290	11.608.205,80		2,90	2,86
CHINA LIFE INSURANCE CO -	96.000,00	HKD	19,960	4.970.165,31		1,24	1,23
CHINA MERCHANTS BANK CO LTD -	51.211,00	HKD	14,460	1.920.748,99		0,48	0,47
CHINA MINSHENG BANKING CORP LT -	59.000,00	HKD	6,870	1.051.351,20		0,26	0,26
CHINA PACIFIC INSURANCE GROUP -	23.400,00	HKD	24,900	1.511.312,48		0,38	0,37
CHINA SHENHUA ENERGY COMPANY LTD -	44.000,00	HKD	27,050	3.087.159,09		0,77	0,76
CHINA SHIPPING -	56.000,00	HKD	3,600	522.913,18		0,13	0,13
CHINA TELECOM CORP LTD -	166.000,00	HKD	3,370	1.451.032,21		0,36	0,36
CHINA ZHONGWANG HOLDINGS LTD -	61.600,00	HKD	2,960	472.945,92		0,12	0,12
COUNTRY GARDEN HOLDINGS COMPANY -	3.928,00	HKD	3,030	30.871,18		0,01	0,01
DONGFENG MOTOR CORP -	46.000,00	HKD	11,900	1.419.854,55		0,35	0,35
DONGYUE GROUP -	34.000,00	HKD	3,590	316.601,11		0,08	0,08

EVERGRANDE REAL ESTATE GROUP -	87.000,00	HKD	3,930	886.851,42		0,22	0,22
FUJIAN ZIJIN MINING IND -	115.492,00	HKD	2,600	778.868,81		0,19	0,19
GCL POLY ENERGY HOLDINGS LTD -	101.000,00	HKD	1,680	440.118,60		0,11	0,11
GUANGZHOU AUTOMOBILE GROUP CORP -	46.000,00	HKD	6,440	768.391,87		0,19	0,19
HUANENG POWER INTL "H"	86.000,00	HKD	5,820	1.298.256,48		0,32	0,32
IND & COMM BK OF CHINA -	770.660,00	HKD	4,290	8.575.494,53		2,14	2,11
JIANGXI COPPER COMPANY LTD. -H-	30.000,00	HKD	16,940	1.318.176,99		0,33	0,33
LONGFOR PROPERTIES CO LTD -	24.000,00	HKD	12,060	750.753,93		0,19	0,19
PETROCHINA COMPANY LIMITID -	260.000,00	HKD	9,950	6.710.200,43		1,67	1,65
PICC PROPERTY & CASUALTY -H-	38.400,00	HKD	8,670	863.553,77		0,22	0,21
PING AN INSURANCE GROUP CO -	20.500,00	HKD	61,700	3.280.787,41		0,82	0,81
SANY HEAVY EQUIPMENT INTERNATIONAL -	38.000,00	HKD	4,140	408.059,04		0,10	0,10
SIHUAN PHARMACEUTICAL HOLDINGS -	42.000,00	HKD	2,800	305.032,69		0,08	0,08
SINOPEC-CHINA PETROL & CHEM CORP. "A"	204.000,00	HKD	6,880	3.640.471,79		0,91	0,90
SUN ART RETAIL GROUP LTD -	26.000,00	HKD	8,490	572.558,81		0,14	0,14
WANT WANT CHINA HOLDINGS LTD -	81.000,00	HKD	9,500	1.995.940,95		0,50	0,49
WEICHAI POWER CO LTD -	8.000,00	HKD	30,550	633.928,48		0,16	0,16
XINYU HENGDELI HOLDINGS LTD -	80.000,00	HKD	2,440	506.312,77		0,13	0,13
YANZHOU COAL MINING CO LTD -	30.000,00	HKD	11,980	932.217,25		0,23	0,23
<u>Hong Kong</u>							
BEIJING ENTERPRISES HOLD LTD -	10.000,00	HKD	46,500	1.206.124,16		0,30	0,30
BELLE INTERNATIONAL HOLDINGS -	67.000,00	HKD	13,120	2.280.067,49		0,57	0,56
BRILIANCE CHINA AUTOMOTIVE -	38.000,00	HKD	6,740	664.328,00		0,17	0,16
CHINA EVERBRIGHT-IHD PAC LTD -	14.000,00	HKD	10,920	396.542,50		0,10	0,10
CHINA MENGNIU DAIRY CO LTD -	17.000,00	HKD	20,350	897.330,44		0,22	0,22
CHINA MERCHANTS HLDGS INTL -	20.000,00	HKD	23,450	1.216.499,42		0,30	0,30
CHINA MOBILE LTD. -	71.500,00	HKD	84,750	15.717.548,63		3,92	3,88
CHINA NATIONAL BUILDING MATERI -	52.000,00	HKD	8,290	1.118.141,94		0,28	0,28
CHINA OVERSEAS LAND & INVEST LTD -	59.907,00	HKD	17,980	2.793.870,83		0,70	0,69
CHINA RESOURCES ENTERPRISE -	22.000,00	HKD	22,950	1.309.617,39		0,33	0,32
CHINA RESOURCES LAND -	31.000,00	HKD	15,800	1.270.450,78		0,32	0,31
CHINA RESOURCES POWER HOLDINGS CO -	35.400,00	HKD	15,900	1.459.954,93		0,36	0,36
CHINA UNICOM HONG KONG LTD -	59.374,00	HKD	9,760	1.503.090,71		0,38	0,37
CITIC PACIFIC LTD -	32.000,00	HKD	11,700	971.124,48		0,24	0,24
CNOOC LTD -	222.000,00	HKD	15,400	8.867.736,08		2,21	2,19
COSCO PACIFIC -	42.000,00	HKD	10,500	1.143.872,59		0,29	0,28
LENOVO GROUP LTD -	88.000,00	HKD	6,540	1.492.792,64		0,37	0,37
SHANGAI INDUSTRIAL HOLDING -	14.000,00	HKD	20,400	740.793,68		0,19	0,18
SHANGAI PHARMACEUTICALS HOLDING -	38.400,00	HKD	9,670	963.156,28		0,24	0,24
SINO-OCEAN LAND HOLDINGS LTD -	78.000,00	HKD	3,830	774.876,41		0,19	0,19
<u>India</u>							
RELIANCE INDUSTRIES LTD SP GDR "144A"	7,00	USD	26,500	3.732,07		0,00	0,00
Total shares				188.068.122,15		46,91	46,37
TOTAL SECURITIES PORTFOLIO				400.956.661,18		100,00	98,86
COLLATERAL RECEIVED							
<u>Belgium</u>							
KBC GROUP COLLATERAL EUR	2.236.310,94	EUR	1,000	57.099.727,46			14,08
TOTAL RECEIVED COLLATERAL				57.099.727,46			14,08
CASH AT BANK AND IN HAND							
<u>Demand accounts</u>							
<u>Belgium</u>							
KBC GROUP CZK	1.117.879,27	CZK	1,000	1.117.879,27			0,28

KBC GROUP EURO	4.245,36	EUR	1,000	108.396,78		0,03
KBC GROUP GBP	982,77	GBP	1,000	31.013,55		0,01
KBC GROUP HKD	86.666,03	HKD	1,000	224.795,68		0,06
KBC GROUP USD	-1.892,85	USD	1,000	-38.082,22		-0,01
Total demand accounts				1.444.003,06		0,36
TOTAL CASH AT BANK AND IN HAND				1.444.003,06		0,36
OTHER RECEIVABLES AND PAYABLES						
Receivables						
<u>Belgium</u>						
KBC GROUP CZK RECEIVABLE	987.155,65	CZK	1,000	987.155,65		0,24
KBC GROUP USD RECEIVABLE	5.000,00	USD	1,000	100.594,91		0,03
Total receivables				1.087.750,56		0,27
Payables						
<u>Belgium</u>						
KBC GROUP COUNTERPART ENTRY COLLATERAL IN EUR	-2.236.310,94	EUR	1,000	-57.099.727,46		-14,08
KBC GROUP CZK PAYABLE	-219.977,15	CZK	1,000	-219.977,15		-0,05
KBC GROUP EUR PAYABLE	-11.067,50	EUR	1,000	-282.586,48		-0,07
Payables				-57.602.291,09		-14,20
TOTAL RECEIVABLES AND PAYABLES				-56.514.540,53		-13,93
OTHER						
Interest receivable		CZK		2.509.359,85		0,62
Accrued interest		CZK		72.877,35		0,02
Expenses payable		CZK		-60.140,61		-0,01
Expenses to be carried forward		CZK		75.669,66		0,02
TOTAL OTHER				2.597.766,25		0,64
TOTAL NET ASSETS				405.583.617,42		100,00

Geographic breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Belgium	0,36	0,05	0,18	0,16
Bermuda	0,00	0,21	0,22	0,34
Brazil	18,51	29,35	28,75	29,33
China	24,13	25,08	26,54	27,73
Cayman Islands	1,73	2,47	2,40	3,54
Hong Kong	11,05	10,63	11,60	12,49
India	12,17	12,38	14,11	11,78
Indonesia	0,00	0,00	0,00	0,07
Luxembourg	6,25	0,00	0,00	0,93
Russia	16,16	16,73	15,85	13,63
U.S.A.	9,64	3,10	0,35	0,00
Total	100,00	100,00	100,00	100,00

Sector breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Cyclicals	36,89	42,63	40,11	37,74
Consum(cycl)	4,99	6,05	6,23	6,48
Cons.goods	4,61	6,12	6,96	7,76
Pharma	1,25	1,63	1,69	1,69
Financials	38,47	27,73	25,81	26,78
Technology	3,44	4,27	4,91	4,91
Telecomm.	5,15	5,44	7,50	7,11
Utilities	2,31	2,99	3,55	3,91
Real est.	2,68	3,04	3,14	3,50
Unit trusts	0,21	0,10	0,10	0,12
Total	100,00	100,00	100,00	100,00

Currency breakdown (as a % of net assets)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
BRL	18,44	22,18	22,81	25,80
CNY	6,82	7,43	7,53	8,65
CZK	0,32	0,31	0,58	0,47
EUR	8,56	1,89	0,02	1,00
GBP	6,66	0,04	0,01	0,01
HKD	29,97	31,22	33,36	35,27
INR	11,89	12,34	14,05	11,82
USD	17,34	24,59	21,64	16,98
Total	100,00	100,00	100,00	100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC EQUITY FUND CSOB BRIC (IN THE CURRENCY OF THE SUB-FUND)

	1st half of year	Year
Purchases	101.161.545,16	101.161.545,16
Sales	81.261.315,77	81.261.315,77
Total 1	182.422.860,93	182.422.860,93
Subscriptions	47.466.333,09	47.466.333,09
Redemptions	27.544.262,46	27.544.262,46
Total 2	75.010.595,55	75.010.595,55
Monthly average of total assets	416.346.518,46	416.346.518,46
Turnover rate	25,80 %	25,80 %

	1st half of year	Year
Purchases	101.161.545,16	101.161.545,16
Sales	81.261.315,77	81.261.315,77
Total 1	182.422.860,93	182.422.860,93
Subscriptions	47.466.333,09	47.466.333,09
Redemptions	27.544.262,46	27.544.262,46
Total 2	75.010.595,55	75.010.595,55
Monthly average of total assets	408.380.599,89	408.380.599,89
Corrected turnover rate	26,30 %	26,30 %

The table above shows the capital volume of portfolio transactions. This volume (adjusted to take account of total subscriptions and redemptions) is also compared to the average net assets at the beginning and end of the period.

A figure close to 0% implies that the transactions relating to the securities or transactions relating to the assets (excluding deposits and cash) in a given period only involve subscriptions and redemptions.

A negative percentage shows that subscriptions and redemptions entailed few, if any, transactions in the portfolio.

Active asset management may result in high turnover rates (monthly percentage >50%).

The detailed list of transactions is available for consultation free of charge at the registered office of the Bevek or fund at Havenlaan 2, 1080 Brussels.

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

NAME	Currency	Value in currency	In the currency of the sub-fund	Lot-size	Transaction date
KBC COLLATERAL EUR	EUR	2.236.310,94	57.099.727,46	N/A	29.06.2012

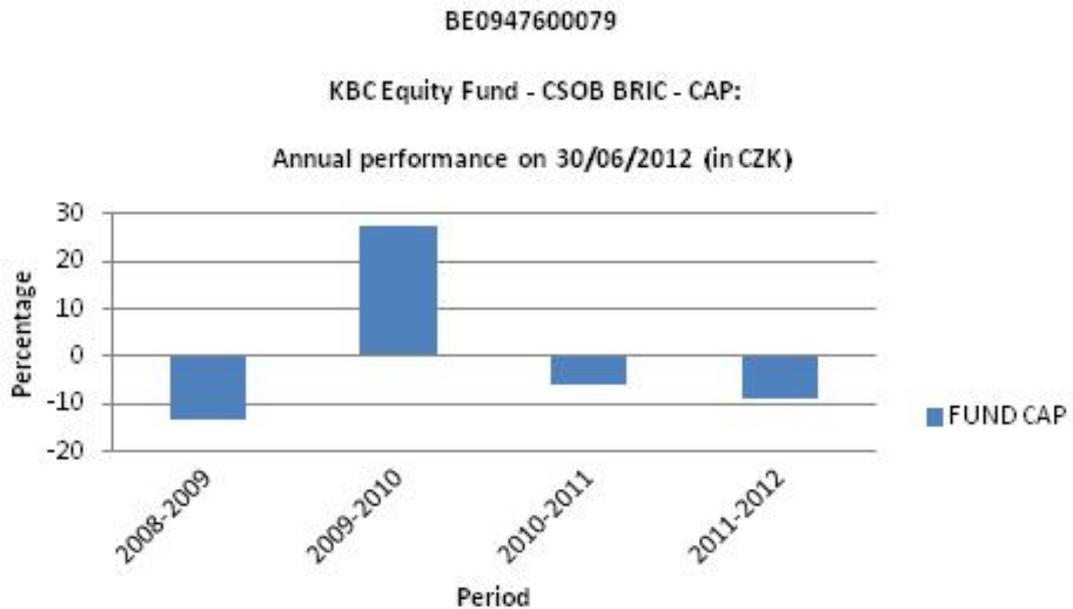
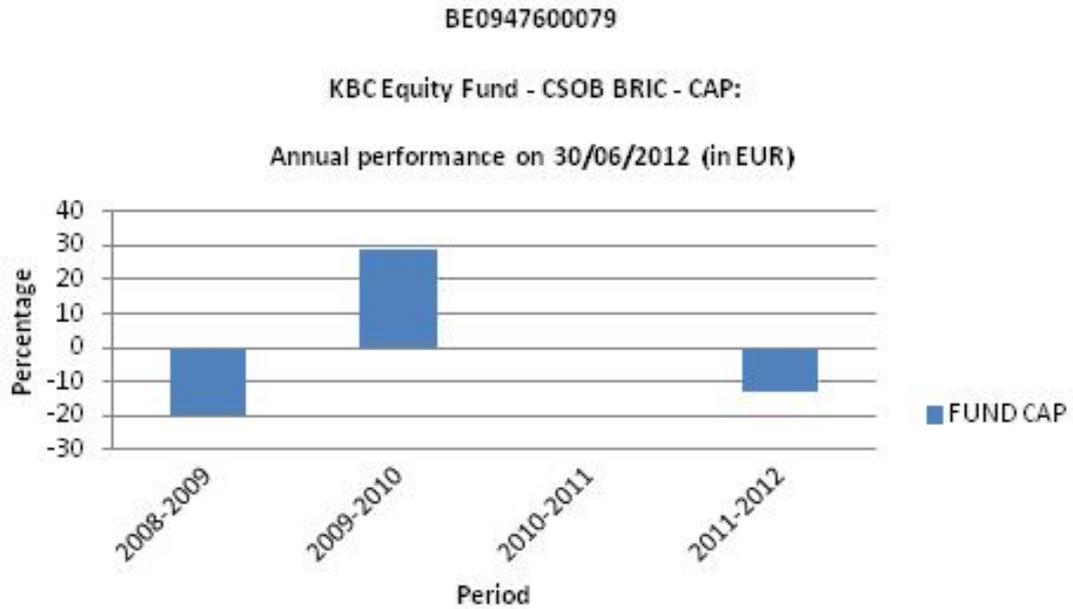
2.4.4 CHANGES OF THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND THE NET ASSET VALUE

Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2010 - 06	210.830,99	0,00	75.703,92	0,00	451.096,36	0,00	451.096,36
2011 - 06	180.735,71	0,00	76.202,70	0,00	555.629,36	0,00	555.629,36
2012 - 06	127.783,05	0,00	95.709,11	0,00	587.703,30	0,00	587.703,30

Period	Amounts received and paid by the UCI (in the currency of the sub-fund)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2010 - 06	160.639.870,90	0,00	59.096.813,53	0,00
2011 - 06	144.530.757,90	0,00	61.464.957,04	0,00
2012 - 06	89.791.952,28	0,00	65.872.718,62	0,00

Period	Net asset value End of period (in the currency of the sub-fund)		
Year	Of the sub-fund	Of one share	
		Capitalization	Distribution
2010 - 06	363.542.906,69	805,91	N/A
2011 - 06	420.298.997,15	756,44	N/A
2012 - 06	405.583.617,42	690,12	N/A

2.4.5 PERFORMANCE FIGURES



Cap Div	ISIN code	Cur- rency	1 Year		3 Years*		5 Years*		10 Years*		Since launch*	
			Share classes	Bench mark	Launch Date	Share classes						
CAP	BE0947600079	EUR	-13.06%		3.60%						30/11/2007	-7.16%
CAP	BE0947600079	CZK	-8.77%		2.96%						30/11/2007	-7.77%
DIV	BE0947599065	EUR									30/11/2007	
DIV	BE0947599065	CZK									30/11/2007	

Risk warning: Past performance is not a guide to future performance.

* Return on annual basis.

- The bar chart shows the performance for full financial years.
- The figures do not take account of any restructuring.
- Calculated in CZK and in EUR.
- the return is calculated as the change in the net asset value between two dates expressed as a percentage. In the case of units that pay dividends, the dividend is incorporated geometrically in the return.
- Calculation method for date D, where NAV stands for net asset value:
 - Capitalisation units (CAP)
 - Return on date D over a period of X years:

$$[\text{NAV}(D) / \text{NAV}(Y)]^{[1 / X] - 1}$$
 where $Y = D - X$
 - Return on date D since the start date S of the unit:

$$[\text{NAV}(D) / \text{NAV}(S)]^{[1 / F] - 1}$$
 where $F = 1$ if the unit has existed for less than one year on date D
 where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D
 - Distribution units (DIV)
 - Return on date D over a period of X years:

$$[C * \text{NAV}(D) / \text{NAV}(Y)]^{[1 / X] - 1}$$
 where $Y = D - X$
 - Return on date D since the start date S of the unit:

$$[C * \text{NAV}(D) / \text{NAV}(S)]^{[1 / F] - 1}$$
 where $F = 1$ if the unit has existed for less than one year on date D
 where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D
 where C is a factor that is determined for all N dividends between the calculation date D and the reference date.
 - For dividend i on date Di with value Wi:

$$C_i = [W_i / \text{NAV}(D_i)] + 1$$

$$i = 1 \dots N$$
 from which $C = C_0 * \dots * C_N$.
- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the n^{th} square root of 1 plus the total return of the unit.
- The return figures shown above do not take account of the fees and charges associated with the issue and redemption of units.
- These are the performance figures for capitalisation and distribution shares.

2.4.6 COSTS

Total expense ratio (TER): *

Distribution: 2.029%

Capitalization: 2.029%

Percentage calculated at the end of the financial year: 31 December

* The following costs have not been included in the TER:

- Transaction charges
- Interest payments on loans taken out
- Payments in respect of financial derivatives
- Fees and charges paid directly by the investor
- Any soft commissions

SOFT COMMISSIONS

The management company or the appointed manager, as the case may be, is the recipient of soft commissions.

The recipient has laid down an internal policy as regards accepting soft commissions and avoiding possible conflicts of interest in this respect, and has put appropriate internal controls in place to ensure this policy is observed.

For more information, please see the 'General' section of the annual report.

	Commission gross in EUR paid during the period: 1-01-12 -	CSA Credits in EUR accrued during the period: 1-01-12 -	
Broker	30-06-12	30-06-12	Percentage
CITI	755	472	62.50%
CSFBSAS	713	388	54.48%
MERRILL	763	477	62.50%
MORGAN STANLEY	298	139	46.69%
UBSWDR	301	188	62.50%

FEE-SHARING AGREEMENTS AND REBATES:

The management company may share its fee with the distributor, and institutional and/or professional parties.

In principle, the percentage share amounts to between 35% and 60% if the distributor is an entity of KBC Group NV or to between 35% and 70% if the distributor is not an entity of KBC Group NV. However, in a small number of cases, the distributor's fee is less than 35%. Investors may, on request, obtain more information on these cases.

If the management company invests the assets of the undertaking for collective investment in units of undertakings for collective investment that are not managed by an entity of KBC Group NV, and receives a fee for doing so, it will pay this fee to the undertaking for collective investment.

Fee-sharing does not affect the amount of the management fee paid by the sub-fund to the management company. This management fee is subject to the limitations laid down in the articles of association. The limitations may only be amended after approval by the general meeting of shareholders.

The management company has concluded a distribution agreement with the distributor in order to facilitate the wider distribution of the sub-fund's units by using multiple distribution channels.

It is in the interests of the holders of units, the sub-fund and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund to be maximised in this way. In this respect, there is therefore no question of any conflict of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: 1.5% per annum calculated on the basis of the average total net assets of the sub-fund, excluding those assets invested in investment undertakings managed by a financial institution of the KBC group.

KBC Fund Management Limited receives a fee from the management company of max. 1.5% calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the average total net assets of the sub-fund.

Auditor's fee: 1 700 EUR per year. This fee is not including VAT and will be increased at the end of the 3-year mandate.

The custody fee is calculated on the value of the securities held in custody by the custodian on the final banking day of the preceding calendar year, except on those assets invested in investment undertakings managed by a financial institution of the KBC group. The custody fee is paid at the beginning of the calendar year.

Social, ethical and environmental aspects:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

Exercising voting rights

If necessary, relevant and in the interest of the shareholders, the management company will exercise the voting rights attached to the shares in the Bevek's portfolio.

The management company will adhere to the following criteria when determining how it stands relative to the items on the agenda that are put to the vote:

- Shareholder value may not be adversely affected.
- Corporate governance rules, especially with regard to the rights of minority shareholders, must be respected.
- The minimum standards with regard to sustainable business and corporate social responsibility must be met.

The list of companies for which voting rights are exercised is available at the registered office of the Bevek.

Name	Maximum management fee
Horizon-Access Fund Brazil	1,20
Horizon-Access Fund China-Classic Shares	1,50
Horizon-Access Fund Russia	1,20
Horizon-Access India Fund-Classic Shares	1,50
KBC Equity Fund-CSOB BRIC	1,50

Securities lending

In accordance with the Royal Decree of 7 March 2006 concerning securities lending, the undertaking for collective investment has taken out securities loans with a principal to whom the full title of the loaned securities was transferred, without recording this transfer of ownership in the accounts.

For the period from 1 January 2012 to 30 June 2012, the fee for securities lent comes to 289,168.98 CZK. KBC Asset Management NV receives 50% of the net fee received for securities lent.

The detailed list of securities lending transactions carried out can be obtained from the registered office of the collective investment undertaking at 2 Havenlaan, 1080 Brussels.

Overview of securities lent as at 30/06/2012

Name	Currency	Quantity	Price	Value in currency of the portfolio
AGRICULTURAL BANK OF CHINA -H	HKD	239.999	3,090	1.923.565,58
ALUMINUM CORP OF CHINA LTD -H-	HKD	99.999	3,300	855.950,42
ANHUI CONCH CEMENT CO LTD -H-	HKD	22.999	20,950	1.249.775,50
BANK OF CHINA -H-	HKD	842.999	2,940	6.428.556,27
BANK OF COMMUNICATIONS CO -H-	HKD	103.894	5,190	1.398.610,93
BRILLIANCE CHINA	HKD	37.999	6,740	664.310,44
CHANGSHA ZOOMLION HEAVY INDS -H-	HKD	23.199	9,790	589.102,74
CHINA CITIC BANK 'H'	HKD	94.599	3,950	969.220,68
CHINA MINSHENG BANKING-H	HKD	58.999	6,870	1.051.333,28
CHINA OVERS LAND INV	HKD	53.906	17,980	2.514.003,44
CHINA PETRO & CHEM -H-	HKD	203.999	6,880	3.640.454,03
CHINA RESOURCES ENTERPRISE	HKD	21.331	22,950	1.269.793,11
CHINA RESOURCES POWER HOLD. CHIRES	HKD	8.000	15,900	329.933,34
CHINA UNICOM HONG KONG LTD	HKD	59.373	9,760	1.503.065,41
COSCO PACIFIC	HKD	25.999	10,500	708.084,48
EVERGRANDE REAL ESTATE GROUP LTD	HKD	86.999	3,930	886.841,26
GCL POLY ENERGY HOLDINGS LTD	HKD	100.999	1,680	440.114,36
INDUSTRIAL & COMMERC BNK OF CHINA	HKD	744.659	4,290	8.286.169,34
JIANGXI COPPER -H-	HKD	29.999	16,940	1.318.132,95
KUNLUN ENERGY COMPANY LTD	HKD	41.999	12,340	1.344.290,75
PETROCHINA CO -H-	HKD	245.999	9,950	6.348.856,03
PING AN INSURANCE GROUP CO LTD	HKD	20.499	61,700	3.280.627,42
SUN ART RETAIL GROUP LTD	HKD	25.999	8,490	572.536,67
TENCENT HOLDINGS LTD	HKD	5.000	226,000	2.931.011,46
TINGYI (CAYMAN ISLN) HLDG CO	HKD	17.276	19,820	888.149,06
WANT WANT CHINA HOLDINGS LTD	HKD	2.710	9,500	66.777,73
WEICHAJ POWER CO -H-	HKD	7.999	30,550	633.849,32
YANZHOU COAL MINING CO -H-	HKD	29.999	11,980	932.186,08
			Total	53.025.302,08

Details of collateral received for securities lent

Name	Currency	Nominal value	Currency fund	Value in Currency fund
OESTERREICH 2007 4.3% 15/09/17	EUR	214.000	CZK	6.420.256,51
OESTERREICH 2009 3.40% 20/10/14	EUR	728.000	CZK	20.278.902,24
GERMANY 2009 2,25% 11/04/14	EUR	720.000	CZK	19.189.023,84
FRANCE 2007 4,50% 12/07/2012	EUR	90.000	CZK	2.401.528,24
BTF FRANCE 2012 T-BILL 07/02/13	EUR	116.000	CZK	2.959.828,77
NEDERLAND 2009 4.00% 15/07/19	EUR	192.000	CZK	5.850.187,86
			Total	57.099.727,46

For the valuation of the collateral received, indicative prices have been used in this detail list by the Collateral Management Division of KBC Bank.

TABLE OF CONTENTS

- 2. Information on KBC Equity Fund Belgium
 - 2.1. Management report
 - 2.1.1. Launch date and subscription price
 - 2.1.2. Stock exchange listing
 - 2.1.3. Aim and distinctive features of the investment policy
 - 2.1.4. Financial portfolio management
 - 2.1.5. Distributors
 - 2.1.6. Index and benchmark
 - 2.1.7. Policy conducted during the financial year
 - 2.1.8. Future policy
 - 2.1.9. Synthetic risk and reward indicator (SRRI)
 - 2.2. Balance sheet
 - 2.3. Profit and loss account
 - 2.4. Composition of the assets and key figures
 - 2.4.1. Composition of the assets
 - 2.4.2. Change in the composition of the assets
 - 2.4.3. Value of commitments in respect of financial derivatives positions
 - 2.4.4. Evolution of the number of subscriptions, repayments and the net asset value
 - 2.4.5. Return figures
 - 2.4.6. Expenses
 - 2.4.7. Notes to the financial statements and other data

2 INFORMATION ON KBC EQUITY FUND BELGIUM

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Launch date: 1 October 1991
Initial subscription price: 5000 BEF
Currency: EUR

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

The main objective of this sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. To this end, the assets are invested, either directly or indirectly via correlated financial instruments, primarily in shares.

SUB-FUND'S INVESTMENT POLICY:

PERMITTED ASSET CLASSES:

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the sub-fund's object.

The sub-fund shall invest no more than 10% of its assets in units of other undertakings for collective investment.

RESTRICTIONS OF THE INVESTMENT POLICY:

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

PERMITTED DERIVATIVES TRANSACTIONS:

Derivates may be used either for hedging purposes or to achieve investment objectives.

Changes will be made to the investments at regular intervals to comply with the sub-fund's investment strategy. **In addition, listed and unlisted derivates may be used to achieve the objectives:** these may be forward contracts, options or swaps on securities, indices, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions. **Such derivatives may also be used to hedge the assets against exchange-rate fluctuations.** Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions.

STRATEGY SELECTED

At least 75% of the assets are invested in shares of Belgian companies.

RISK CONCENTRATION

Belgian shares.

LENDING FINANCIAL INSTRUMENTS:

The sub-fund may lend financial instruments within the limits set by law and regulations.

This lending does not affect the sub-fund's risk profile since:

- it takes place within the framework of a securities lending system managed by a principal. In addition, the sub-fund has a relationship only with the principal of the securities lending system which acts as counterparty and to which title of the loaned securities is transferred. The choice of principal is subject to strict selection criteria. The return of securities similar to the securities that have been lent is guaranteed by the principal.
- through a margin management system, the sub-fund is always guaranteed financial security, the actual value of which always exceeds the actual value of the securities that have been lent, in case the principal does not return similar securities.

The return of securities similar to the securities that have been lent can be requested at any time, which means that the lending of securities does not affect the management of the sub-fund's assets. By lending securities, the sub-fund can generate an additional return. The principal pays a fee to the management company. After deducting the fee for the margin management and clearing services of KBC Bank, most of this fee is paid to the sub-fund.

The relationship with the counterparty or counterparties is governed by standard international agreements.

More information is provided on the terms and conditions governing securities lending in the annual or half-yearly report for the sub-fund.

VOLATILITY OF THE NET ASSET VALUE:

The volatility of the net asset value may be high due to the composition of the portfolio.

GENERAL STRATEGY FOR HEDGING THE EXCHANGE RATE RISK:

In order to protect its assets against exchange rate fluctuations and within the limitations laid down in the articles of association, the sub-fund may perform transactions relating to the sale of forward currency contracts, as well as the sale of call options and the purchase of put options on currencies. The transactions in question may relate solely to contracts traded on a regulated market that operates regularly, is recognised and is open to the public or that are traded with a recognised, prime financial institution specialising in such transactions and dealing in the over-the-counter (OTC) market in options. With the same objective, the sub-fund may also sell currencies forward or exchange them in private transactions with prime financial institutions specialising in such transactions. The hedging objective of the aforementioned transactions suggests that there is a direct link between these transactions and the assets to be hedged, which implies that the transactions carried out in a particular currency may in principle not exceed, in terms of volume, either the valuation value of all the assets in the same currency or the holding period of those assets.

SOCIAL, ETHICAL AND ENVIRONMENTAL ASPECTS:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

THE EUROPEAN SAVINGS DIRECTIVE AND TAX ON DEBT CLAIM RETURNS OBTAINED THROUGH THE REDEMPTION OF OWN UNITS OR IN THE EVENT OF FULL OR PARTIAL DISTRIBUTION OF EQUITY CAPITAL.

The following information is of a general character and is not intended to cover all aspects of an investment in a UCITS. In certain cases entirely different rules might even apply. Moreover, both tax law and the interpretation of it can change. Investors who wish to have more information about the tax implications – in both Belgium and abroad – of acquiring, holding and transferring units should seek the advice of their usual financial and tax advisers.

This UCITS shall invest a maximum of 15% of its assets directly or indirectly in debt instruments as intended by the European Savings Directive.

A. European Savings Directive (Directive 2003/48/EC)

The European Savings Directive has been implemented in Belgium through:

- The Law of 17 May 2004 transposing into Belgian law Directive 2003/48/EC of 3 June 2003 of the Council of the European Union on taxation of savings income in the form of interest payments and amending Income Tax Code 1992 on withholding tax;
- The Royal Decree of 27 September 2009 implementing Article 338bis § 2 of Income Tax Code 1992;
- The Royal Decree of 27 September 2009 concerning the entry into effect of Article 338bis § 2, paragraphs one to three, of Income Tax Code 1992;

Since this UCITS invests a maximum of 15% of its assets directly or indirectly in debt claims as intended by the European Savings Directive, the income of this UCITS does not fall within the scope of this directive.

B. Tax on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital (Article 19bis Income Tax Code 1992).

The income from this UCITS is not subject to the tax on debt instrument returns as intended by Article 19bis, Income Tax Code 1992.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

There is no delegation of the portfolio.

2.1.5 DISTRIBUTORS

KBC Asset Management S.A., 5, Place de la Gare, L-1616 Luxembourg.

2.1.6 INDEX AND BENCHMARK

See 'Sub-fund's investment policy'.

2.1.7 POLICY PERSUED DURING THE FINANCIAL YEAR

Hard economic data indicates that Belgium was one of the better performing EMU countries at the start of this year, too. With first-quarter 2012 growth of 1.3% (on an annualised basis compared with the previous quarter), Belgium was next after the leaders, Germany (2.1%), Finland and Austria. The performance of these countries is in stark contrast to the recession other member states, including the Netherlands, are going through. The persistent two-tier economy of the euro area is also reflected in unemployment figures.

The European debt crisis continues to hang over the economy of the EMU like the sword of Damocles. Following the ECB's long-term refinancing operations (LTROs) of December 2011 and February 2012, it appeared for a short while as though the central bank had pumped enough cash into the financial markets to take away the uncertainty for a time, but the numbing effect of these LTROs proved to be short lived.

The flaring up of problems with the banks in Spain and speculation about Greece existing the euro area caused the crisis to explode again in the second quarter of 2012.

KBC Equity Belgium outperformed the BEL20 Index (6.92%) in the first half of 2012, but underperformed the Institutional Return Index. The leaders were the financial shares, KBC and Ageas. Heavyweight, AB Inbev, was third. UCB continued its strong performance of the previous year. And Solvay (+18.21%) completed the top five.

The big disappointments were Delhaize and Mobistar, both shares lingering at the bottom. Delhaize is contending with problems in the US and Mobistar is trapped between the two other major players in Belgium. Nyrstar and Bekaert suffered on account of a weaker Chinese economy and falling metal prices.

Overweight positions in KBC, Arseus, Kinopolis, Thrombogenics and Barco contributed significantly to the fund's relative performance.

Negative relative contributions came from AB Inbev due to the legal restriction of 10% and from an underweight position in GBL and Umicore.

2.1.8 FUTURE POLICY

Consumption will be negatively affected in Belgium this year by the decreasing purchasing power of households, which is the result of the weaker labour market and in particular the tax measures aimed at restructuring public finances. On the other hand, public spending and net exports will deliver a slightly positive contribution.

All the same, Belgium is one of the better performing countries. The National Bank estimates growth for Belgium at 0.6% in 2012 and 1.4% in 2013.

The gloomy international outlook is already largely priced in to the valuation of the Belgian stock market, but further downward adjustments of earnings forecasts cannot be ruled out. The fund has overweight positions in a number of company-specific themes in various sectors. The selection includes cheap companies, a few cyclical stocks and a number of defensive companies. We refer in this respect to CFE, Thrombogenics, Barco, Kinopolis, Arseus, Jensen Group, Econocom, EVS and Tessengerlo. We are cautious about food retailing.

The evolution of the European debt crisis and the associated credibility of the euro remain crucial to share price trends in the European and Belgian banking sectors. This problem remains as serious as ever due to the approach adopted by European leaders. We will be monitoring the situation closely.

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

7 on a scale of 1 (lowest risk) to 7 (highest risk).

The value of a share can decrease or increase and the investor may not get back the amount invested.

In accordance with Commission Regulation (EU) No. 583/2010, a synthetic risk and reward indicator has been calculated. This indicator provides a quantitative measure of the sub-fund's potential return and the risk involved, calculated in the currency in which the sub-fund is denominated. It is given as a figure between 1 and 7. The higher the figure, the greater the potential return, but also the more difficult it is to predict this return. Losses are possible too. The lowest figure does not mean that the investment is entirely free of risk. However, it does indicate that, compared with the higher figures, this product will generally provide a lower, but more predictable return.

The synthetic risk and reward indicator is assessed regularly and can therefore go up or down based on data from the past. Data from the past is not always a reliable indicator of future risk and return. The most recent indicator can be found under the 'Risk and reward profile' heading in the 'Key Investor Information' document.

2.2 BALANCE SHEET

Balance sheet layout	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
TOTAL NET ASSETS	40.858.162,66	50.436.575,00
II. Securities, money market instruments, UCIs and derivatives		
A. Bonds and other debt instruments		
a) Bonds	179.025,10	
a) Collateral received in the form of bonds	75.254,73	676.980,03
C. Shares and similar instruments		
a) Shares	39.638.629,56	50.122.265,33
Of which securities lent	76.509,54	666.278,04
b) Closed-end undertakings for collective investment	88.962,12	104.550,48
D. Other securities	28.891,00	34.233,30
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable	292.618,24	258.035,13
b) Tax assets	638.375,41	607.340,84
B. Payables		
a) Accounts payable (-)	-70.671,52	-46.051,99
c) Borrowings (-)		-645.601,26
d) Collateral (-)	-75.254,73	-676.980,03
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	62.087,11	78,57
VI. Accruals and deferrals		
A. Expense to be carried forward	16.833,21	23.168,18
B. Accrued income	3.404,22	6.015,18
C. Accrued expense (-)	-19.991,79	-27.458,76
TOTAL SHAREHOLDERS' EQUITY	40.858.162,66	50.436.575,00
A. Capital	37.736.669,68	49.054.656,82
B. Income equalization	-56.472,29	-37.448,11
D. Result for the period	3.177.965,27	1.419.366,29

Off-balance-sheet headings

I	Collateral (+/-)		
I.A	Collateral (+/-)		
I.A.A	Securities/market instruments	75.254,73	676.980,03
IX	Financial instruments lent	76.509,54	666.278,04

2.3 PROFIT AND LOSS ACCOUNT

Income Statement	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
I. Net gains(losses) on investments		
A. Bonds and other debt instruments		
a) Bonds	-19.501,40	
C. Shares and similar instruments		
a) Shares	2.263.220,20	558.264,70
b) Closed-end undertakings for collective investment	-1.621,77	10.469,49
D. Other securities	-9.630,91	-4,65
H. Foreign exchange positions and transactions		
b) Other foreign exchange positions and transactions	0,85	-2,54
II. Investment income and expenses		
A. Dividends	1.270.998,89	1.304.563,07
B. Interests		
a) Securities and money market instruments	26.206,41	17.681,40
b) Cash at bank and in hand and deposits	161,36	4,15
C. Interest on borrowings (-)	-672,10	-3.268,72
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-37.565,95	-49.628,86
B. Financial expenses (-)	-284,44	-1.483,14
C. Custodian's fee (-)	-15.669,27	-19.095,98
D. Manager's fee (-)		
a) Financial management	-260.805,74	-337.224,68
b) Administration and accounting management	-19.734,85	-25.858,17
E. Administrative expenses (-)	-437,98	-215,29
F. Formation and organisation expenses (-)	-2.421,95	-2.199,22
G. Remuneration, social security charges and pension	-3,28	-10,32
H. Services and sundry goods (-)	-4.688,34	-4.517,28
J. Taxes	-6.161,10	-20.412,68
K. Other expenses (-)	-3.423,36	-7.694,99
Income and expenditure for the period		
Subtotal II + III + IV	945.498,30	850.639,29
V. Profit (loss) on ordinary activities before tax	3.177.965,27	1.419.366,29
VII. Result for the period	3.177.965,27	1.419.366,29

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC EQUITY FUND BELGIUM

Name	Quantity on 30/06/2012	Cur rency	Price in currency	Evaluation (in the currency of the sub-fund)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
Investment funds							
Closed-end funds							
Listed closed-end investment funds							
<u>Belgium</u>							
QUEST FOR GROWTH -	19.009,00	EUR	4,680	88.962,12		0,22	0,22
Total investment funds				88.962,12		0,22	0,22
Bonds							
Corporate bonds							
<u>Ireland</u>							
D-STAR FINANCE PLC SUB 14/05/13	281.000,00	EUR	63,710	179.025,10		0,45	0,44
Total bonds				179.025,10		0,45	0,44
Shares							
Exchange-listed shares							
<u>Belgium</u>							
ABLYNX -	24.705,00	EUR	2,830	69.915,15		0,18	0,17
ABLYNX STRIP-VVPR	35.000,00	EUR	0,001	35,00			
ACKERMANS VH NV -	14.481,00	EUR	61,900	896.373,90		2,25	2,19
AGEAS NV -	1.642.601,00	EUR	1,560	2.562.457,56		6,42	6,27
AGFA GEVAERT -	102.418,00	EUR	1,290	132.119,22		0,33	0,32
AGFA GEVAERT STRIP VVPR	20.000,00	EUR	0,001	20,00			
ALFACAM GROUP -	900,00	EUR	1,110	999,00		0,00	0,00
ANHEUSER-BUSCH INBEV NV -	48.564,00	EUR	61,300	2.976.973,20		7,45	7,29
ANHEUSER-BUSCH INBEV NV STRIP-VVPR	34.904,00	EUR	0,001	34,90			
ARSEUS NV -	40.594,00	EUR	13,900	564.256,60		1,41	1,38
ARSEUS NV STRIP VVPR	6.633,00	EUR	0,030	198,99			
BARCO NV NEW	10.982,00	EUR	39,850	437.632,70		1,10	1,07
BEFIMMO -	6.706,00	EUR	44,910	301.166,46		0,75	0,74
BEKAERT -	47.769,00	EUR	19,510	931.973,19		2,33	2,28
BELGACOM -	75.750,00	EUR	22,455	1.700.966,25		4,26	4,16
C.F.E. (BRU)	17.250,00	EUR	41,970	723.982,50		1,81	1,77
C.M.B. -	2.645,00	EUR	17,490	46.261,05		0,12	0,11
COFINIMMO -	5.819,00	EUR	87,980	511.955,62		1,28	1,25
COLRUYT -	37.705,00	EUR	35,195	1.327.027,48		3,32	3,25
D'IETEREN -	22.730,00	EUR	32,800	745.544,00		1,87	1,83
DECEUNINCK -	89.749,00	EUR	0,860	77.184,14		0,19	0,19
DELHAIZE GROEP -	68.967,00	EUR	28,880	1.991.766,96		4,99	4,88
DEVGEN STRIP-VVPR	40.000,00	EUR	0,000	4,00			
ECODIS -	1.892,00	EUR	0,090	170,28			
ECONOCOM GROUP -	29.196,00	EUR	16,690	487.281,24		1,22	1,19
ELIA SYSTEM OPERATOR -	17.820,00	EUR	32,485	578.882,70		1,45	1,42
EURONAV SA -	57.381,00	EUR	5,400	309.857,40		0,78	0,76

EVS BROADCAST EQUIPMENT (BRU)	16.616,00	EUR	37,170	617.616,72		1,55	1,51
FINANCIERE DE TUBIZE (BRU)	46.574,00	EUR	29,800	1.387.905,20		3,48	3,40
G.B.L. (BRU) STRIP-VVPR	5.600,00	EUR	0,003	16,80			
G.B.L. -	30.824,00	EUR	53,500	1.649.084,00		4,13	4,04
GALAPAGOS GENOMICS NV -	26.454,00	EUR	12,400	328.029,60		0,82	0,80
IBA ION BEAM (BRU) STRIP-VVPR	1.350,00	EUR	0,002	2,70			
IBA ION BEAM -	46.187,00	EUR	4,180	193.061,66		0,48	0,47
JENSEN-GROUP NV (BRU)	37.761,00	EUR	7,350	277.543,35		0,70	0,68
KBC ANCORA -	119.282,00	EUR	6,850	817.081,70		2,05	2,00
KBC GROUP -	117.832,00	EUR	16,665	1.963.670,28		4,92	4,81
KINEPOLIS GROUP (BRU)	8.542,00	EUR	67,250	574.449,50		1,44	1,41
MDXHEALTH -	15.714,00	EUR	1,430	22.471,02		0,06	0,06
MELEXIS NV -	40.193,00	EUR	12,250	492.364,25		1,23	1,21
MOBISTAR -	26.887,00	EUR	27,040	727.024,48		1,82	1,78
NYRSTAR -	101.162,00	EUR	4,478	453.003,44		1,13	1,11
NYRSTAR STRIP VVPR	22.554,00	EUR	0,001	22,55			
PUNCH INTERNATIONAL (BRU)	40.141,00	EUR	2,600	104.366,60		0,26	0,26
PUNCH INTERNATIONAL VVPR STRIP	15.660,00	EUR	0,001	15,66			
REALDOLMEN (BRU)	70,00	EUR	0,120	8,40			
REALDOLMEN BONUS 01/04/09	12.217,00	EUR	16,500	201.580,50		0,51	0,49
REALDOLMEN STRIP VVPR BONUS 01/04/09	1.860,00	EUR	0,001	1,86			
REALDOLMEN STRIP-VVPR	80,00	EUR	0,001	0,08			
RECTICEL -	64.168,00	EUR	4,940	316.989,92		0,79	0,78
RHJ INTERNATIONAL -	35.494,00	EUR	3,540	125.648,76		0,32	0,31
ROULARTA MEDIA GROUP (BRU) STRIP-VVPR	2.500,00	EUR	0,009	22,50			
ROULARTA MEDIA GROUP -	12.177,00	EUR	13,750	167.433,75		0,42	0,41
SIOEN INDUSTRIES -	33.015,00	EUR	4,880	161.113,20		0,40	0,39
SOFTIMAT (BRU)	15.993,00	EUR	3,860	61.732,98		0,16	0,15
SOLVAY -	31.339,00	EUR	77,780	2.437.547,42		6,10	5,97
SPECTOR (BRU) STRIP-VVPR	270.279,00	EUR	0,001	270,28		0,00	0,00
TELENET -	22.970,00	EUR	34,500	792.465,00		1,98	1,94
TELENET STRP-VVPR	81.900,00	EUR	0,001	81,90			
TESSENDERLO -	28.891,00	EUR	20,100	580.709,10		1,45	1,42
THROMBOGENICS NV -	18.632,00	EUR	21,300	396.861,60		0,99	0,97
THROMBOGENICS NV STRIP-VVPR	46.450,00	EUR	0,007	325,15		0,00	0,00
TRANSICS INTERNATIONAL NV -	39.061,00	EUR	7,290	284.754,69		0,71	0,70
U.C.B. -	30.117,00	EUR	39,840	1.199.861,28		3,00	2,94
UMICORE -	31.562,00	EUR	36,370	1.147.909,94		2,87	2,81
VAN DE VELDE -	2.697,00	EUR	34,100	91.967,70		0,23	0,23
ZETES INDUSTRIES SA -	24.362,00	EUR	13,570	330.592,34		0,83	0,81
<u>France</u>							
BNP PARIBAS -	5.000,00	EUR	30,335	151.675,00		0,38	0,37
GDF SUEZ -	210.816,00	EUR	18,755	3.953.854,08		9,91	9,68
GDF SUEZ STRIP VVPR	910.205,00	EUR	0,001	910,21		0,00	0,00
GLOBAL GRAPHICS -	65.281,00	EUR	1,050	68.545,05		0,17	0,17
TOTAL (BRU) STRIP-VVPR	441.288,00	EUR	0,001	441,29		0,00	0,00
<u>Germany</u>							
HEIDELBERGCEMENT AG STRIP-VVPR	40.658,00	EUR	0,010	406,58		0,00	0,00
<u>Luxembourg</u>							
ARCELORMITTAL -	15.000,00	EUR	12,110	181.650,00		0,46	0,45
<u>Netherlands</u>							
INTERNOC HOLDINGS STRIP-VVPR	50.000,00	EUR	0,010	500,00		0,00	0,00
Total shares				39.638.629,56		99,26	97,02

Rights							
<u>Belgium</u>							
TESSENDERLO CP 07/06/12	28.891,00	EUR	1,000	28.891,00		0,07	0,07
Total rights				28.891,00		0,07	0,07
TOTAL SECURITIES PORTFOLIO				39.935.507,78		100,00	97,74
COLLATERAL RECEIVED							
<u>Belgium</u>							
KBC GROUP COLLATERAL EUR	75.254,73	EUR	1,000	75.254,73			0,18
TOTAL RECEIVED COLLATERAL				75.254,73			0,18
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP EURO	62.051,54	EUR	1,000	62.051,54			0,15
KBC GROUP GBP	2,22	GBP	1,000	2,74			
KBC GROUP USD	42,82	USD	1,000	33,74			
Total demand accounts				62.088,02			0,15
Managed futures accounts							
<u>Belgium</u>							
KBC GROUP USD FUT REK	-1,15	USD	1,000	-0,91			
Total managed futures accounts				-0,91			
TOTAL CASH AT BANK AND IN HAND				62.087,11			0,15
OTHER RECEIVABLES AND PAYABLES							
Receivables							
<u>Belgium</u>							
KBC GROUP EUR RECEIVABLE	292.618,24	EUR	1,000	292.618,24			0,72
KBC GROUP WHT TO BE RECOVERED EUR	638.375,41	EUR	1,000	638.375,41			1,56
Total receivables				930.993,65			2,28
Payables							
<u>Belgium</u>							
KBC GROUP COUNTERPART ENTRY COLLATERAL IN EUR	-75.254,73	EUR	1,000	-75.254,73			-0,18
KBC GROUP EUR PAYABLE	-70.671,52	EUR	1,000	-70.671,52			-0,17
Payables				-145.926,25			-0,36
TOTAL RECEIVABLES AND PAYABLES				785.067,40			1,92
OTHER							
Interest receivable		EUR		0,02			
Accrued interest		EUR		3.404,20			0,01
Expenses payable		EUR		-19.991,79			-0,05
Expenses to be carried forward		EUR		16.833,21			0,04
TOTAL OTHER				245,64			0,00
TOTAL NET ASSETS				40.858.162,66			100,00

Geographic breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Belgium	90,34	91,42	90,17	88,64
France	9,66	8,58	9,31	10,46
Ireland	0,00	0,00	0,52	0,45
Luxembourg	0,00	0,00	0,00	0,45
Total	100,00	100,00	100,00	100,00

Sector breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Cyclicals	17,87	23,67	19,98	20,58
Consum(cycl)	3,90	3,08	4,43	4,16
Cons.goods	14,53	15,81	17,29	17,63
Pharma	8,27	9,29	9,32	7,28
Financials	29,57	24,91	21,12	24,38
Technology	6,43	4,89	5,77	5,75
Telecomm.	8,93	8,83	10,96	8,06
Utilities	9,15	7,81	9,13	9,90
Real est.	1,14	1,50	1,78	2,04
Unit trusts	0,21	0,21	0,22	0,22
Total	100,00	100,00	100,00	100,00

Currency breakdown (as a % of net assets)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
EUR	100,00	100,00	100,00	100,00
Total	100,00	100,00	100,00	100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC EQUITY FUND BELGIUM (IN THE CURRENCY OF THE SUB-FUND)

	1st half of year	Year
Purchases	20.292.572,26	20.292.572,26
Sales	20.892.756,49	20.892.756,49
Total 1	41.185.328,74	41.185.328,74
Subscriptions	4.786.152,31	4.786.152,31
Redemptions	5.900.585,33	5.900.585,33
Total 2	10.686.737,64	10.686.737,64
Monthly average of total assets	41.836.481,56	41.836.481,56
Turnover rate	72,90 %	72,90 %

	1st half of year	Year
Purchases	20.292.572,26	20.292.572,26
Sales	20.892.756,49	20.892.756,49
Total 1	41.185.328,74	41.185.328,74
Subscriptions	4.786.152,31	4.786.152,31
Redemptions	5.900.585,33	5.900.585,33
Total 2	10.686.737,64	10.686.737,64
Monthly average of total assets	40.575.521,99	40.575.521,99
Corrected turnover rate	75,17 %	75,17 %

The table above shows the capital volume of portfolio transactions. This volume (adjusted to take account of total subscriptions and redemptions) is also compared to the average net assets at the beginning and end of the period.

A figure close to 0% implies that the transactions relating to the securities or transactions relating to the assets (excluding deposits and cash) in a given period only involve subscriptions and redemptions.

A negative percentage shows that subscriptions and redemptions entailed few, if any, transactions in the portfolio.

Active asset management may result in high turnover rates (monthly percentage >50%).

The detailed list of transactions is available for consultation free of charge at the registered office of the Bevek or fund at Havenlaan 2, 1080 Brussels.

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

NAME	Currency	Value in currency	In the currency of the sub-fund	Lot-size	Transaction date
KBC COLLATERAL EUR	EUR	75.254,73	75.254,73	N/A	29.06.2012

2.4.4 CHANGES OF THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND THE NET ASSET VALUE

Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2010 - 06	27.586,99	11.091,95	30.004,68	6.560,95	133.246,22	23.443,50	156.689,72
2011 - 06	10.647,93	3.375,00	28.611,09	4.777,00	115.283,07	22.041,50	137.324,57
2012 - 06	14.238,45	6.319,53	22.866,67	3.439,00	106.654,85	24.922,03	131.576,87

Period	Amounts received and paid by the UCI (in the currency of the sub-fund)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2010 - 06	9.750.927,16	2.417.356,60	10.825.577,33	1.495.164,83
2011 - 06	4.172.463,83	771.424,38	11.043.069,74	1.144.372,86
2012 - 06	4.926.692,36	1.244.343,85	7.486.999,43	690.999,39

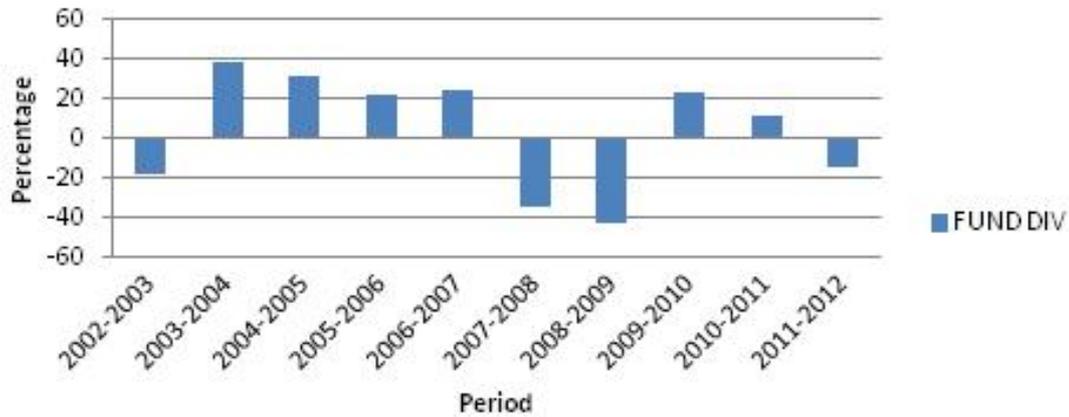
Period	Net asset value End of period (in the currency of the sub-fund)		
Year	Of the sub-fund	Of one share	
		Capitalization	Distribution
2010 - 06	52.013.846,10	352,76	213,70
2011 - 06	50.436.575,00	392,55	235,09
2012 - 06	40.858.162,66	336,91	197,60

2.4.5 PERFORMANCE FIGURES

BE0129141348

KBC Equity Fund - Belgium - DIV:

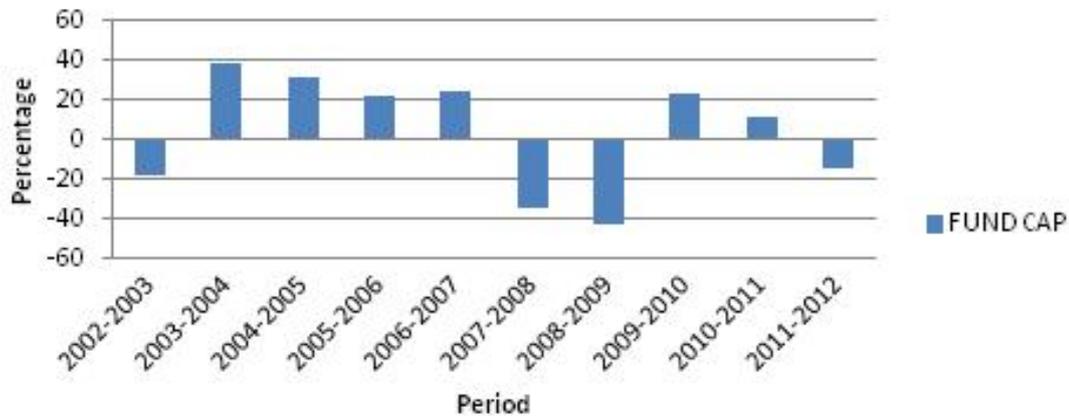
Annual performance on 30/06/2012 (in EUR)



BE0129009966

KBC Equity Fund - Belgium - CAP:

Annual performance on 30/06/2012 (in EUR)



Cap Div	ISIN code	Cur-rency	1 Year		3 Years*		5 Years*		10 Years*		Since launch*	
			Share classes	Bench mark	Launch Date	Share classes						
CAP	BE0129009966	EUR	-14.17%		5.60%		-14.93%		0.16%		31/05/1999	-1.68%
DIV	BE0129141348	EUR	-14.21%		5.58%		-14.95%		0.14%		31/05/1999	-1.70%

Risk warning: Past performance is not a guide to future performance.

* Return on annual basis.

- The bar chart shows the performance for full financial years.
- The figures do not take account of any restructuring.
- Calculated in EUR (ex BEF).
- the return is calculated as the change in the net asset value between two dates expressed as a percentage. In the case of units that pay dividends, the dividend is incorporated geometrically in the return.
- Calculation method for date D, where NAV stands for net asset value:
 - Capitalisation units (CAP)
 - Return on date D over a period of X years:

$$[\text{NAV}(D) / \text{NAV}(Y)]^{[1 / X] - 1}$$
 where $Y = D - X$
 - Return on date D since the start date S of the unit:

$$[\text{NAV}(D) / \text{NAV}(S)]^{[1 / F] - 1}$$
 where $F = 1$ if the unit has existed for less than one year on date D
 where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D
 - Distribution units (DIV)
 - Return on date D over a period of X years:

$$[C * \text{NAV}(D) / \text{NAV}(Y)]^{[1 / X] - 1}$$
 where $Y = D - X$
 - Return on date D since the start date S of the unit:

$$[C * \text{NAV}(D) / \text{NAV}(S)]^{[1 / F] - 1}$$
 where $F = 1$ if the unit has existed for less than one year on date D
 where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D
 where C is a factor that is determined for all N dividends between the calculation date D and the reference date.
 - For dividend i on date Di with value Wi:

$$C_i = [W_i / \text{NAV}(D_i)] + 1$$

$$i = 1 \dots N$$
 from which $C = C_0 * \dots * C_N$.
- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the n^{th} square root of 1 plus the total return of the unit.
- The return figures shown above do not take account of the fees and charges associated with the issue and redemption of units.
- These are the performance figures for capitalisation and distribution shares.

2.4.6 COSTS

Total expense ratio (TER): *

Distribution: 1.536%

Capitalization: 1.536%

Percentage calculated at the end of the financial year: 31 December

* The following costs have not been included in the TER:

- Transaction charges
- Interest payments on loans taken out
- Payments in respect of financial derivatives
- Fees and charges paid directly by the investor
- Any soft commissions

SOFT COMMISSIONS

The management company or the appointed manager, as the case may be, is the recipient of soft commissions.

The recipient has laid down an internal policy as regards accepting soft commissions and avoiding possible conflicts of interest in this respect, and has put appropriate internal controls in place to ensure this policy is observed.

For more information, please see the 'General' section of the annual report.

	Commission gross in EUR paid during the period: 1-01-12	CSA Credits in EUR accrued during the period: 1-01-12	
	-	-	
Broker	30-06-12	30-06-12	Percentage
CITI	924	577	62.50%
CSFBSAS	614	307	50.00%
DEUTSCHE	5,729	2,864	50.00%
HSBC	177	89	50.00%
SOCGEN	250	125	50.00%
UBSWDR	651	326	50.00%

FEE-SHARING AGREEMENTS AND REBATES:

The management company may share its fee with the distributor, and institutional and/or professional parties.

In principle, the percentage share amounts to between 35% and 60% if the distributor is an entity of KBC Group NV or to between 35% and 70% if the distributor is not an entity of KBC Group NV. However, in a small number of cases, the distributor's fee is less than 35%. Investors may, on request, obtain more information on these cases.

If the management company invests the assets of the undertaking for collective investment in units of undertakings for collective investment that are not managed by an entity of KBC Group NV, and receives a fee for doing so, it will pay this fee to the undertaking for collective investment.

Fee-sharing does not affect the amount of the management fee paid by the sub-fund to the management company. This management fee is subject to the limitations laid down in the articles of association. The limitations may only be amended after approval by the general meeting of shareholders.

The management company has concluded a distribution agreement with the distributor in order to facilitate the wider distribution of the sub-fund's units by using multiple distribution channels.

It is in the interests of the holders of units, the sub-fund and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund to be maximised in this way. In this respect, there is therefore no question of any conflict of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: 1.25% per annum calculated on the basis of the average total net assets of the sub-fund, excluding those assets invested in investment undertakings managed by a financial institution of the KBC group.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the average total net assets of the sub-fund.

Auditor's fee: 1 700 EUR per year. This fee is not including VAT and will be increased at the end of the 3-year mandate.

The custody fee is calculated on the value of the securities held in custody by the custodian on the final banking day of the preceding calendar year, except on those assets invested in investment undertakings managed by a financial institution of the KBC group. The custody fee is paid at the beginning of the calendar year.

Social, ethical and environmental aspects:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

Exercising voting rights

If necessary, relevant and in the interest of the shareholders, the management company will exercise the voting rights attached to the shares in the Bevek's portfolio.

The management company will adhere to the following criteria when determining how it stands relative to the items on the agenda that are put to the vote:

- Shareholder value may not be adversely affected.
- Corporate governance rules, especially with regard to the rights of minority shareholders, must be respected.
- The minimum standards with regard to sustainable business and corporate social responsibility must be met.

The list of companies for which voting rights are exercised is available at the registered office of the Bevek.

Name	Maximum management fee
KBC Equity Fund-Belgium	1,25

Securities lending

In accordance with the Royal Decree of 7 March 2006 concerning securities lending, the undertaking for collective investment has taken out securities loans with a principal to whom the full title of the loaned securities was transferred, without recording this transfer of ownership in the accounts.

For the period from 1 January 2012 to 30 June 2012, the fee for securities lent comes to - 3,246.42 EUR. KBC Asset Management NV receives 50% of the net fee received for securities lent.

The detailed list of securities lending transactions carried out can be obtained from the registered office of the collective investment undertaking at 2 Havenlaan, 1080 Brussels.

Overview of securities lent as at 30/06/2012

Name	Currency	Quantity	Price	Value in currency of the portfolio
BEKAERT	EUR	3.920	19,510	76.479,20
BNP PARIBAS	EUR	1	30,335	30,34
Total				76.509,54

Details of collateral received for securities lent

Name	Currency	Nominal value	Currency fund	Value in Currency fund
BUNDESREPUB.DTL. 2011 2.25% 04/09/21	EUR	1.000	EUR	1.093,22
OAT FRANCE 2003 4% 25/04/14	EUR	5.000	EUR	5.363,86
FRANCE 2007 4,50% 12/07/2012	EUR	35.000	EUR	36.577,28
NEDERLAND 2009 4.00% 15/07/19	EUR	27.000	EUR	32.220,37
Total				75.254,73

For the valuation of the collateral received, indicative prices have been used in this detail list by the Collateral Management Division of KBC Bank.

TABLE OF CONTENTS

- 2. Information on KBC Equity Fund World
 - 2.1. Management report
 - 2.1.1. Launch date and subscription price
 - 2.1.2. Stock exchange listing
 - 2.1.3. Aim and distinctive features of the investment policy
 - 2.1.4. Financial portfolio management
 - 2.1.5. Distributors
 - 2.1.6. Index and benchmark
 - 2.1.7. Policy conducted during the financial year
 - 2.1.8. Future policy
 - 2.1.9. Synthetic risk and reward indicator (SRRI)
 - 2.2. Balance sheet
 - 2.3. Profit and loss account
 - 2.4. Composition of the assets and key figures
 - 2.4.1. Composition of the assets
 - 2.4.2. Change in the composition of the assets
 - 2.4.3. Value of commitments in respect of financial derivatives positions
 - 2.4.4. Evolution of the number of subscriptions, repayments and the net asset value
 - 2.4.5. Return figures
 - 2.4.6. Expenses
 - 2.4.7. Notes to the financial statements and other data

2 INFORMATION ON KBC EQUITY FUND WORLD

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Launch date: 5 April 1991
Initial subscription price: 11741 BEF
Currency: EUR

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

The main objective of this sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. To this end, the assets are invested, either directly or indirectly via correlated financial instruments, primarily in shares.

SUB-FUND'S INVESTMENT POLICY:

PERMITTED ASSET CLASSES:

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the sub-fund's object.

RESTRICTIONS OF THE INVESTMENT POLICY:

The investment policy will be implemented within the limits set by law and regulations.
The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

PERMITTED DERIVATIVES TRANSACTIONS:

Derivates may be used either for hedging purposes or to achieve investment objectives. Changes will be made to the investments at regular intervals to comply with the sub-fund's investment strategy. **In addition, listed and unlisted derivates may be used to achieve the objectives:** these may be forward contracts, options or swaps on securities, indices, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions. **Such derivatives may also be used to hedge the assets against exchange-rate fluctuations.** Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions.

STRATEGY SELECTED

At least 75% of the assets are invested in an international basket of shares.

INVESTMENTS PRIMARILY IN ASSETS OTHER THAN SECURITIES OR MONEY MARKET INSTRUMENTS

The sub-fund will invest primarily in permitted assets other than securities or money market instruments, **including** units in other UCIs.

LENDING FINANCIAL INSTRUMENTS:

The sub-fund may lend financial instruments within the limits set by law and regulations.

This lending does not affect the sub-fund's risk profile since:

- it takes place within the framework of a securities lending system managed by a principal. In addition, the sub-fund has a relationship only with the principal of the securities lending system which acts as counterparty and to which title of the loaned securities is transferred. The choice of principal is subject to strict selection criteria. The return of securities similar to the securities that have been lent is guaranteed by the principal.
- through a margin management system, the sub-fund is always guaranteed financial security, the actual value of which always exceeds the actual value of the securities that have been lent, in case the principal does not return similar securities.

The return of securities similar to the securities that have been lent can be requested at any time, which means that the lending of securities does not affect the management of the sub-fund's assets. By lending securities, the sub-fund can generate an additional return. The principal pays a fee to the management company. After deducting the fee for the margin management and clearing services of KBC Bank, most of this fee is paid to the sub-fund.

The relationship with the counterparty or counterparties is governed by standard international agreements.

More information is provided on the terms and conditions governing securities lending in the annual or half-yearly report for the sub-fund.

VOLATILITY OF THE NET ASSET VALUE:

The volatility of the net asset value may be high due to the composition of the portfolio.

GENERAL STRATEGY FOR HEDGING THE EXCHANGE RATE RISK:

In order to protect its assets against exchange rate fluctuations and within the limitations laid down in the articles of association, the sub-fund may perform transactions relating to the sale of forward currency contracts, as well as the sale of call options and the purchase of put options on currencies. The transactions in question may relate solely to contracts traded on a regulated market that operates regularly, is recognised and is open to the public or that are traded with a recognised, prime financial institution specialising in such transactions and dealing in the over-the-counter (OTC) market in options. With the same objective, the sub-fund may also sell currencies forward or exchange them in private transactions with prime financial institutions specialising in such transactions. The hedging objective of the aforementioned transactions suggests that there is a direct link between these transactions and the assets to be hedged, which implies that the transactions carried out in a particular currency may in principle not exceed, in terms of volume, either the valuation value of all the assets in the same currency or the holding period of those assets.

SOCIAL, ETHICAL AND ENVIRONMENTAL ASPECTS:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

THE EUROPEAN SAVINGS DIRECTIVE AND TAX ON DEBT CLAIM RETURNS OBTAINED THROUGH THE REDEMPTION OF OWN UNITS OR IN THE EVENT OF FULL OR PARTIAL DISTRIBUTION OF EQUITY CAPITAL.

The following information is of a general character and is not intended to cover all aspects of an investment in a UCITS. In certain cases entirely different rules might even apply. Moreover, both tax law and the interpretation of it can change. Investors who wish to have more information about the tax implications – in both Belgium and abroad – of acquiring, holding and transferring units should seek the advice of their usual financial and tax advisers.

This UCITS shall invest a maximum of 15% of its assets directly or indirectly in debt instruments as intended by the European Savings Directive.

A. European Savings Directive (Directive 2003/48/EC)

The European Savings Directive has been implemented in Belgium through:

- The Law of 17 May 2004 transposing into Belgian law Directive 2003/48/EC of 3 June 2003 of the Council of the European Union on taxation of savings income in the form of interest payments and amending Income Tax Code 1992 on withholding tax;
- The Royal Decree of 27 September 2009 implementing Article 338bis § 2 of Income Tax Code 1992;
- The Royal Decree of 27 September 2009 concerning the entry into effect of Article 338bis § 2, paragraphs one to three, of Income Tax Code 1992;

Since this UCITS invests a maximum of 15% of its assets directly or indirectly in debt claims as intended by the European Savings Directive, the income of this UCITS does not fall within the scope of this directive.

B. Tax on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital (Article 19bis Income Tax Code 1992).

The income from this UCITS is not subject to the tax on debt instrument returns as intended by Article 19bis, Income Tax Code 1992.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

There is no delegation of the portfolio.

2.1.5 DISTRIBUTORS

KBC Asset Management S.A., 5, Place de la Gare, L-1616 Luxembourg.

2.1.6 INDEX AND BENCHMARK

See 'Sub-fund's investment policy'.

2.1.7 POLICY PERSUED DURING THE FINANCIAL YEAR

Over the past six months, we have reduced mainly our defensive positions (high dividend) in favour of more cyclical sectors (technology and industry).

We are also focusing rather on European shares, since they are cheaper than US shares. In addition, more European than US companies generate a significant portion of their profits in emerging countries, where growth is currently high. This is, therefore, the reason why we have reduced our position in US shares slightly.

2.1.8 FUTURE POLICY

A few major issues still need to be solved before we can speak of a true recovery on the stock markets.

In Europe, these issues involve lasting solutions to the debt crisis. In the US, we are looking at how the budget deficit is being tackled and the trend in job growth. Lastly, the trend in domestic demand in the emerging markets (and China in particular) is important, too.

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

6 on a scale of 1 (lowest risk) to 7 (highest risk).

The value of a share can decrease or increase and the investor may not get back the amount invested.

In accordance with Commission Regulation (EU) No. 583/2010, a synthetic risk and reward indicator has been calculated. This indicator provides a quantitative measure of the sub-fund's potential return and the risk involved, calculated in the currency in which the sub-fund is denominated. It is given as a figure between 1 and 7. The higher the figure, the greater the potential return, but also the more difficult it is to predict this return. Losses are possible too. The lowest figure does not mean that the investment is entirely free of risk. However, it does indicate that, compared with the higher figures, this product will generally provide a lower, but more predictable return.

The synthetic risk and reward indicator is assessed regularly and can therefore go up or down based on data from the past. Data from the past is not always a reliable indicator of future risk and return.

The most recent indicator can be found under the 'Risk and reward profile' heading in the 'Key Investor Information' document.

2.2 BALANCE SHEET

Balance sheet layout	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
TOTAL NET ASSETS	89.271.206,96	96.956.362,35
II. Securities, money market instruments, UCIs and derivatives		
A. Bonds and other debt instruments		
a) Bonds	1.055.964,10	
C. Shares and similar instruments		
a) Shares	1.106.203,59	961.038,10
b) Closed-end undertakings for collective investment		102.462,68
D. Other securities		60,94
E. Open-end undertakings for collective investment	86.509.752,48	95.332.111,98
F. Derivative financial instruments		
m) Financial indices		
Futures and forward contracts (+/-)	51.142,98	
n) Derivative financial instruments		
Swap contracts (+/-)		44.361,92
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable	59.359,97	2.864,44
b) Tax assets		5.514,87
B. Payables		
a) Accounts payable (-)	-97.433,53	-100.773,19
c) Borrowings (-)	-934.547,79	
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	1.583.625,21	647.481,43
VI. Accruals and deferrals		
A. Expense to be carried forward	1.995,45	18.055,88
B. Accrued income	260,27	6.717,05
C. Accrued expense (-)	-65.115,75	-63.533,75
TOTAL SHAREHOLDERS' EQUITY	89.271.206,96	96.956.362,35
A. Capital	84.716.367,38	96.103.072,23
B. Income equalization	-1.817,65	15.631,44
D. Result for the period	4.556.657,23	837.658,68

Off-balance-sheet headings

III	Notional amounts of futures and forward contracts		
III.A	Purchased futures and forward contracts	1.053.044,45	
IV	Notional amounts of swap contracts (+)		5.180.000,00

2.3 PROFIT AND LOSS ACCOUNT

Income Statement	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
I. Net gains(losses) on investments		
A. Bonds and other debt instruments		
a) Bonds	-130.451,40	
C. Shares and similar instruments		
a) Shares	-32.444,03	1.814.741,95
b) Closed-end undertakings for collective investment	2.254,68	7.014,56
D. Other securities		26,14
E. Open-end undertakings for collective investment	4.295.110,54	2.550.585,33
F. Derivative financial instruments		
l) Financial indices		
Futures and forward contracts	111.797,26	3.125,47
m) Derivative financial instruments		
Swap contracts (+/-)		-252.788,73
G. Receivables, deposits, cash at bank and in hand and payables		0,01
H. Foreign exchange positions and transactions		
b) Other foreign exchange positions and transactions	296.655,67	-2.929.949,33
II. Investment income and expenses		
A. Dividends	20.961,41	126.392,80
B. Interests		
a) Securities and money market instruments	169.633,22	18.381,44
b) Cash at bank and in hand and deposits	1.274,81	8.323,93
C. Interest on borrowings (-)	-1.019,35	-3.530,78
III. Other income		
B. Other		488,28
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-85.042,66	-12.531,63
B. Financial expenses (-)	-880,39	-3.341,56
C. Custodian's fee (-)	-2.339,28	-14.904,31
D. Manager's fee (-)		
a) Financial management	-20.039,37	-101.977,51
b) Administration and accounting management	-43.425,99	-61.838,65
E. Administrative expenses (-)	-93,82	
F. Formation and organisation expenses (-)	-9.971,67	-252.479,50
G. Remuneration, social security charges and pension	-7,35	-18,86
H. Services and sundry goods (-)	-9.290,95	-46.766,08
J. Taxes	-1.480,15	-850,71
K. Other expenses (-)	-4.543,95	-10.443,58
Income and expenditure for the period		
Subtotal II + III + IV	13.734,51	-355.096,72
V. Profit (loss) on ordinary activities before tax	4.556.657,23	837.658,68
VII. Result for the period	4.556.657,23	837.658,68

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC EQUITY FUND WORLD

Name	Quantity on 30/06/2012	Currency	Price in currency	Evaluation (in the currency of the sub-fund)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
Investment funds							
Closed-end funds							
Listed closed-end investment funds							
<u>Belgium</u>							
KBC ECO FUND WATER IS B KAP	1.315,00	EUR	662,990	871.831,85	0,58	0,98	0,98
KBC EQUITY FUND AMERICA IS B KAP	6.657,00	USD	1.442,180	7.564.882,40	3,47	8,53	8,47
KBC EQUITY FUND COMMODITIES & MATERIALS IS B KAP	2.722,00	EUR	439,060	1.195.121,32	1,82	1,35	1,34
KBC EQUITY FUND CONSUMER DURABLES IS B KAP	3.222,00	EUR	322,380	1.038.708,36	2,26	1,17	1,16
KBC EQUITY FUND EUROZONE IS B KAP	48.628,00	EUR	304,790	14.821.328,12	2,92	16,71	16,61
KBC EQUITY FUND FINANCE IS B KAP	17.966,00	EUR	333,730	5.995.793,18	2,81	6,76	6,72
KBC EQUITY FUND FOOD & PERSONAL PRODUCTS IS B KAP	3.891,00	EUR	1.085,400	4.223.291,40	2,31	4,76	4,73
KBC EQUITY FUND GLOBAL LEADERS IS B KAP	5.320,00	EUR	260,210	1.384.317,20	1,62	1,56	1,55
KBC EQUITY FUND GROWTH BY INNOVATION IS B KAP	9.561,00	EUR	154,170	1.474.019,37	2,91	1,66	1,65
KBC EQUITY FUND HIGH DIVIDEND IS B KAP	1.933,00	EUR	818,180	1.581.541,94	0,93	1,78	1,77
KBC EQUITY FUND HIGH DIVIDEND NEW MARKETS IS B KAP	10.388,00	EUR	423,750	4.401.915,00	2,69	4,96	4,93
KBC EQUITY FUND HIGH DIVIDEND NORTH AMERICA IS B KAP	6.166,00	USD	555,440	2.698.639,22	2,57	3,04	3,02
KBC EQUITY FUND INDUSTRIALS & INFRASTRUCTUR IS B KAP	10.795,00	EUR	194,230	2.096.712,85	2,83	2,36	2,35
KBC EQUITY FUND LUXURY & TOURISM IS B KAP	12.367,00	EUR	104,890	1.297.174,63	2,75	1,46	1,45
KBC EQUITY FUND MILLENNIUM IS B KAP	19.610,00	EUR	87,940	1.724.503,40	2,34	1,94	1,93
KBC EQUITY FUND NEW ASIA IS B KAP	7.420,00	EUR	500,180	3.711.335,60	1,35	4,18	4,16
KBC EQUITY FUND OIL IS B KAP	3.916,00	EUR	617,350	2.417.542,60	1,94	2,73	2,71
KBC EQUITY FUND PACIFIC IS B KAP	770,00	EUR	345,700	266.189,00	1,31	0,30	0,30
KBC EQUITY FUND PHARMA IS B KAP	5.257,00	EUR	716,620	3.767.271,34	2,03	4,25	4,22
KBC EQUITY FUND QUANT EMU IS B KAP	29.473,00	EUR	441,700	13.018.224,10	3,50	14,67	14,58
KBC EQUITY FUND QUANT EUROPE IS B KAP	3.937,00	EUR	312,030	1.228.462,11	3,18	1,39	1,38
KBC EQUITY FUND SATELLITES IS B KAP	1.047,00	EUR	830,030	869.041,41	2,29	0,98	0,97
KBC EQUITY FUND TECHNOLOGY IS B KAP	36.000,00	USD	143,160	4.060.956,58	1,62	4,58	4,55
KBC EQUITY FUND TELECOM IS B KAP	3.221,00	EUR	272,560	877.915,76	1,96	0,99	0,98
Open-end funds							
UCITS registered with the FSMA							
<u>Belgium</u>							
KBC EQUITY FUND EUROPE KAP	1.696,00	EUR	1.077,760	1.827.880,96	2,22	2,06	2,05
UCI registered with FSMA							
<u>Belgium</u>							
KBC MULTI TRACK GERMANY KAP	11.809,00	EUR	177,420	2.095.152,78	1,59	2,36	2,35
Total investment funds				86.509.752,48		97,51	96,91

Bonds							
Corporate bonds							
<u>Ireland</u>							
ARCADE FINANCE PLC R17 SUB 14/05/13	545.000,00	EUR	63,880	348.146,00		0,39	0,39
D-STAR FINANCE PLC SUB 14/05/13	1.111.000,00	EUR	63,710	707.818,10		0,80	0,79
Total bonds				1.055.964,10		1,19	1,18
Shares							
Exchange-listed shares							
<u>France</u>							
GDF SUEZ STRIP VVPR	62,00	EUR	0,001	0,06			
<u>U.S.A.</u>							
ISHARES TRUST CDN S&P/TSX 60	86.162,00	CAD	16,610	1.106.203,53		1,25	1,24
Total shares				1.106.203,59		1,25	1,24
Options and futures							
Exchange-listed futures							
<u>Belgium</u>							
EURO - STOXX 50 SEP 12	23,00	EUR	2.255,000	518.650,00		0,59	0,58
<u>U.S.A.</u>							
STAND & POORS SEP 12	2,00	USD	1.356,400	534.394,45		0,60	0,60
Suspense accounts (futures)							
<u>Belgium</u>							
EURO - STOXX 50 SEP 12	-487.600,00	EUR	1,000	-487.600,00		-0,55	-0,55
<u>U.S.A.</u>							
STAND & POORS SEP 12	-652.700,00	USD	1,000	-514.301,47		-0,58	-0,58
Total options and futures				51.142,98		0,06	0,06
TOTAL SECURITIES PORTFOLIO				88.723.063,15		100,00	99,39
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP AUD	607,12	AUD	1,000	490,38			0,00
KBC GROUP CAD	11.018,84	CAD	1,000	8.516,98			0,01
KBC GROUP CHF	881,01	CHF	1,000	733,47			0,00
KBC GROUP CZK	37,50	CZK	1,000	1,47			
KBC GROUP DKK	941,22	DKK	1,000	126,60			
KBC GROUP EURO	534.092,67	EUR	1,000	534.092,67			0,60
KBC GROUP GBP	2.864,83	GBP	1,000	3.540,76			0,00
KBC GROUP HKD	298,11	HKD	1,000	30,28			
KBC GROUP HUF	35.536,57	HUF	1,000	124,36			
KBC GROUP JPY	64.084,00	JPY	1,000	632,87			0,00
KBC GROUP NOK	2.820,40	NOK	1,000	373,87			
KBC GROUP PLN	561,23	PLN	1,000	132,52			
KBC GROUP SEK	750,86	SEK	1,000	85,72			
KBC GROUP SGD	510,99	SGD	1,000	317,84			
KBC GROUP TRY	3.266,20	TRY	1,000	1.422,93			0,00
KBC GROUP USD	-1.168.991,67	USD	1,000	-921.118,64			-1,03

KBC GROUP ZAR	921,19	ZAR	1,000	88,76		
Total demand accounts				-370.407,16		-0,42
Managed futures accounts						
<u>Belgium</u>						
KBC GROUP EURO FUT REK	-13.429,15	EUR	1,000	-13.429,15		-0,02
KBC GROUP JPY FUT REK	-2,20	JPY	1,000	-0,02		
KBC GROUP USD FUT REK	1.310.870,81	USD	1,000	1.032.913,73		1,16
Total managed futures accounts				1.019.484,56		1,14
TOTAL CASH AT BANK AND IN HAND				649.077,40		0,73
OTHER RECEIVABLES AND PAYABLES						
Receivables						
<u>Belgium</u>						
KBC GROUP EUR RECEIVABLE	59.359,97	EUR	1,000	59.359,97		0,07
Total receivables				59.359,97		0,07
Payables						
<u>Belgium</u>						
KBC GROUP EUR PAYABLE	-97.433,53	EUR	1,000	-97.433,53		-0,11
Payables				-97.433,53		-0,11
TOTAL RECEIVABLES AND PAYABLES				-38.073,56		-0,04
OTHER						
Accrued interest		EUR		260,27		
Expenses payable		EUR		-65.115,75		-0,07
Expenses to be carried forward		EUR		1.995,45		0,00
TOTAL OTHER				-62.860,03		-0,07
TOTAL NET ASSETS				89.271.206,96		100,00

Geographic breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Argentina	0,04	0,01	0,00	0,01
Australia	2,67	2,88	1,54	0,90
Austria	0,31	0,17	0,25	0,27
Belgium	3,11	0,95	2,47	3,50
Bermuda	0,57	0,50	0,36	0,36
Brazil	2,36	2,33	1,32	1,05
Canada	1,54	1,65	1,77	1,31
Switzerland	2,35	3,09	2,45	1,98
Chile	0,09	0,09	0,08	0,15
China	2,19	1,91	1,81	1,84
Colombia	0,04	0,04	0,23	0,17
Czech Republic	0,26	0,18	0,16	0,07
Cayman Islands	0,24	0,23	0,18	0,32
Cyprus	0,03	0,04	0,01	0,02
Germany	5,15	5,33	8,64	12,69
Denmark	0,43	0,82	0,42	0,51
Egypt	0,00	0,00	0,01	0,00
Spain	1,22	1,14	3,19	3,53
Finland	0,69	0,64	0,83	0,44
France	3,62	3,98	8,73	10,87
U.K.	8,97	10,20	7,24	6,02
Greece	0,23	0,17	0,08	0,06
Hong Kong	2,85	1,66	1,39	1,37
Hungary	0,18	0,09	0,03	0,01
India	0,91	1,12	0,78	0,80
Indonesia	0,30	0,32	0,34	0,47
Ireland	0,80	0,58	3,30	1,80
Israel	0,07	0,10	0,06	0,04
Italy	1,05	1,40	2,21	3,09
Jersey/The Channel Islands	0,09	0,12	0,21	0,15
Japan	6,36	5,80	3,74	3,11
South Korea	2,55	2,26	2,26	2,32
Croatia	0,01	0,00	0,00	0,00
Luxembourg	0,24	0,20	0,49	0,43
Mexico	0,79	0,82	0,42	0,44
Malaysia	0,46	0,60	0,58	0,62
Netherlands	1,59	1,77	3,50	3,62
Norway	0,60	0,54	0,45	0,45
New Zealand	0,03	0,02	0,02	0,01
Peru	0,04	0,04	0,11	0,09
Philippines	0,07	0,08	0,14	0,20
Poland	0,72	0,30	0,23	0,12
Portugal	0,18	0,12	0,27	0,09
Romania	0,03	0,01	0,01	0,00
Russia	0,60	1,66	1,42	0,50
Singapore	0,90	0,58	0,33	0,25
Slovenia	0,00	0,00	0,01	0,00
Sweden	0,93	1,39	0,87	0,80
Thailand	0,24	0,20	0,23	0,38
Turkey	0,51	0,42	0,24	0,33
Taiwan	2,04	1,75	1,88	1,88
U.S.A.	37,89	38,86	32,03	29,88

Guernsey The Channel Islands	0,00	0,01	0,00	0,00
South Africa	0,86	0,81	0,66	0,65
Congo	0,00	0,02	0,02	0,03
Total	100,00	100,00	100,00	100,00

Sector breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Cyclicals	28,40	30,16	25,73	25,07
Consum(cycl)	12,03	10,15	10,14	12,09
Cons.goods	9,44	9,69	11,91	12,63
Pharma	6,10	8,42	8,80	8,77
Financials	22,15	20,03	21,43	20,56
Technology	12,48	11,44	10,83	11,86
Telecomm.	4,43	5,66	6,46	4,18
Utilities	3,05	2,81	3,48	3,61
Real est.	1,84	1,56	1,17	1,13
Governm.	0,03	0,04	0,01	0,01
Unit trusts	0,00	0,01	0,01	0,02
Various	0,05	0,03	0,03	0,07
Total	100,00	100,00	100,00	100,00

Currency breakdown (as a % of net assets)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
AUD	2,63	2,87	1,56	0,90
BRC	0,90	0,00	0,00	0,00
BRL	1,36	2,23	1,27	1,04
CAD	2,56	2,62	3,15	2,51
CHF	2,58	3,09	2,48	1,74
CNY	0,45	0,19	0,18	0,03
COP	0,04	0,04	0,04	0,02
CZK	0,33	0,20	0,17	0,07
DKK	0,44	0,82	0,42	0,51
EUR	15,76	16,75	34,52	41,06
GBP	8,72	9,61	6,80	5,15
HKD	4,80	3,51	3,07	3,48
HRK	0,01	0,00	0,00	0,00
HUF	0,18	0,09	0,03	0,01
IDR	0,32	0,42	0,43	0,50
ILS	0,00	0,00	0,00	0,01
INR	0,80	0,94	0,62	0,71
JPY	6,47	5,77	3,66	3,14
KRW	2,54	2,24	2,24	2,31
MXN	0,55	0,56	0,31	0,42
MYR	0,46	0,60	0,58	0,60
NOK	0,63	0,58	0,45	0,44
NZD	0,03	0,02	0,03	0,01
PEN	0,01	0,01	0,00	0,00
PHP	0,06	0,08	0,14	0,20
PLN	0,73	0,31	0,23	0,12
RON	0,03	0,01	0,01	0,00
SEK	0,95	1,37	0,88	0,79
SGD	0,92	0,54	0,30	0,25
THB	0,25	0,21	0,26	0,38
TRY	0,52	0,42	0,24	0,33
TWD	2,01	1,83	1,82	1,88
USD	41,12	41,23	33,43	30,71
ZAR	0,84	0,84	0,68	0,68
Total	100,00	100,00	100,00	100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC EQUITY FUND WORLD (IN THE CURRENCY OF THE SUB-FUND)

	1st half of year	Year
Purchases	28.410.682,60	28.410.682,60
Sales	31.620.882,65	31.620.882,65
Total 1	60.031.565,25	60.031.565,25
Subscriptions	4.288.490,82	4.288.490,82
Redemptions	7.527.732,96	7.527.732,96
Total 2	11.816.223,78	11.816.223,78
Monthly average of total assets	92.098.780,85	92.098.780,85
Turnover rate	52,35 %	52,35 %

	1st half of year	Year
Purchases	28.410.682,60	28.410.682,60
Sales	31.620.882,65	31.620.882,65
Total 1	60.031.565,25	60.031.565,25
Subscriptions	4.288.490,82	4.288.490,82
Redemptions	7.527.732,96	7.527.732,96
Total 2	11.816.223,78	11.816.223,78
Monthly average of total assets	91.396.560,40	91.396.560,40
Corrected turnover rate	52,75 %	52,75 %

The table above shows the capital volume of portfolio transactions. This volume (adjusted to take account of total subscriptions and redemptions) is also compared to the average net assets at the beginning and end of the period.

A figure close to 0% implies that the transactions relating to the securities or transactions relating to the assets (excluding deposits and cash) in a given period only involve subscriptions and redemptions.

A negative percentage shows that subscriptions and redemptions entailed few, if any, transactions in the portfolio.

Active asset management may result in high turnover rates (monthly percentage >50%).

The detailed list of transactions is available for consultation free of charge at the registered office of the Bevek or fund at Havenlaan 2, 1080 Brussels.

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

NAME	Currency	Value in currency	In the currency of the sub-fund	Lot-size	Transaction date
EUROSTOX 09/12/2012	EUR	518.650,00	518.650,00	10,00	12.06.2012
STPOORS 09/12/2012	USD	678.200,00	534.394,45	250,00	12.06.2012

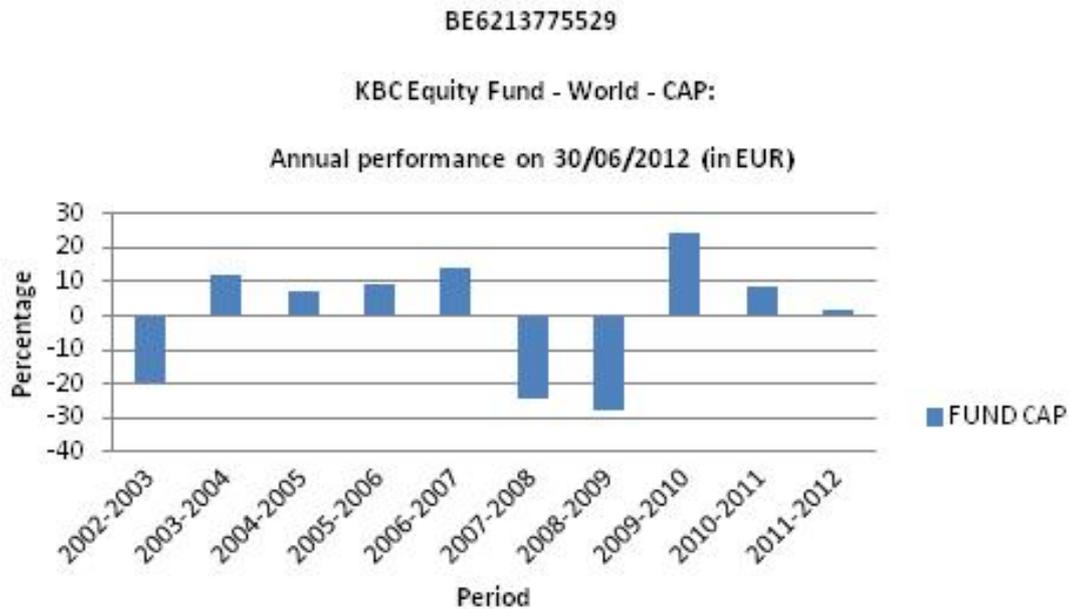
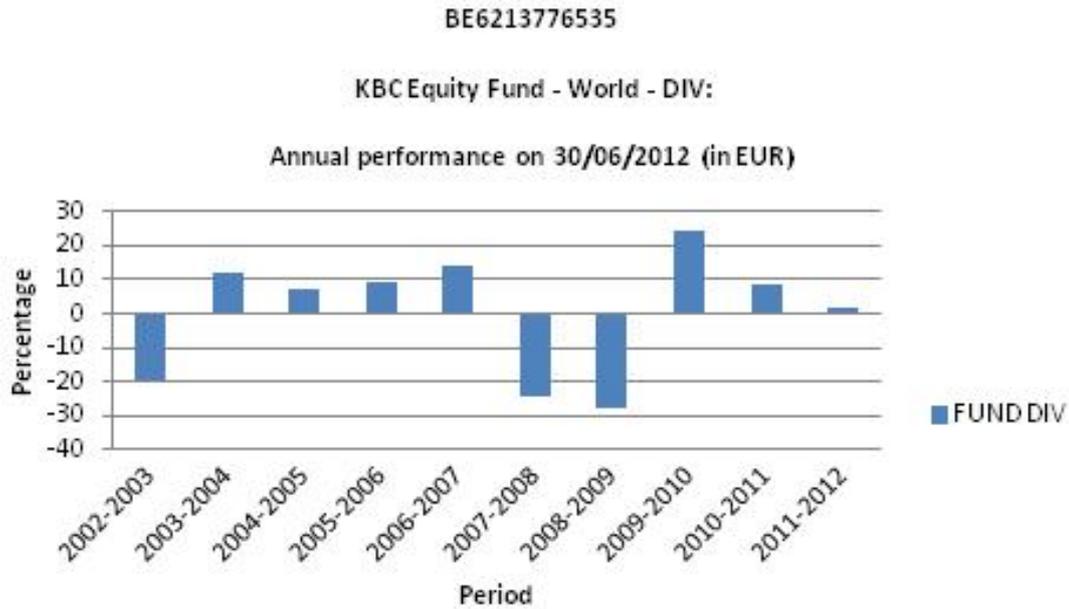
2.4.4 CHANGES OF THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND THE NET ASSET VALUE

Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2010 - 06	5.130,63	1.125,00	6.181,12	389,00	52.063,74	3.813,00	55.876,74
2011 - 06	7.969.196,46	280.739,81	7.661.952,96	257.085,01	359.307,24	27.467,80	386.775,04
2012 - 06	18.428,71	366,51	53.558,45	2.993,88	324.177,50	24.840,43	349.017,92

Period	Amounts received and paid by the UCI (in the currency of the sub-fund)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2010 - 06	2.228.727,34	462.744,68	2.764.288,50	151.271,95
2011 - 06	2.558.656,61	250.086,94	2.256.905.993,93	83.623.593,76
2012 - 06	4.825.567,94	78.115,15	13.285.723,94	619.375,18

Period	Net asset value End of period (in the currency of the sub-fund)		
Year	Of the sub-fund	Of one share	
		Capitalization	Distribution
2010 - 06	25.743.098,99	465,93	389,52
2011 - 06	96.956.362,35	253,63	212,09
2012 - 06	89.271.206,96	258,86	215,54

2.4.5 PERFORMANCE FIGURES



Cap Div	ISIN code	Cur- rency	1 Year		3 Years*		5 Years*		10 Years*		Since launch*	
			Share classes	Bench mark	Launch Date	Share classes						
CAP	BE6213775529	EUR	2.06%		11.50%		-5.47%		-0.85%		05/04/1991	2.68%
DIV	BE6213776535	EUR	2.06%		11.51%		-5.47%		-0.86%		05/04/1991	2.22%

Risk warning: Past performance is not a guide to future performance.

* Return on annual basis.

- The bar chart shows the performance for full financial years.
- The figures do not take account of any restructuring.
- Calculated in EUR (ex BEF).
- the return is calculated as the change in the net asset value between two dates expressed as a percentage. In the case of units that pay dividends, the dividend is incorporated geometrically in the return.
- Calculation method for date D, where NAV stands for net asset value:
 - Capitalisation units (CAP)
 - Return on date D over a period of X years:

$$[\text{NAV}(D) / \text{NAV}(Y)]^{[1 / X] - 1}$$
 where $Y = D - X$
 - Return on date D since the start date S of the unit:

$$[\text{NAV}(D) / \text{NAV}(S)]^{[1 / F] - 1}$$
 where $F = 1$ if the unit has existed for less than one year on date D
 where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D
 - Distribution units (DIV)
 - Return on date D over a period of X years:

$$[C * \text{NAV}(D) / \text{NAV}(Y)]^{[1 / X] - 1}$$
 where $Y = D - X$
 - Return on date D since the start date S of the unit:

$$[C * \text{NAV}(D) / \text{NAV}(S)]^{[1 / F] - 1}$$
 where $F = 1$ if the unit has existed for less than one year on date D
 where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D
 where C is a factor that is determined for all N dividends between the calculation date D and the reference date.
 - For dividend i on date Di with value Wi:

$$C_i = [W_i / \text{NAV}(D_i)] + 1$$

$$i = 1 \dots N$$
 from which $C = C_0 * \dots * C_N$.
- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the n^{th} square root of 1 plus the total return of the unit.
- The return figures shown above do not take account of the fees and charges associated with the issue and redemption of units.
- These are the performance figures for capitalisation and distribution shares.

2.4.6 COSTS

Total expense ratio (TER): *

Distribution: 1.685%

Capitalization: 1.685%

Percentage calculated at the end of the financial year: 31 December

* The following costs have not been included in the TER:

- Transaction charges
- Interest payments on loans taken out
- Payments in respect of financial derivatives
- Fees and charges paid directly by the investor
- Any soft commissions

SOFT COMMISSIONS

The management company or the appointed manager, as the case may be, is the recipient of soft commissions.

The recipient has laid down an internal policy as regards accepting soft commissions and avoiding possible conflicts of interest in this respect, and has put appropriate internal controls in place to ensure this policy is observed.

For more information, please see the 'General' section of the annual report.

	Commission gross in EUR paid during the period: 1-01-12	CSA Credits in EUR accrued during the period: 1-01-12	
	-	-	
Broker	30-06-12	30-06-12	Percentage
CSFBSAS	155	86	55.55%
JP MORGAN	28	16	55.54%

FEE-SHARING AGREEMENTS AND REBATES:

The management company may share its fee with the distributor, and institutional and/or professional parties.

In principle, the percentage share amounts to between 35% and 60% if the distributor is an entity of KBC Group NV or to between 35% and 70% if the distributor is not an entity of KBC Group NV. However, in a small number of cases, the distributor's fee is less than 35%. Investors may, on request, obtain more information on these cases.

If the management company invests the assets of the undertaking for collective investment in units of undertakings for collective investment that are not managed by an entity of KBC Group NV, and receives a fee for doing so, it will pay this fee to the undertaking for collective investment.

Fee-sharing does not affect the amount of the management fee paid by the sub-fund to the management company. This management fee is subject to the limitations laid down in the articles of association. The limitations may only be amended after approval by the general meeting of shareholders.

The management company has concluded a distribution agreement with the distributor in order to facilitate the wider distribution of the sub-fund's units by using multiple distribution channels.

It is in the interests of the holders of units, the sub-fund and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund to be maximised in this way. In this respect, there is therefore no question of any conflict of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: 1.25% per annum calculated on the basis of the average total net assets of the sub-fund, excluding those assets invested in investment undertakings managed by a financial institution of the KBC group.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the average total net assets of the sub-fund.

Auditor's fee: 1 700 EUR per year. This fee is not including VAT and will be increased at the end of the 3-year mandate.

The custody fee is calculated on the value of the securities held in custody by the custodian on the final banking day of the preceding calendar year, except on those assets invested in investment undertakings managed by a financial institution of the KBC group. The custody fee is paid at the beginning of the calendar year.

Social, ethical and environmental aspects:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

Exercising voting rights

If necessary, relevant and in the interest of the shareholders, the management company will exercise the voting rights attached to the shares in the Bevek's portfolio.

The management company will adhere to the following criteria when determining how it stands relative to the items on the agenda that are put to the vote:

- Shareholder value may not be adversely affected.
- Corporate governance rules, especially with regard to the rights of minority shareholders, must be respected.
- The minimum standards with regard to sustainable business and corporate social responsibility must be met.

The list of companies for which voting rights are exercised is available at the registered office of the Bevek.

Financial derivatives on financial indices

The following financial indices were used as the underlying for financial derivatives:

The **Euro Stoxx 50** is a weighted equity index computed by Stoxx Ltd. The dividend is not reinvested. The main purpose of this index is to provide a continuous indication of market trends on the European stock markets. The base value of the index is 1000, calculated on the basis of the underlying prices recorded on 31 December 1991.

The Euro Stoxx 50 consists solely of shares from countries participating in the Economic and Monetary Union, with the exception of Luxembourg. On 10 April 1998, the following stock exchanges were included in the index: Austria (Vienna), Belgium (Brussels), Finland (Helsinki), France (Paris), Germany (Frankfurt), Italy (Milan), Ireland (Dublin), the Netherlands (Amsterdam), Portugal (Lisbon) and Spain (Madrid).

The index consists of the 50 largest European shares in terms of shares that are freely negotiable, and the shares are accordingly weighted on the basis of this criterion.

The Euro Stoxx 50 is published daily in L'Echo, De Tijd, The Financial Times and The Wall Street Journal Europe.

Stoxx Limited has all proprietary rights with respect to the index. In no way Stoxx Limited endorses, sponsors or is otherwise involved in the issue and offering the shares of this undertaking for collective investment. Stoxx Limited disclaims any liability for the issue and offering of the shares of this undertaking for collective investment.

The **S&P 500** is an equity index computed by Standard & Poor's that is made up of 500 shares. The dividend is not reinvested. The S&P 500 serves primarily as a continuous indicator of market trends on the US stock markets. The value of the S&P 500 index is calculated on the basis of the market value of the shares of 500 companies at a given point in time, compared to the market value of the shares of 500 similar companies during the reference period from 1941 to 1943. The index is published daily in L'Echo, De Tijd, The Financial Times and The Wall Street Journal Europe.

Standard & Poor's has all proprietary rights with respect to the index. In no way Standard & Poor's endorses, sponsors or is otherwise involved in the issue and offering the shares of this undertaking for collective investment. Standard & Poor's disclaims any liability for the issue and offering of the shares of this undertaking for collective investment

The value and, if available for distribution, the composition of the aforementioned financial indices may be obtained from the branches providing the financial service.

Name	Maximum management fee
KBC Eco Fund-Water-Institutional B Shares	1,30
KBC Equity Fund-America-Institutional B Shares	1,25
KBC Equity Fund-Commodities & Materials-Institutional B Shares	1,35
KBC Equity Fund-Consumer Durables-Institutional B Shares	1,35
KBC Equity Fund-Eurozone-Institutional B Shares	1,25
KBC Equity Fund-Finance-Institutional B Shares	1,35
KBC Equity Fund-Food & Personal Products-Institutional B Shares	1,35
KBC Equity Fund-Global Leaders-Institutional B Shares	1,35
KBC Equity Fund-Growth by Innovation-Institutional B Shares	1,35
KBC Equity Fund-High Dividend-Institutional B Shares	1,35
KBC Equity Fund-High Dividend New Markets-Institutional B Shares	1,50
KBC Equity Fund-High Dividend North America-Institutional B Shares	1,35
KBC Equity Fund-Industrials & Infrastructure-Institutional B Shares	1,25
KBC Equity Fund-Luxury & Tourism-Institutional B Shares	1,35
KBC Equity Fund-Millennium-Institutional B Shares	1,35
KBC Equity Fund-New Asia-Institutional B Shares	1,50
KBC Equity Fund-Oil-Institutional B Shares	1,35
KBC Equity Fund-Pacific-Institutional B Shares	1,40
KBC Equity Fund-Pharma-Institutional B Shares	1,35
KBC Equity Fund-Quant EMU-Institutional B Shares	1,35
KBC Equity Fund-Quant Europe-Institutional B Shares	1,35
KBC Equity Fund-Satellites-Institutional B Shares	1,25
KBC Equity Fund-Technology-Institutional B Shares	1,35
KBC Equity Fund-Telecom-Institutional B Shares	1,35
KBC Equity Fund-Europe	1,25
KBC Multi Track-Germany	0,70
KBC Equity Fund-World	1,25

Securities lending

In accordance with the Royal Decree of 7 March 2006 concerning securities lending, the undertaking for collective investment has taken out securities loans with a principal to whom the full title of the loaned securities was transferred, without recording this transfer of ownership in the accounts.

For the period from 1 January 2012 to 30 June 2012, the fee for securities lent comes to - 3,985.01 EUR. KBC Asset Management NV receives 50% of the net fee received for securities lent.

The detailed list of securities lending transactions carried out can be obtained from the registered office of the collective investment undertaking at 2 Havenlaan, 1080 Brussels.

TABLE OF CONTENTS

- 2. Information on KBC Equity Fund Europe
 - 2.1. Management report
 - 2.1.1. Launch date and subscription price
 - 2.1.2. Stock exchange listing
 - 2.1.3. Aim and distinctive features of the investment policy
 - 2.1.4. Financial portfolio management
 - 2.1.5. Distributors
 - 2.1.6. Index and benchmark
 - 2.1.7. Policy conducted during the financial year
 - 2.1.8. Future policy
 - 2.1.9. Synthetic risk and reward indicator (SRRI)
 - 2.2. Balance sheet
 - 2.3. Profit and loss account
 - 2.4. Composition of the assets and key figures
 - 2.4.1. Composition of the assets
 - 2.4.2. Change in the composition of the assets
 - 2.4.3. Value of commitments in respect of financial derivatives positions
 - 2.4.4. Evolution of the number of subscriptions, repayments and the net asset value
 - 2.4.5. Return figures
 - 2.4.6. Expenses
 - 2.4.7. Notes to the financial statements and other data

2 INFORMATION ON KBC EQUITY FUND EUROPE

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Launch date: 17 April 1991
Initial subscription price: 20000 BEF
Currency: EUR

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

The main objective of this sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. To this end, the assets are invested, either directly or indirectly via correlated financial instruments, primarily in shares.

SUB-FUND'S INVESTMENT POLICY:

PERMITTED ASSET CLASSES:

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the sub-fund's object.

The sub-fund shall invest no more than 10% of its assets in units of other undertakings for collective investment.

RESTRICTIONS OF THE INVESTMENT POLICY:

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

PERMITTED DERIVATIVES TRANSACTIONS:

Derivates may be used either for hedging purposes or to achieve investment objectives.

Changes will be made to the investments at regular intervals to comply with the sub-fund's investment strategy. **In addition, listed and unlisted derivates may be used to achieve the objectives:** these may be forward contracts, options or swaps on securities, indices, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions. **Such derivatives may also be used to hedge the assets against exchange-rate fluctuations.** Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions.

STRATEGY SELECTED

At least 75% of the assets are invested in shares of European companies.

LENDING FINANCIAL INSTRUMENTS:

The sub-fund may lend financial instruments within the limits set by law and regulations.

This lending does not affect the sub-fund's risk profile since:

- it takes place within the framework of a securities lending system managed by a principal. In addition, the sub-fund has a relationship only with the principal of the securities lending system which acts as counterparty and to which title of the loaned securities is transferred. The choice of principal is subject to strict selection criteria. The return of securities similar to the securities that have been lent is guaranteed by the principal.
- through a margin management system, the sub-fund is always guaranteed financial security, the actual value of which always exceeds the actual value of the securities that have been lent, in case the principal does not return similar securities.

The return of securities similar to the securities that have been lent can be requested at any time, which means that the lending of securities does not affect the management of the sub-fund's assets. By lending securities, the sub-fund can generate an additional return. The principal pays a fee to the management company. After deducting the fee for the margin management and clearing services of KBC Bank, most of this fee is paid to the sub-fund.

The relationship with the counterparty or counterparties is governed by standard international agreements.

More information is provided on the terms and conditions governing securities lending in the annual or half-yearly report for the sub-fund.

VOLATILITY OF THE NET ASSET VALUE:

The volatility of the net asset value may be high due to the composition of the portfolio.

GENERAL STRATEGY FOR HEDGING THE EXCHANGE RATE RISK:

In order to protect its assets against exchange rate fluctuations and within the limitations laid down in the articles of association, the sub-fund may perform transactions relating to the sale of forward currency contracts, as well as the sale of call options and the purchase of put options on currencies. The transactions in question may relate solely to contracts traded on a regulated market that operates regularly, is recognised and is open to the public or that are traded with a recognised, prime financial institution specialising in such transactions and dealing in the over-the-counter (OTC) market in options. With the same objective, the sub-fund may also sell currencies forward or exchange them in private transactions with prime financial institutions specialising in such transactions. The hedging objective of the aforementioned transactions suggests that there is a direct link between these transactions and the assets to be hedged, which implies that the transactions carried out in a particular currency may in principle not exceed, in terms of volume, either the valuation value of all the assets in the same currency or the holding period of those assets.

SOCIAL, ETHICAL AND ENVIRONMENTAL ASPECTS:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

THE EUROPEAN SAVINGS DIRECTIVE AND TAX ON DEBT CLAIM RETURNS OBTAINED THROUGH THE REDEMPTION OF OWN UNITS OR IN THE EVENT OF FULL OR PARTIAL DISTRIBUTION OF EQUITY CAPITAL.

The following information is of a general character and is not intended to cover all aspects of an investment in a UCITS. In certain cases entirely different rules might even apply. Moreover, both tax law and the interpretation of it can change. Investors who wish to have more information about the tax implications – in both Belgium and abroad – of acquiring, holding and transferring units should seek the advice of their usual financial and tax advisers.

This UCITS shall invest a maximum of 15% of its assets directly or indirectly in debt instruments as intended by the European Savings Directive.

A. European Savings Directive (Directive 2003/48/EC)

The European Savings Directive has been implemented in Belgium through:

- The Law of 17 May 2004 transposing into Belgian law Directive 2003/48/EC of 3 June 2003 of the Council of the European Union on taxation of savings income in the form of interest payments and amending Income Tax Code 1992 on withholding tax;
- The Royal Decree of 27 September 2009 implementing Article 338bis § 2 of Income Tax Code 1992;
- The Royal Decree of 27 September 2009 concerning the entry into effect of Article 338bis § 2, paragraphs one to three, of Income Tax Code 1992;

Since this UCITS invests a maximum of 15% of its assets directly or indirectly in debt claims as intended by the European Savings Directive, the income of this UCITS does not fall within the scope of this directive.

B. Tax on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital (Article 19bis Income Tax Code 1992).

The income from this UCITS is not subject to the tax on debt instrument returns as intended by Article 19bis, Income Tax Code 1992.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

There is no delegation of the portfolio.

2.1.5 DISTRIBUTORS

KBC Asset Management S.A., 5, Place de la Gare, L-1616 Luxembourg.

2.1.6 INDEX AND BENCHMARK

See 'Sub-fund's investment policy'.

2.1.7 POLICY PERSUED DURING THE FINANCIAL YEAR

Shareholders of KBC Equity Fund Europe obtained a positive return of more than 4% in EUR in the first half of 2012. In the first quarter the European share markets made handsome gains thanks to the low valuation, strong solvency and liquidity of the non-financial firms and the renewed LTRO programme in February, under which 529 billion EUR were pumped into the market. The negotiations with the private sector about the rescheduling of Greek debt dragged on longer than expected, only finishing in early March 2012 and with conditions that were more rigorous than proposed in July 2011 and less 'voluntary' than at first appeared. On 12 March 2012, the operation was referred to as a 'selective default'. More than 100 billion EUR of Greece's debt was forgiven. The lack of a plan for the future, however, prompted social and political opposition to the austerity policy. Intertek, Kone and Nutreco were sold after they had performed strongly and become relatively expensive. The funds released were invested in, among others, Diasorin, Elekta and Eutelsat.

In the second quarter the price of a barrel of crude oil fell from 126 USD in mid-March to 92 USD. Saudi Arabia began to increase its production some time ago with the intention of keeping global supply on track. However, Libya returned to the market sooner than expected, Iraq increased its production and the tail-off in production from Iran has been modest. The stock markets retreated under the pressure of the problem cases that were mounting up in the euro area: the threat of an election victory in Greece by an extremist splinter party, the undercapitalisation of the Spanish banks, the referendum in Ireland and the financial mess in Cyprus, etc. Growing doubts about the economy and the protracted euro crisis pushed German 10-year bond rates to a low of 1.15%. The jump in share prices of Croda, International Power and Kerry was taken as an opportunity to take profit. KBC Equity Fund Europe invested in structural growth companies such as Andritz, Henkel and Nestlé.

2.1.8 FUTURE POLICY

Europe remains in a low-growth environment, with no underlying inflationary pressure, low interest rates and runaway public finances. The euro crisis has led to European banks adopting a tough stance on lending. The budgetary plans will weigh on growth, but the indicators do suggest that the fears of deflation and depression that are currently dominating the financial markets are unwarranted. Concern about inflation has given way at the ECB to worries about the economic situation and stemming the euro crisis. The ECB is probably still striving for a 'normal' short rate of 2% for the euro area, but that has now become a very long-term objective. It is more likely to cut than increase the key rate in 2012.

In these circumstances, KBC Equity Fund is keeping a neutral position in the cyclical sectors, within which Energy (BG, Tullow Oil, Fugro), Mining (Rio Tinto) and Chemicals (Arkema, BASF, Umicore) are overweight. The fund invests in a broad selection of cyclical companies with a strong market position and reasonable valuation (DSV, Weir, Brenntag, Andritz, Arcadis). KBC Equity Fund Europe is also invested in brewers (Anheuser-Busch InBev) and tobacco producers (British American Tobacco, Imperial Tobacco, Swedish Match). Healthcare is overweight with positions in such companies as Elekta, Novo Nordisk and Diasorin. Investment in the financial sector is chiefly in businesses with a robust capital base (Société Générale, Barclays). Vodafone is overweight among the telecom operators. In the utilities sector the preference is for companies active in the UK (Centrica).

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

7 on a scale of 1 (lowest risk) to 7 (highest risk).

The value of a share can decrease or increase and the investor may not get back the amount invested.

In accordance with Commission Regulation (EU) No. 583/2010, a synthetic risk and reward indicator has been calculated. This indicator provides a quantitative measure of the sub-fund's potential return and the risk involved, calculated in the currency in which the sub-fund is denominated. It is given as a figure between 1 and 7. The higher the figure, the greater the potential return, but also the more difficult it is to predict this return. Losses are possible too. The lowest figure does not mean that the investment is entirely free of risk. However, it does indicate that, compared with the higher figures, this product will generally provide a lower, but more predictable return.

The synthetic risk and reward indicator is assessed regularly and can therefore go up or down based on data from the past. Data from the past is not always a reliable indicator of future risk and return. The most recent indicator can be found under the 'Risk and reward profile' heading in the 'Key Investor Information' document.

2.2 BALANCE SHEET

Balance sheet layout	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
TOTAL NET ASSETS	82.196.980,89	193.620.821,54
II. Securities, money market instruments, UCIs and derivatives		
A. Bonds and other debt instruments		
a) Bonds	360.598,60	
a) Collateral received in the form of bonds	1.495.350,02	3.611.634,89
C. Shares and similar instruments		
a) Shares	80.921.572,57	192.896.300,15
Of which securities lent	1.474.983,62	3.528.805,12
D. Other securities	7.759,40	178.074,30
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable	2.358,16	198.405,53
b) Tax assets	96.902,25	137.086,15
B. Payables		
a) Accounts payable (-)	-97.096,39	-106.235,67
c) Borrowings (-)		-86.800,45
d) Collateral (-)	-1.495.350,02	-3.611.634,89
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	662.978,45	4.575,85
VI. Accruals and deferrals		
A. Expense to be carried forward	35.716,26	87.353,96
B. Accrued income	269.057,49	454.246,43
C. Accrued expense (-)	-62.865,90	-142.184,71
TOTAL SHAREHOLDERS' EQUITY	82.196.980,89	193.620.821,54
A. Capital	78.350.399,02	195.571.643,47
B. Income equalization	-39.351,89	-166.668,42
D. Result for the period	3.885.933,76	-1.784.153,51

Off-balance-sheet headings

I	Collateral (+/-)		
I.A	Collateral (+/-)		
I.A.A	Securities/market instruments	1.495.350,02	3.611.634,89
IX	Financial instruments lent	1.474.983,62	3.528.805,12

2.3 PROFIT AND LOSS ACCOUNT

Income Statement	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
I. Net gains(losses) on investments		
A. Bonds and other debt instruments		
a) Bonds	-39.280,40	
C. Shares and similar instruments		
a) Shares	1.624.009,96	892.859,26
D. Other securities	-6.905,54	-3.236,73
F. Derivative financial instruments		
l) Financial indices		
Futures and forward contracts	156.790,05	-1.861.775,36
H. Foreign exchange positions and transactions		
b) Other foreign exchange positions and transactions	1.216.742,34	-2.965.742,95
II. Investment income and expenses		
A. Dividends	1.775.735,48	3.997.997,27
B. Interests		
a) Securities and money market instruments	54.756,26	79.361,28
b) Cash at bank and in hand and deposits	1.336,24	6.240,16
C. Interest on borrowings (-)	-553,44	-6.954,97
III. Other income		
B. Other		2.388,60
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-188.727,04	-286.640,64
B. Financial expenses (-)	-615,41	-2.871,68
C. Custodian's fee (-)	-34.595,58	-71.739,29
D. Manager's fee (-)		
a) Financial management	-560.662,13	-1.297.790,09
b) Administration and accounting management	-43.843,61	-97.789,70
E. Administrative expenses (-)	-204,92	-208,78
F. Formation and organisation expenses (-)	-4.850,77	-8.549,65
G. Remuneration, social security charges and pension	-6,65	-40,77
H. Services and sundry goods (-)	-9.136,23	-17.162,13
J. Taxes	-31.258,24	-75.134,63
K. Other expenses (-)	-22.796,61	-67.362,71
Income and expenditure for the period		
Subtotal II + III + IV	934.577,35	2.153.742,27
V. Profit (loss) on ordinary activities before tax	3.885.933,76	-1.784.153,51
VII. Result for the period	3.885.933,76	-1.784.153,51

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC EQUITY FUND EUROPE

Name	Quantity on 30/06/2012	Currency	Price in currency	Evaluation (in the currency of the sub-fund)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
Bonds							
Corporate bonds							
<u>Ireland</u>							
D-STAR FINANCE PLC SUB 14/05/13	566.000,00	EUR	63,710	360.598,60		0,44	0,44
Total bonds				360.598,60		0,44	0,44
Shares							
Exchange-listed shares							
<u>Austria</u>							
ANDRITZ AG -	39.000,00	EUR	40,520	1.580.280,00		1,94	1,92
<u>Belgium</u>							
ACKERMANS VH NV -	4.000,00	EUR	61,900	247.600,00		0,31	0,30
ANHEUSER-BUSCH INBEV NV -	31.000,00	EUR	61,300	1.900.300,00		2,34	2,31
EVS BROADCAST EQUIPMENT (BRU)	30.000,00	EUR	37,170	1.115.100,00		1,37	1,36
KBC GROUP -	28.000,00	EUR	16,665	466.620,00		0,57	0,57
NYRSTAR -	72.864,00	EUR	4,478	326.284,99		0,40	0,40
NYRSTAR STRIP VVPR	70.000,00	EUR	0,001	70,00			
UMICORE -	26.000,00	EUR	36,370	945.620,00		1,16	1,15
<u>Bermuda</u>							
HAL TRUST (AMS)	11.538,00	EUR	83,400	962.269,20		1,18	1,17
<u>Denmark</u>							
DSV DE SAMMENSLUTTEDE VOGNMAEND -	100.000,00	DKK	116,100	1.561.659,31		1,92	1,90
NOVO NORDISK A/S "B"	18.000,00	DKK	848,500	2.054.368,88		2,53	2,50
<u>Finland</u>							
FORTUM CORPORATION -	7.000,00	EUR	14,970	104.790,00		0,13	0,13
<u>France</u>							
ARKEMA -	27.000,00	EUR	51,550	1.391.850,00		1,71	1,69
AXA -	31.000,00	EUR	10,480	324.880,00		0,40	0,40
BNP PARIBAS -	17.000,00	EUR	30,335	515.695,00		0,63	0,63
EUTELSAT -	65.000,00	EUR	24,265	1.577.225,00		1,94	1,92
GDF SUEZ -	10.000,00	EUR	18,755	187.550,00		0,23	0,23
GDF SUEZ STRIP VVPR	950,00	EUR	0,001	0,95			
SANOFI -	20.000,00	EUR	59,740	1.194.800,00		1,47	1,45
SCHNEIDER ELECTRIC SA -	8.000,00	EUR	43,730	349.840,00		0,43	0,43
SOCIETE GENERALE -	12.000,00	EUR	18,410	220.920,00		0,27	0,27
TOTAL -	27.000,00	EUR	35,500	958.500,00		1,18	1,17
VINCI S.A. -	12.000,00	EUR	36,785	441.420,00		0,54	0,54
<u>Germany</u>							
ALLIANZ AG REG	8.000,00	EUR	79,110	632.880,00		0,78	0,77
BASF SE -	39.000,00	EUR	54,700	2.133.300,00		2,62	2,60
BAYER AG -	13.000,00	EUR	56,780	738.140,00		0,91	0,90

BAYERISCHE MOTOREN WERKE AG -	6.000,00	EUR	56,930	341.580,00		0,42	0,42
BRENTNAG AG -	17.000,00	EUR	87,180	1.482.060,00		1,82	1,80
DAIMLER AG -	16.000,00	EUR	35,345	565.520,00		0,70	0,69
E.ON AG -	30.000,00	EUR	17,000	510.000,00		0,63	0,62
HENKEL KGAA (FRA)	31.000,00	EUR	43,780	1.357.180,00		1,67	1,65
MUNCHENER RUCKVERSICHERUNG AG REG	3.000,00	EUR	111,150	333.450,00		0,41	0,41
SIEMENS AG REG	5.000,00	EUR	66,140	330.700,00		0,41	0,40
VOLKSWAGEN AG -	1.000,00	EUR	118,850	118.850,00		0,15	0,15
VOLKSWAGEN AG PREF	2.000,00	EUR	124,600	249.200,00		0,31	0,30
<u>Italy</u>							
DIASORIN SPA -	30.000,00	EUR	22,970	689.100,00		0,85	0,84
E.N.E.L. -	40.000,00	EUR	2,542	101.680,00		0,13	0,12
ENI -	40.000,00	EUR	16,780	671.200,00		0,83	0,82
INTESA SANPAOLO SPA -	190.000,00	EUR	1,118	212.420,00		0,26	0,26
<u>Netherlands</u>							
ARCADIS N.V. (AMS)	60.000,00	EUR	17,220	1.033.200,00		1,27	1,26
BOSKALIS WESTMINSTER (AMS)	18.000,00	EUR	25,970	467.460,00		0,58	0,57
FUGRO NV CVA	33.000,00	EUR	47,730	1.575.090,00		1,94	1,92
ING GROEP NV -	80.000,00	EUR	5,266	421.280,00		0,52	0,51
ROYAL IMTECH NV (AMS)	14.000,00	EUR	18,775	262.850,00		0,32	0,32
UNILEVER CVA	25.000,00	EUR	26,385	659.625,00		0,81	0,80
<u>Norway</u>							
DNB ASA -	20.000,00	NOK	58,950	156.287,28		0,19	0,19
TELENOR A/S -	20.000,00	NOK	98,900	262.202,07		0,32	0,32
<u>Spain</u>							
BANCO BILBAO VIZCAYA ARGENTARIA -	65.000,00	EUR	5,629	365.885,00		0,45	0,45
BANCO SANTANDER CENTRAL HISPANO SA -	150.000,00	EUR	5,221	783.150,00		0,96	0,95
REPSOL INTL FINANCE -	14.000,00	EUR	12,640	176.960,00		0,22	0,22
TELEFONICA SA -	35.000,00	EUR	10,370	362.950,00		0,45	0,44
<u>Sweden</u>							
ATLAS COPCO AB "A"	40.000,00	SEK	148,400	677.664,25		0,83	0,82
ELEKTA AB -B-	40.000,00	SEK	315,200	1.439.351,56		1,77	1,75
SWEDISH MATCH AB -	36.000,00	SEK	278,700	1.145.407,84		1,41	1,39
<u>Switzerland</u>							
ABB LTD -	38.000,00	CHF	15,450	488.781,58		0,60	0,60
COMPAGNIE FINANCIERE RICHEMONT "A"	43.000,00	CHF	51,850	1.856.179,49		2,28	2,26
CS GROUP REG	17.680,00	CHF	17,260	254.053,87		0,31	0,31
NESTLE AG REG	68.000,00	CHF	56,550	3.201.431,96		3,94	3,90
NOVARTIS AG REG	40.000,00	CHF	52,900	1.761.645,09		2,17	2,14
ROCHE HOLDING GENOTS	12.000,00	CHF	163,600	1.634.433,67		2,01	1,99
U.B.S. REG	57.000,00	CHF	11,050	524.372,48		0,65	0,64
ZURICH INSURANCE GROUP AG -	2.700,00	CHF	213,500	479.915,08		0,59	0,58
<u>U.K.</u>							
ANGLO AMERICAN PLC PLC	11.000,00	GBP	20,885	283.938,94		0,35	0,35
ASTRAZENECA PLC -	16.000,00	GBP	28,530	564.182,42		0,69	0,69
BARCLAYS BANK PLC -	270.000,00	GBP	1,629	543.437,15		0,67	0,66
BAT HOLDINS BV -	70.000,00	GBP	32,415	2.804.412,31		3,45	3,41
BG GROUP PLC -	150.000,00	GBP	13,000	2.410.085,28		2,97	2,93
BILLITON PLC -	36.000,00	GBP	18,060	803.559,51		0,99	0,98
BP PLC -	260.000,00	GBP	4,220	1.355.913,98		1,67	1,65
CENTRICA -	150.000,00	GBP	3,180	589.543,94		0,73	0,72
COBHAM -	110.000,00	GBP	2,322	315.684,09		0,39	0,38
EXPERIAN GROUP LTD -	40.000,00	GBP	9,005	445.186,01		0,55	0,54

GLAXOSMITHKLINE PLC -	86.000,00	GBP	14,470	1.538.029,91		1,89	1,87
HSBC HOLDING PLC -	190.000,00	GBP	5,611	1.317.624,52		1,62	1,60
IMPERIAL TOBACCO GR PLC -	68.000,00	GBP	24,550	2.063.280,19		2,54	2,51
LLOYDS BANKING GROUP PLC -	800.000,00	GBP	0,311	307.502,16		0,38	0,37
NEXT PLC -	42.000,00	GBP	31,990	1.660.585,84		2,04	2,02
PRUDENTIAL PLC -	48.000,00	GBP	7,380	437.819,80		0,54	0,53
RECKITT BENCKISER PLC -	10.000,00	GBP	33,650	415.894,20		0,51	0,51
RIO TINTO PLC -	63.000,00	GBP	30,190	2.350.723,03		2,89	2,86
ROYAL BANK OF SCOTLAND GROUP PLC -	40.000,00	GBP	2,153	106.439,25		0,13	0,13
ROYAL DUTCH SHELL PLC -A-	110.000,00	EUR	26,605	2.926.550,00		3,60	3,56
STANDARD CHARTERED -	42.000,00	GBP	13,845	718.687,43		0,88	0,87
TESCO -	90.000,00	GBP	3,101	344.883,20		0,42	0,42
TULLOW OIL INC (LON)	92.000,00	GBP	14,700	1.671.486,84		2,06	2,03
VODAFONE GROUP PLC -	1.150.000,00	GBP	1,793	2.547.738,23		3,13	3,10
WEIR GROUP PLC (THE) -	82.000,00	GBP	15,300	1.550.611,79		1,91	1,89
XSTRATA PLC -	45.000,00	GBP	7,986	444.160,18		0,55	0,54
<u>U.S.A.</u>							
MICROSOFT CORP -	63.000,00	USD	30,590	1.518.532,82		1,87	1,85
Total shares				80.921.572,57		99,55	98,45
Rights							
<u>Bermuda</u>							
HAL TRUST CP 18/05/12	1,00	EUR	3,400	3,40			
<u>Spain</u>							
REPSOL YPF SA CP 21/06/12	14.000,00	EUR	0,554	7.756,00		0,01	0,01
Total rights				7.759,40		0,01	0,01
TOTAL SECURITIES PORTFOLIO				81.289.930,57		100,00	98,90
COLLATERAL RECEIVED							
<u>Belgium</u>							
KBC GROUP COLLATERAL EUR	1.495.350,02	EUR	1,000	1.495.350,02			1,82
TOTAL RECEIVED COLLATERAL				1.495.350,02			1,82
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP CAD	311,01	CAD	1,000	240,39			
KBC GROUP CHF	197,21	CHF	1,000	164,18			
KBC GROUP CZK	2.643,48	CZK	1,000	103,53			
KBC GROUP DKK	341,31	DKK	1,000	45,91			
KBC GROUP EURO	659.478,02	EUR	1,000	659.478,02			0,80
KBC GROUP GBP	549,23	GBP	1,000	678,82			0,00
KBC GROUP HUF	608,18	HUF	1,000	2,13			
KBC GROUP NOK	635,49	NOK	1,000	84,24			
KBC GROUP PLN	995,72	PLN	1,000	235,11			
KBC GROUP SEK	195,44	SEK	1,000	22,31			
KBC GROUP TRY	3.724,78	TRY	1,000	1.622,71			0,00
KBC GROUP USD	382,13	USD	1,000	301,10			
Total demand accounts				662.978,45			0,81
TOTAL CASH AT BANK AND IN HAND				662.978,45			0,81

OTHER RECEIVABLES AND PAYABLES						
Receivables						
<u>Belgium</u>						
KBC GROUP EUR RECEIVABLE	2.358,16	EUR	1,000	2.358,16		0,00
KBC GROUP WHT TO BE RECOVERED EUR	96.902,25	EUR	1,000	96.902,25		0,12
Total receivables				99.260,41		0,12
Payables						
<u>Belgium</u>						
KBC GROUP COUNTERPART ENTRY COLLATERAL IN EUR	-1.495.350,02	EUR	1,000	-1.495.350,02		-1,82
KBC GROUP EUR PAYABLE	-97.096,39	EUR	1,000	-97.096,39		-0,12
Payables				-1.592.446,41		-1,94
TOTAL RECEIVABLES AND PAYABLES				-1.493.186,00		-1,82
OTHER						
Interest receivable		EUR		252.107,06		0,31
Accrued interest		EUR		16.950,43		0,02
Expenses payable		EUR		-62.865,90		-0,08
Expenses to be carried forward		EUR		35.716,26		0,04
TOTAL OTHER				241.907,85		0,29
TOTAL NET ASSETS				82.196.980,89		100,00

Geographic breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Austria	0,46	0,09	0,00	1,94
Belgium	6,22	5,48	6,07	6,15
Bermuda	1,00	0,49	1,10	1,18
Brazil	0,70	0,36	0,24	0,00
Canada	0,00	0,00	0,48	0,00
Switzerland	9,23	9,53	12,59	12,55
Germany	10,30	9,21	7,37	10,82
Denmark	1,62	2,98	3,01	4,45
Spain	3,53	4,59	3,68	2,09
Finland	1,89	2,10	1,44	0,13
France	12,89	11,71	7,22	8,81
U.K.	38,92	36,76	38,87	37,55
Greece	0,90	0,38	0,24	0,00
Ireland	0,00	0,00	2,09	0,44
Italy	2,29	2,84	1,43	2,06
Luxembourg	0,50	0,37	0,00	0,00
Netherlands	5,83	8,96	9,23	5,44
Norway	1,07	1,02	1,14	0,51
Sweden	0,00	2,19	3,42	4,01
U.S.A.	2,65	0,94	0,38	1,87
Total	100,00	100,00	100,00	100,00

Sector breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Cyclicals	33,62	38,57	37,90	39,95
Consum(cycl)	9,76	8,68	10,75	8,20
Cons.goods	14,51	16,28	20,67	16,95
Pharma	9,53	9,82	9,89	13,38
Financials	19,24	16,45	12,43	11,97
Technology	2,51	2,03	0,38	1,87
Telecomm.	5,25	3,98	5,04	5,84
Utilities	5,58	4,19	2,94	1,84
Total	100,00	100,00	100,00	100,00

Currency breakdown (as a % of net assets)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
CAD	0,00	0,00	0,48	0,00
CHF	10,74	9,53	12,62	12,45
DKK	1,62	2,98	3,01	4,41
EUR	48,49	49,58	44,63	43,13
GBP	36,20	33,40	34,07	33,67
NOK	1,07	1,02	1,14	0,51
SEK	0,00	2,19	3,43	3,98
USD	1,88	1,30	0,62	1,85
Total	100,00	100,00	100,00	100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC EQUITY FUND EUROPE (IN THE CURRENCY OF THE SUB-FUND)

	1st half of year	Year
Purchases	56.808.161,54	56.808.161,54
Sales	57.368.485,24	57.368.485,24
Total 1	114.176.646,78	114.176.646,78
Subscriptions	49.298.359,99	49.298.359,99
Redemptions	49.750.908,78	49.750.908,78
Total 2	99.049.268,77	99.049.268,77
Monthly average of total assets	90.377.481,93	90.377.481,93
Turnover rate	16,74 %	16,74 %

	1st half of year	Year
Purchases	56.808.161,54	56.808.161,54
Sales	57.368.485,24	57.368.485,24
Total 1	114.176.646,78	114.176.646,78
Subscriptions	49.298.359,99	49.298.359,99
Redemptions	49.750.908,78	49.750.908,78
Total 2	99.049.268,77	99.049.268,77
Monthly average of total assets	83.479.819,05	83.479.819,05
Corrected turnover rate	18,12 %	18,12 %

The table above shows the capital volume of portfolio transactions. This volume (adjusted to take account of total subscriptions and redemptions) is also compared to the average net assets at the beginning and end of the period.

A figure close to 0% implies that the transactions relating to the securities or transactions relating to the assets (excluding deposits and cash) in a given period only involve subscriptions and redemptions.

A negative percentage shows that subscriptions and redemptions entailed few, if any, transactions in the portfolio.

Active asset management may result in high turnover rates (monthly percentage >50%).

The detailed list of transactions is available for consultation free of charge at the registered office of the Bevek or fund at Havenlaan 2, 1080 Brussels.

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

NAME	Currency	Value in currency	In the currency of the sub-fund	Lot-size	Transaction date
KBC COLLATERAL EUR	EUR	1.495.350,02	1.495.350,02	N/A	29.06.2012

2.4.4 CHANGES OF THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND THE NET ASSET VALUE

Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2010 - 06	331.124,71	567,00	344.506,14	906,00	161.024,92	4.327,00	165.351,92
2011 - 06	168.980,80	1.937,67	157.770,15	1.719,00	172.235,57	4.545,67	176.781,25
2012 - 06	79.108,23	507,54	178.308,15	756,00	73.035,65	4.297,21	77.332,86

Period	Amounts received and paid by the UCI (in the currency of the sub-fund)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2010 - 06	325.829.047,96	436.539,84	340.814.697,86	704.378,77
2011 - 06	184.395.222,98	1.640.852,40	170.545.602,83	1.459.416,62
2012 - 06	84.095.972,27	413.922,44	178.880.844,12	596.029,66

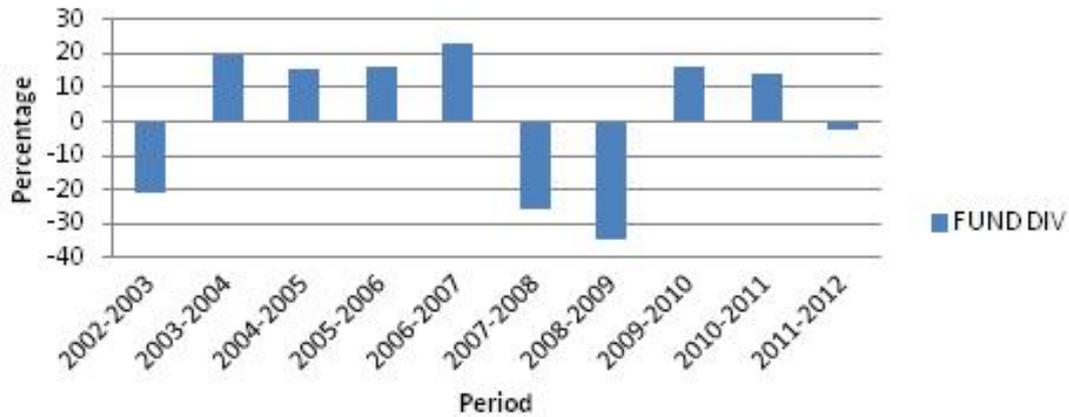
Period	Net asset value End of period (in the currency of the sub-fund)		
Year	Of the sub-fund	Of one share	
		Capitalization	Distribution
2010 - 06	158.779.411,58	966,05	744,46
2011 - 06	193.620.821,54	1.102,00	839,76
2012 - 06	82.196.980,89	1.077,76	810,26

2.4.5 PERFORMANCE FIGURES

BE0152247541

KBC Equity Fund - Europe - DIV:

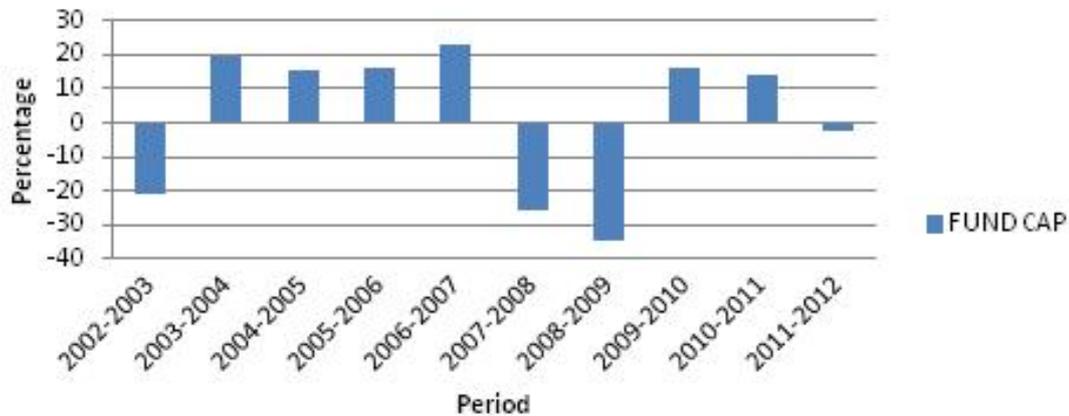
Annual performance on 30/06/2012 (in EUR)



BE0126161612

KBC Equity Fund - Europe - CAP:

Annual performance on 30/06/2012 (in EUR)



Cap Div	ISIN code	Cur- rency	1 Year		3 Years*		5 Years*		10 Years*		Since launch*	
			Share classes	Bench mark	Launch Date	Share classes						
CAP	BE0126161612	EUR	-2.20%		9.02%		-8.89%		-0.15%		17/04/1991	3.73%
DIV	BE0152247541	EUR	-2.25%		9.01%		-8.90%		-0.16%		17/04/1991	3.72%

Risk warning: Past performance is not a guide to future performance.

* Return on annual basis.

- The bar chart shows the performance for full financial years.
- The figures do not take account of any restructuring.
- Calculated in EUR (ex BEF).
- the return is calculated as the change in the net asset value between two dates expressed as a percentage. In the case of units that pay dividends, the dividend is incorporated geometrically in the return.
- Calculation method for date D, where NAV stands for net asset value:
 - Capitalisation units (CAP)
 - Return on date D over a period of X years:

$$[\text{NAV}(D) / \text{NAV}(Y)]^{[1 / X] - 1}$$
 where $Y = D - X$
 - Return on date D since the start date S of the unit:

$$[\text{NAV}(D) / \text{NAV}(S)]^{[1 / F] - 1}$$
 where $F = 1$ if the unit has existed for less than one year on date D
 where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D
 - Distribution units (DIV)
 - Return on date D over a period of X years:

$$[C * \text{NAV}(D) / \text{NAV}(Y)]^{[1 / X] - 1}$$
 where $Y = D - X$
 - Return on date D since the start date S of the unit:

$$[C * \text{NAV}(D) / \text{NAV}(S)]^{[1 / F] - 1}$$
 where $F = 1$ if the unit has existed for less than one year on date D
 where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D
 where C is a factor that is determined for all N dividends between the calculation date D and the reference date.
 - For dividend i on date Di with value Wi:

$$C_i = [W_i / \text{NAV}(D_i)] + 1$$

$$i = 1 \dots N$$
 from which $C = C_0 * \dots * C_N$.
- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the n^{th} square root of 1 plus the total return of the unit.
- The return figures shown above do not take account of the fees and charges associated with the issue and redemption of units.
- These are the performance figures for capitalisation and distribution shares.

2.4.6 COSTS

Total expense ratio (TER): *

Distribution: 1.543%

Capitalization: 1.543%

Percentage calculated at the end of the financial year: 31 December

* The following costs have not been included in the TER:

- Transaction charges
- Interest payments on loans taken out
- Payments in respect of financial derivatives
- Fees and charges paid directly by the investor
- Any soft commissions

SOFT COMMISSIONS

The management company or the appointed manager, as the case may be, is the recipient of soft commissions.

The recipient has laid down an internal policy as regards accepting soft commissions and avoiding possible conflicts of interest in this respect, and has put appropriate internal controls in place to ensure this policy is observed.

For more information, please see the 'General' section of the annual report.

	Commission gross in EUR paid during the period: 1-01-12 -	CSA Credits in EUR accrued during the period: 1-01-12 -	
Broker	30-06-12	30-06-12	Percentage
CITI	1,670	1,044	62.50%
CSFBSAS	23,910	12,961	54.21%
DEUTSCHE	5,223	3,189	61.06%
EQ CSA MACQUARIE	3,055	1,909	62.50%
HSBC	519	281	54.17%
MERRILL	1,866	1,166	62.50%
MORGAN STANLEY	11,192	6,870	61.38%
NOMURA	8,656	5,622	64.95%
SOCGEN	569	285	50.00%
UBSWDR	4,653	2,489	53.50%

FEE-SHARING AGREEMENTS AND REBATES:

The management company may share its fee with the distributor, and institutional and/or professional parties.

In principle, the percentage share amounts to between 35% and 60% if the distributor is an entity of KBC Group NV or to between 35% and 70% if the distributor is not an entity of KBC Group NV. However, in a small number of cases, the distributor's fee is less than 35%. Investors may, on request, obtain more information on these cases.

If the management company invests the assets of the undertaking for collective investment in units of undertakings for collective investment that are not managed by an entity of KBC Group NV, and receives a fee for doing so, it will pay this fee to the undertaking for collective investment.

Fee-sharing does not affect the amount of the management fee paid by the sub-fund to the management company. This management fee is subject to the limitations laid down in the articles of association. The limitations may only be amended after approval by the general meeting of shareholders.

The management company has concluded a distribution agreement with the distributor in order to facilitate the wider distribution of the sub-fund's units by using multiple distribution channels.

It is in the interests of the holders of units, the sub-fund and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund to be maximised in this way. In this respect, there is therefore no question of any conflict of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: 1.25% per annum calculated on the basis of the average total net assets of the sub-fund, excluding those assets invested in investment undertakings managed by a financial institution of the KBC group.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the average total net assets of the sub-fund.

Auditor's fee: 1 700 EUR per year. This fee is not including VAT and will be increased at the end of the 3-year mandate.

The custody fee is calculated on the value of the securities held in custody by the custodian on the final banking day of the preceding calendar year, except on those assets invested in investment undertakings managed by a financial institution of the KBC group. The custody fee is paid at the beginning of the calendar year.

Social, ethical and environmental aspects:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

Exercising voting rights

If necessary, relevant and in the interest of the shareholders, the management company will exercise the voting rights attached to the shares in the Bevek's portfolio.

The management company will adhere to the following criteria when determining how it stands relative to the items on the agenda that are put to the vote:

- Shareholder value may not be adversely affected.
- Corporate governance rules, especially with regard to the rights of minority shareholders, must be respected.
- The minimum standards with regard to sustainable business and corporate social responsibility must be met.

The list of companies for which voting rights are exercised is available at the registered office of the Bevek.

Securities lending

In accordance with the Royal Decree of 7 March 2006 concerning securities lending, the undertaking for collective investment has taken out securities loans with a principal to whom the full title of the loaned securities was transferred, without recording this transfer of ownership in the accounts.

For the period from 1 January 2012 to 30 June 2012, the fee for securities lent comes to - 14,661.28 EUR. KBC Asset Management NV receives 50% of the net fee received for securities lent. The detailed list of securities lending transactions carried out can be obtained from the registered office of the collective investment undertaking at 2 Havenlaan, 1080 Brussels.

Overview of securities lent as at 30/06/2012

Name	Currency	Quantity	Price	Value in currency of the portfolio
BNP PARIBAS	EUR	1	30,335	30,34
WEIR GROUP PLC	GBP	77.999	15,300	1.474.953,28
Total				1.474.983,62

Details of collateral received for securities lent

Name	Currency	Nominal value	Currency fund	Value in Currency fund
OESTERREICH 2007 4.3% 15/09/17	EUR	466.000	EUR	547.548,60
GERMANY 2009 2,25% 11/04/14	EUR	181.000	EUR	188.928,34
FRANCE 2001 3% 25/07/2012	EUR	6.000	EUR	7.671,71
OAT FRANCE 2005 3 1/2% 25/04/15	EUR	517.000	EUR	560.330,29
BTF FRANCE 2012 T-BILL 07/02/13	EUR	191.000	EUR	190.871,08
Total				1.495.350,02

For the valuation of the collateral received, indicative prices have been used in this detail list by the Collateral Management Division of KBC Bank.

TABLE OF CONTENTS

- 2. Information on KBC Equity Fund Latin America
 - 2.1. Management report
 - 2.1.1. Launch date and subscription price
 - 2.1.2. Stock exchange listing
 - 2.1.3. Aim and distinctive features of the investment policy
 - 2.1.4. Financial portfolio management
 - 2.1.5. Distributors
 - 2.1.6. Index and benchmark
 - 2.1.7. Policy conducted during the financial year
 - 2.1.8. Future policy
 - 2.1.9. Synthetic risk and reward indicator (SRRI)
 - 2.2. Balance sheet
 - 2.3. Profit and loss account
 - 2.4. Composition of the assets and key figures
 - 2.4.1. Composition of the assets
 - 2.4.2. Change in the composition of the assets
 - 2.4.3. Value of commitments in respect of financial derivatives positions
 - 2.4.4. Evolution of the number of subscriptions, repayments and the net asset value
 - 2.4.5. Return figures
 - 2.4.6. Expenses
 - 2.4.7. Notes to the financial statements and other data

2 INFORMATION ON KBC EQUITY FUND LATIN AMERICA

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Launch date: 28 January 1994
Initial subscription price: 20000 BEF
Currency: EUR

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

The main objective of this sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. To this end, the assets are invested, either directly or indirectly via correlated financial instruments, primarily in shares.

SUB-FUND'S INVESTMENT POLICY:

PERMITTED ASSET CLASSES:

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the sub-fund's object.

The sub-fund shall invest no more than 10% of its assets in units of other undertakings for collective investment.

RESTRICTIONS OF THE INVESTMENT POLICY:

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

PERMITTED DERIVATIVES TRANSACTIONS:

Derivates may be used either for hedging purposes or to achieve investment objectives.

Changes will be made to the investments at regular intervals to comply with the sub-fund's investment strategy. **In addition, listed and unlisted derivates may be used to achieve the objectives:** these may be forward contracts, options or swaps on securities, indices, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions. **Such derivatives may also be used to hedge the assets against exchange-rate fluctuations.** Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions.

STRATEGY SELECTED

At least 75% of the assets are invested in shares of companies in Latin American countries where conditions are such as to ensure accelerated economic growth in the short or medium term.

This may involve the use of Depository Receipts, including ADRs and GDRs. Investors should note that the sub-fund may invest up to 100% of its assets in Depository Receipts.

RISK CONCENTRATION

Latin American shares.

INDEX-TRACKING:

The object of the sub-fund is to track the composition of an index within the meaning and limits of Article 37 of the Royal Decree of 4 March 2005.

Index/indices in question: MSCI Latin America.

Index tracking method: Optimised Sampling: the index is tracked using a selection of shares in the index in order to best replicate the index. In addition, an optimisation algorithm is used that balances the risk and the return of each of the portfolio positions, so optimising the selection.

If the composition of the index is no longer sufficiently diversified or if the index is no longer sufficiently representative of the market it relates to or if the value and composition of the index is no longer published in a suitable manner, the management company will inform the Board of Directors without delay. The Board of Directors will consider what action to take in the interest of investors and may convene a general meeting of shareholders in order to amend the investment policy.

LENDING FINANCIAL INSTRUMENTS:

The sub-fund may lend financial instruments within the limits set by law and regulations.

This lending does not affect the sub-fund's risk profile since:

- it takes place within the framework of a securities lending system managed by a principal. In addition, the sub-fund has a relationship only with the principal of the securities lending system which acts as counterparty and to which title of the loaned securities is transferred. The choice of principal is subject to strict selection criteria. The return of securities similar to the securities that have been lent is guaranteed by the principal.
- through a margin management system, the sub-fund is always guaranteed financial security, the actual value of which always exceeds the actual value of the securities that have been lent, in case the principal does not return similar securities.

The return of securities similar to the securities that have been lent can be requested at any time, which means that the lending of securities does not affect the management of the sub-fund's assets.

By lending securities, the sub-fund can generate an additional return. The principal pays a fee to the management company. After deducting the fee for the margin management and clearing services of KBC Bank, most of this fee is paid to the sub-fund.

The relationship with the counterparty or counterparties is governed by standard international agreements.

More information is provided on the terms and conditions governing securities lending in the annual or half-yearly report for the sub-fund.

VOLATILITY OF THE NET ASSET VALUE:

The volatility of the net asset value may be high due to the composition of the portfolio.

GENERAL STRATEGY FOR HEDGING THE EXCHANGE RATE RISK:

In order to protect its assets against exchange rate fluctuations and within the limitations laid down in the articles of association, the sub-fund may perform transactions relating to the sale of forward currency contracts, as well as the sale of call options and the purchase of put options on currencies. The transactions in question may relate solely to contracts traded on a regulated market that operates regularly, is recognised and is open to the public or that are traded with a recognised, prime financial institution specialising in such transactions and dealing in the over-the-counter (OTC) market in options. With the same objective, the sub-fund may also sell currencies forward or exchange them in private transactions with prime financial institutions specialising in such transactions. The hedging objective of the aforementioned transactions suggests that there is a direct link between these transactions and the assets to be hedged, which implies that the transactions carried out in a particular currency may in principle not exceed, in terms of volume, either the valuation value of all the assets in the same currency or the holding period of those assets.

SOCIAL, ETHICAL AND ENVIRONMENTAL ASPECTS:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

THE EUROPEAN SAVINGS DIRECTIVE AND TAX ON DEBT CLAIM RETURNS OBTAINED THROUGH THE REDEMPTION OF OWN UNITS OR IN THE EVENT OF FULL OR PARTIAL DISTRIBUTION OF EQUITY CAPITAL.

The following information is of a general character and is not intended to cover all aspects of an investment in a UCITS. In certain cases entirely different rules might even apply. Moreover, both tax law and the interpretation of it can change. Investors who wish to have more information about the tax implications – in both Belgium and abroad – of acquiring, holding and transferring units should seek the advice of their usual financial and tax advisers.

This UCITS shall invest a maximum of 15% of its assets directly or indirectly in debt instruments as intended by the European Savings Directive.

A. European Savings Directive (Directive 2003/48/EC)

The European Savings Directive has been implemented in Belgium through:

- The Law of 17 May 2004 transposing into Belgian law Directive 2003/48/EC of 3 June 2003 of the Council of the European Union on taxation of savings income in the form of interest payments and amending Income Tax Code 1992 on withholding tax;
- The Royal Decree of 27 September 2009 implementing Article 338bis § 2 of Income Tax Code 1992;
- The Royal Decree of 27 September 2009 concerning the entry into effect of Article 338bis § 2, paragraphs one to three, of Income Tax Code 1992;

Since this UCITS invests a maximum of 15% of its assets directly or indirectly in debt claims as intended by the European Savings Directive, the income of this UCITS does not fall within the scope of this directive.

B. Tax on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital (Article 19bis Income Tax Code 1992).

The income from this UCITS is not subject to the tax on debt instrument returns as intended by Article 19bis, Income Tax Code 1992.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company has delegated the intellectual management, to KBC Fund Management Limited, Joshua Dawson House, Dawson Street, Dublin 2, IRELAND..

2.1.5 DISTRIBUTORS

KBC Asset Management S.A., 5, Place de la Gare, L-1616 Luxembourg.

2.1.6 INDEX AND BENCHMARK

See 'Sub-fund's investment policy'.

2.1.7 POLICY PERSUED DURING THE FINANCIAL YEAR

The KBC Equity Fund Latin America invests directly in local Latin American markets as well as ADRs and GDRs where necessary. The fund invests in the following markets with approximately the accompanying proportions: Brazil (59%), Mexico (23%), Chile (9%), Colombia (5%), Peru (3%) and Argentina (1%). The performance over the first half of 2012 has been quite volatile, with the fund gaining over 14% in the first 2 months of 2012 only to lose that gain gradually over the following months, ending the period roughly unchanged. With that performance, the Latin American region is one of the poorest performing regional markets year to date. Brazil has performed particularly poorly, while Mexico and Colombia have performed substantially better than their regional peers.

Looking at the first quarter, markets had a pretty strong performance in the first two months of 2012, with both emerging and developed markets rising and with Brazilian equities strongly outperforming both developed and emerging markets. Throughout the first quarter, the situation in Europe continued to evolve. At the beginning of the year, there was positive news from Greece as the country secured acceptance of their debt swap offer. The ECB continued to extend liquidity to European banks through the LTRO. In Russia, despite some unrest, Putin won the Russian presidential election. Markets were largely strong over this period, with both emerging and developed markets rising and with Emerging Asia outperforming. Investors were convinced that China, the most important trading partner for Brazil and receiver of its commodities based exports, led by iron ore, soybeans and crude oil, would experience a so called 'soft landing' i.e. slowdown in growth but short of outright recession.

Moving into the second quarter, the global situation worsened. In May, French socialist, Francois Hollande won the French presidential election. Following parliamentary elections in Greece, it was not possible to form a government. Anti-austerity parties gained seats in this election, causing growing fears that the country would not remain in the euro. A second election was called for mid-June with the uncertainty continuing in the meantime. At this stage, concern spread to the situation in Spain, with growth disappointing further and banks coming under more pressure. Despite initially stating that the country did not need a bailout, by the end of June, Spain had requested assistance from Europe and the IMF. In June, the second Greek election took place, with the New Democracy winning narrowly and forming a government. Throughout this period of uncertainty, markets were very weak, with most regions reversing most of the gains achieved in Q1. On the final day of the quarter, EU leaders agreed that Europe would support troubled banks directly, without the need for local governments to add to their debt levels. This saw a significant rally on the final day of the first half. But political issues were not the only force behind declines in equities. H1 2012 saw a substantial deterioration in macro data globally – not only in Europe that remained in the spotlight, but also in the US and recently in China. As a consequence, markets were very weak and in risk-off mode, with most risk assets reversing the gains achieved in the first months of the year.

For Brazil specifically, Latin America's largest market, local elements also contributed to its poor performance over the first half of the year. Most domestic macroeconomic metrics were weak. Economic activity came in much slower than expected, resulting in GDP forecast being reduced to a paltry 2.1% in 2012. For Brazilian investors, who had become used to GDP growth above 4 percent over last 10 years, this negative review caused quite some concerns. The problems however, have been recognised and tackled by the Brazilian Central Bank, proving to be quite proactive in its monetary response. Policymakers noted that uncertainty about the global economy, the deterioration in domestic growth, a slowdown in credit growth and weakness in local industrial production were expected to have a disinflationary impact on Brazilian economy. In a response to worsening economic conditions, the Brazilian Central Bank has been cutting the official interest rate Selic rate quite aggressively, bringing it down to an all-time historic low of 8.5% by the end of June. The Central Bank has not been alone in its stimulating efforts, as the government announced fiscal measures to support growth in local economy, addressing predominantly credit growth and consumption spending on locally produced durable goods. On the positive side, inflation continued to fall, still leaving some room for policy makers to provide a monetary boost to the economy. Moreover, employment numbers remain very robust, with an unemployment rate at 5.8%. Real wage increases are still strong at 7.5% on a year on year basis.

2.1.8 FUTURE POLICY

Overall, the markets were very volatile during the first half of 2012 and while some concerns eased towards the end of the period, the volatility is likely to continue going forward. Globally, while recent moves by policy makers have been positive, we still expect turbulence in markets going forward. Europe has clearly made some steps forward, however the problems are not yet resolved and the growth outlook continues to be a concern. Budgetary cuts to control spending across the region have negative implications on demand in the context of international trade. This is a concern for Asia & Latin America, where growth is driven by both domestic and international factors.

We do continue to believe however, that the global economic picture is stronger than currently perceived. Falling inflation (triggered by another significant drop in the oil price) and very accommodating monetary policies: the first rate cut in China, ECB likely to cut further, and the Fed announced continuation of "Operation Twist" and additional measures if needed, should jump start the global economy in the coming months. Our stance on the Euro crisis remains unchanged: all actions needed to safeguard the union will be taken because the costs and political risks of a break-up are immense.

In the mid to long term, we believe that Latin America will be one of the major beneficiaries of any economic recovery, partly as the region was exposed to very few structural imbalances throughout 2008, 2009 and 2010 and partly as demographic dynamics and credit penetration evolve further. On a final note, investors should be aware of the high risk and volatility associated with investing in emerging markets such as Latin America.

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

7 on a scale of 1 (lowest risk) to 7 (highest risk).

The value of a share can decrease or increase and the investor may not get back the amount invested.

In accordance with Commission Regulation (EU) No. 583/2010, a synthetic risk and reward indicator has been calculated. This indicator provides a quantitative measure of the sub-fund's potential return and the risk involved, calculated in the currency in which the sub-fund is denominated. It is given as a figure between 1 and 7. The higher the figure, the greater the potential return, but also the more difficult it is to predict this return. Losses are possible too. The lowest figure does not mean that the investment is entirely free of risk. However, it does indicate that, compared with the higher figures, this product will generally provide a lower, but more predictable return.

The synthetic risk and reward indicator is assessed regularly and can therefore go up or down based on data from the past. Data from the past is not always a reliable indicator of future risk and return.

The most recent indicator can be found under the 'Risk and reward profile' heading in the 'Key Investor Information' document.

2.2 BALANCE SHEET

Balance sheet layout	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
TOTAL NET ASSETS	39.158.687,29	77.547.739,61
II. Securities, money market instruments, UCIs and derivatives		
C. Shares and similar instruments		
a) Shares	39.077.025,54	77.302.814,36
D. Other securities	363,47	1.795,05
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable	24.489,74	77.274,21
B. Payables		
a) Accounts payable (-)	-107.603,11	-148.977,19
c) Borrowings (-)	-52.238,88	-60.995,88
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	35.436,32	44.328,44
VI. Accruals and deferrals		
A. Expense to be carried forward	19.884,59	38.596,80
B. Accrued income	173.812,84	340.762,67
C. Accrued expense (-)	-12.483,22	-47.858,85
TOTAL SHAREHOLDERS' EQUITY	39.158.687,29	77.547.739,61
A. Capital	39.080.944,16	86.765.642,55
B. Income equalization	-55.982,98	-5.451,11
D. Result for the period	133.726,11	-9.212.451,83

2.3 PROFIT AND LOSS ACCOUNT

Income Statement	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
I. Net gains(losses) on investments		
C. Shares and similar instruments		
a) Shares	835.013,95	-7.189.647,57
D. Other securities	243,15	-7.827,37
G. Receivables, deposits, cash at bank and in hand and payables	0,01	-0,14
H. Foreign exchange positions and transactions		
b) Other foreign exchange positions and transactions	-1.149.554,77	-2.539.418,99
II. Investment income and expenses		
A. Dividends	839.381,47	1.237.675,44
B. Interests		
a) Securities and money market instruments	47,76	12.443,30
b) Cash at bank and in hand and deposits	174,85	382,15
C. Interest on borrowings (-)	-708,65	-473,56
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-24.071,19	-30.448,27
B. Financial expenses (-)	-407,08	-1.710,46
C. Custodian's fee (-)	-18.772,82	-31.615,98
D. Manager's fee (-)		
a) Financial management	-329.107,51	-569.107,65
b) Administration and accounting management	-22.426,49	-38.997,48
E. Administrative expenses (-)	-237,68	-109,64
F. Formation and organisation expenses (-)	-3.999,73	-3.266,47
G. Remuneration, social security charges and pension	-3,38	-14,46
H. Services and sundry goods (-)	-5.535,54	-6.746,67
J. Taxes	17.634,17	-28.516,02
K. Other expenses (-)	-3.944,41	-15.051,99
Income and expenditure for the period		
Subtotal II + III + IV	448.023,77	524.442,24
V. Profit (loss) on ordinary activities before tax	133.726,11	-9.212.451,83
VII. Result for the period	133.726,11	-9.212.451,83

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC EQUITY FUND LATIN AMERICA

Name	Quantity on 30/06/2012	Currency	Price in currency	Evaluation (in the currency of the sub-fund)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
Shares							
Exchange-listed shares							
<u>Argentina</u>							
BBVA BANCO FRANCES SA ADR	111,00	USD	3,330	291,25		0,00	0,00
CRESUD S.A.C.I.F.Y.A. -	5,00	ARS	4,820	4,20			
CRESUD S.A.C.I.F.Y.A. -ADR-	50,00	USD	7,170	282,48		0,00	0,00
ENDESA COSTANERA SA 'B'	10.000,00	ARS	1,700	2.961,21		0,01	0,01
IRSA 'B'	9,00	ARS	4,750	7,45			
IRSA GDR	74,00	USD	7,090	413,41		0,00	0,00
MOLINOS RIO DE LE PLATA S.A. -	9,00	ARS	26,000	40,76			
MOLINOS RIO DE LE PLATA S.A. 'B'	38.980,00	ARS	23,000	156.167,15		0,40	0,40
PETROBAS ENERGIA PARTICIPACIO ADR	4.142,00	USD	7,600	24.804,35		0,06	0,06
PETROBRAS ARGENTINA "B"	2,00	ARS	5,030	1,75			
SOLVAY INDUPA S.A.I.C. -	56.694,00	ARS	1,620	15.998,24		0,04	0,04
TRANSPORTADORA DE GAS DEL SUR S.A. -ADR-	73,00	USD	1,800	103,54			
TRANSPORTADORA DE GAS DEL SUR S.A. 'B'	1,00	ARS	2,200	0,38			
<u>Brazil</u>							
AES TIETE SA -	7.000,00	BRL	28,590	78.130,00		0,20	0,20
ALL AMERICA LATINA LOGISTICA -	30.200,00	BRL	8,480	99.978,92		0,26	0,26
AMBEV-CIA DE BEBIDAS DAS AMERICAS CP 02/05/11	148,00	BRL	74,870	4.325,89		0,01	0,01
AMBEV-CIA DE BEBIDAS DAS AMERICAS PREF	48.952,00	BRL	77,300	1.477.255,36		3,78	3,77
AMIL PARTICIPACOES SA -	9.000,00	BRL	20,100	70.622,68		0,18	0,18
ANHANGUERA EDUCACIONAL PARTICIPACOES -	8.700,00	BRL	25,600	86.949,05		0,22	0,22
BANCO BRADESCO S.A. PREF	126.433,00	BRL	29,940	1.477.807,54		3,78	3,77
BANCO DO BRASIL SA -	38.800,00	BRL	19,530	295.828,23		0,76	0,76
BANCO SANTANDER BRASIL SA -	51.400,00	BRL	15,400	309.022,06		0,79	0,79
BANRISUL -	12.169,00	BRL	14,200	67.460,39		0,17	0,17
BM&F BOVESPA SA -	116.600,00	BRL	10,250	466.582,08		1,19	1,19
BR MALLS PARTICIPACOES SA -	26.400,00	BRL	23,000	237.048,60		0,61	0,61
BR PROPERTIES SA -	12.000,00	BRL	23,700	111.028,69		0,28	0,28
BRADESPAR S.A. PREF	16.000,00	BRL	32,940	205.754,44		0,53	0,53
BRASIL TELECOM PARTICIPACOES S.A. PREF	56.702,00	BRL	8,250	182.624,05		0,47	0,47
BRASKEM SA PREF	11.700,00	BRL	13,380	61.114,97		0,16	0,16
BRF - BRASIL FOODS SA -	44.000,00	BRL	30,390	522.022,25		1,34	1,33
CEMIG-CIA ENERGETICA DE MINAS GERAIS PREF	31.797,00	BRL	37,530	465.876,01		1,19	1,19
CETIP SA - BALCAO ORGANIZADO DE ATI -	13.479,00	BRL	25,100	132.079,99		0,34	0,34
CIA BRAS DISTRIB GRUPO PAO DE ACUCAR PREF B	6.603,00	BRL	80,000	206.222,92		0,53	0,53
CIA DE CONCESSOES RODOVIARIAS -	59.800,00	BRL	16,330	381.235,21		0,98	0,97
CIA DE SANEAMENTO DE MINAS GER -	4.000,00	BRL	43,500	67.928,95		0,17	0,17
CIA DE TRANSMISSAO DE ENERGIA -	2.085,00	BRL	64,100	52.175,87		0,13	0,13
CIA ENERGETICA DE SP -	10.800,00	BRL	36,700	154.737,46		0,40	0,40
CIA HERING -	8.000,00	BRL	38,100	118.992,78		0,31	0,30
CIA PARANAENSE DE ENERGIA-COPEL PREF	6.500,00	BRL	44,200	112.160,84		0,29	0,29
COMPANHIA BRASILEIRA DE MEIOS -	19.340,00	BRL	59,080	446.069,57		1,14	1,14

COSAN SA INDUSTRIA COMERCIO -	8.500,00	BRL	30,990	102.836,23		0,26	0,26
CPFL ENERGIA SA -	14.000,00	BRL	25,400	138.824,91		0,36	0,36
CSN-CIA SIDERURGICA NACIONAL S.A. -	45.904,00	BRL	11,380	203.938,13		0,52	0,52
CVRD-CIA VALE DO RIO DOCE PREF A	132.568,00	BRL	39,160	2.026.688,61		5,19	5,18
CYRELA BRAZIL REALTY SA -	21.000,00	BRL	14,800	121.335,16		0,31	0,31
DIAGNOSTICOS DA AMERICA -	13.500,00	BRL	13,210	69.621,32		0,18	0,18
DURATEX SA -	18.280,00	BRL	10,630	75.860,39		0,19	0,19
ECORODOVIA INFRASTRUTURA E LOGIS -	12.600,00	BRL	16,170	79.540,11		0,20	0,20
ELETOBRAS-CENTR ELETRICAS BRAS S.A. -	19.667,00	BRL	14,250	109.410,40		0,28	0,28
ELETOBRAS-CENTR ELETRICAS BRAS S.A. PREF "B"	15.300,00	BRL	19,520	116.594,18		0,30	0,30
ELETROPAULO METROPOLITANA S.A. PREF B	7.280,00	BRL	25,340	72.018,43		0,18	0,18
EMBRAER SA -	34.900,00	BRL	13,360	182.027,72		0,47	0,47
ENERGIAS DO BRASIL SA -	16.000,00	BRL	12,890	80.515,32		0,21	0,21
FIBRIA CELULOSE SA -	17.569,00	BRL	14,880	102.060,01		0,26	0,26
GERDAU SA PREF	58.200,00	BRL	17,700	402.162,80		1,03	1,03
HRT PARTICIPACOES EM PETROLEO -	15.000,00	BRL	6,260	36.658,21		0,09	0,09
HYPERMARCAS SA -	20.000,00	BRL	11,870	92.680,07		0,24	0,24
IKPC-INDS KLABIN DE PAPEL E CELULOSE PREF	33.000,00	BRL	9,100	117.235,99		0,30	0,30
ITAU UNIBANCO HOLDINGS SA PREF PREF	149.400,00	BRL	28,290	1.650.019,91		4,22	4,21
ITAUSA-INVESTIMENTOS ITAU SA -	178.920,00	BRL	8,500	593.722,43		1,52	1,52
JBS SA -	26.289,00	BRL	6,030	61.886,66		0,16	0,16
LIGHT SA -	5.000,00	BRL	24,800	48.409,14		0,12	0,12
LOCALIZA RENT A CAR -	8.000,00	BRL	30,350	94.788,21		0,24	0,24
LOJAS AMERICANAS SA -PREF-	27.367,00	BRL	13,250	141.562,66		0,36	0,36
LOJAS RENNEN SA -	8.500,00	BRL	56,350	186.990,04		0,48	0,48
METALURGICA GERDAU SA -	19.000,00	BRL	22,140	164.224,09		0,42	0,42
MMX MINERACAO E METALICOS SA -	12.600,00	BRL	5,850	28.776,11		0,07	0,07
MPX ENERGIA SA -	3.000,00	BRL	30,800	36.072,61		0,09	0,09
MRV ENGENHARIA E PARTICIPACOES SA -	21.707,00	BRL	9,300	78.811,28		0,20	0,20
MULTIPLAN EMPREENDIMENTOS IMOB -	4.000,00	BRL	49,160	76.767,52		0,20	0,20
MULTIPLUS SA -	3.000,00	BRL	47,170	55.244,97		0,14	0,14
NATURA COSMETICOS SA -	10.100,00	BRL	47,000	185.321,10		0,47	0,47
OBRASCON HUARTE LAIN BRASIL SA -	8.000,00	BRL	17,850	55.748,58		0,14	0,14
ODONTOPREV SA -	19.200,00	BRL	10,200	76.455,20		0,20	0,20
OGX PETROLEO E GAS PARTICIPACO -	87.600,00	BRL	5,500	188.092,91		0,48	0,48
OI SA -	12.615,00	BRL	9,450	46.539,82		0,12	0,12
PDG REALTY SA EMPREENDIMENTOS -	76.000,00	BRL	3,510	104.142,10		0,27	0,27
PETROBRAS-PETROLEO BRASILEIRO S.A. -	196.476,00	BRL	18,900	1.449.696,04		3,71	3,70
PETROBRAS-PETROLEO BRASILEIRO S.A. PREF	277.287,00	BRL	18,250	1.975.595,45		5,06	5,05
PORTO SEGURO SA -	7.800,00	BRL	17,110	52.101,50		0,13	0,13
RAIA DROGASIL SA -	12.700,00	BRL	20,250	100.400,16		0,26	0,26
REDECARD SA -	22.800,00	BRL	32,850	292.398,98		0,75	0,75
SABESP-CIA SANEAM. BASICO SAO PAULO -	7.880,00	BRL	77,000	236.876,83		0,61	0,61
SOUZA CRUZ S.A. -	25.900,00	BRL	29,480	298.080,03		0,76	0,76
SUL AMERICA SA -	8.138,00	BRL	15,600	49.561,90		0,13	0,13
TAM SA -	5.200,00	BRL	52,450	106.476,67		0,27	0,27
TELEF BRASIL PREF	20.017,00	BRL	49,980	390.571,80		1,00	1,00
TIM PARTICIPACOES SA -	57.251,00	BRL	11,160	249.432,43		0,64	0,64
TOTVS SA -	7.700,00	BRL	38,700	116.334,18		0,30	0,30
TRACTEBEL ENERGIA SA -	9.500,00	BRL	37,150	137.780,60		0,35	0,35
ULTRAPAR PARTICIPACOES SA -	22.100,00	BRL	45,200	389.974,62		1,00	1,00
USIMINAS-USINAS SIDER. MINAS GERAIS PREF	26.000,00	BRL	6,320	64.149,91		0,16	0,16
VALE SA -	86.132,00	BRL	40,130	1.349.395,73		3,45	3,45
<u>Chile</u>							
BANCO DE CHILE "ADR"	5.094,00	USD	84,500	339.171,85		0,87	0,87
BANCO SANTANDER CHILE ADR	10.730,00	USD	77,490	655.163,27		1,68	1,67
COMP. CERVEC. UNIDAS ADS	4.450,00	USD	62,360	218.660,47		0,56	0,56

ENDESA CHILE ADR	20.460,00	USD	51,030	822.688,36		2,11	2,10
ENERSIS SA SP ADR	47.830,00	USD	18,700	704.767,95		1,80	1,80
SOC QUIMICA MINERA CHILE SA ADR "B"	17.800,00	USD	55,670	780.810,02		2,00	1,99
<u>Colombia</u>							
ALMACENES EXITO SA -	5.000,00	COP	29.540,000	65.209,71		0,17	0,17
BANCOLOMBIA SA -	16.924,00	COP	26.980,000	201.593,61		0,52	0,52
BANCOLOMBIA SA PREF	23.300,00	COP	27.800,000	285.977,92		0,73	0,73
CELSIA SA ESP -	5.510,00	COP	4.255,000	10.351,02		0,03	0,03
CEMENTOS ARGOS SA -	21.000,00	COP	7.000,000	64.900,66		0,17	0,17
CORP FINANCIERA COLOMBIANA SA -	8.399,00	COP	30.300,000	112.357,48		0,29	0,29
ECOPETROL SA -	354.000,00	COP	4.985,000	779.112,58		1,99	1,99
GRUPO DE INVERSIONES SURAMERIC -	20.400,00	COP	30.900,000	278.304,64		0,71	0,71
GRUPO NUTRESA SA -	1.192,00	COP	20.500,000	10.788,52		0,03	0,03
INTERCONEXION ELECTRICIA SA -	28.100,00	COP	11.600,000	143.911,70		0,37	0,37
INVERSIONES ARGOS SA -	23.716,00	COP	16.500,000	172.765,56		0,44	0,44
INVERSIONES ARGOS SA PREF INVERSIONES ARGOS SA	6.510,00	COP	16.000,000	45.986,75		0,12	0,12
<u>Mexico</u>							
ALFA SA DE CV -	18.501,00	MXN	213,250	231.558,40		0,59	0,59
AMERICA MOVIL S.A. DE C.V. ADR "L"	130.370,00	USD	26,060	2.677.048,46		6,85	6,84
ARCA CONTINENTAL SAB DE CV -	24.200,00	MXN	77,540	110.133,00		0,28	0,28
AXTEL SAB DE CV -	82,00	MXN	2,980	14,34			
BIMBO -	110.648,00	MXN	32,750	212.682,21		0,54	0,54
CEMEX S.A. DE C.V. CPO	713.744,00	MXN	8,970	375.760,57		0,96	0,96
COCA-COLA FEMSA -L-	28.969,00	MXN	174,460	296.623,57		0,76	0,76
COMPARTAMOS SAB DE CV -	78.944,00	MXN	15,720	72.836,31		0,19	0,19
CONTR. COM. MEXICANA SA -UNIT-	57,00	MXN	30,240	101,17			
EL PUERTO DE LIVERPOOL SAB DE -	12.000,00	MXN	112,280	79.078,78		0,20	0,20
FEMSA -	128.000,00	MXN	119,030	894.216,53		2,29	2,28
GRUPO AEROPORTUARIO DEL PACIFICO SA -B-	20.800,00	MXN	52,790	64.445,31		0,17	0,17
GRUPO CARSO SA SER A1	38.576,00	MXN	43,310	98.057,69		0,25	0,25
GRUPO FIN.INBURSA 'O'	136.104,00	MXN	30,330	242.281,13		0,62	0,62
GRUPO FINANC NORTE "O"	122.413,00	MXN	69,150	496.816,50		1,27	1,27
GRUPO MODELA "C"	42.684,00	MXN	117,960	295.512,71		0,76	0,76
GRUPO TELEVISA S.A. -CPO-	169.900,00	MXN	57,410	572.475,91		1,47	1,46
GRUPOMEXICO SA -B-	253.090,00	MXN	39,590	588.080,50		1,51	1,50
IND. PENOLES SA -CP-	9.433,00	MXN	574,470	318.048,59		0,81	0,81
KIMBERLY "A"	104.565,00	MXN	26,210	160.853,18		0,41	0,41
MEXICHEM SAB DE CV -	54.074,00	MXN	57,330	181.947,77		0,47	0,47
MINERA FRISCO SAB DE CV -	42.876,00	MXN	56,160	141.324,56		0,36	0,36
WAL-MART DE MEXICO SA DE CV "V"	352.500,00	MXN	35,750	739.624,78		1,89	1,89
<u>Peru</u>							
CIA DE MINAS BUENAVENTURA SA -	25.808,00	USD	37,980	772.348,78		1,98	1,97
CREDICORP LTD. -	3.884,00	USD	121,700	372.455,13		0,95	0,95
SOUTHERN COPPER CORP (NYSE)	1.436,00	USD	31,510	35.653,90		0,09	0,09
<u>Venezuela</u>							
BANCO PROVINCIAL SA -	4.283,00	VEF	82,000	0,35			
BANCO VENEZOLANO DE CREDITO -	10,00	VEF	3.300,000	0,03			
CANTV-CIA ANON NAC TEL DE VENEZUELA -D-	113.652,00	VEF	9,150	1,04			
CEMEX VENEZUELA S.A.C.A. -II-	1,00	VEF	105,976	0,00			
MERCANTIL SERVICIOS FINANCIEROS C.A. -A-	4.530,00	VEF	80,250	0,36			
MERCANTIL SERVICIOS FINANCIEROS C.A. -B-	9.750,00	VEF	80,000	0,78			
Total shares				39.077.025,54		100,00	99,79

Rights							
<u>Mexico</u>							
MEXICHEM SAB DE CV CP 12/06/12	838,00	MXN	7,390	363,47		0,00	0,00
Total rights				363,47		0,00	0,00
TOTAL SECURITIES PORTFOLIO				39.077.389,01		100,00	99,79
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP CAD	201,10	CAD	1,000	155,44			
KBC GROUP EURO	-52.238,88	EUR	1,000	-52.238,88			-0,13
KBC GROUP GBP	159,41	GBP	1,000	197,02			0,00
KBC GROUP MXN	183.444,62	MXN	1,000	10.766,67			0,03
KBC GROUP USD	30.860,94	USD	1,000	24.317,19			0,06
Total demand accounts				-16.802,56			-0,04
TOTAL CASH AT BANK AND IN HAND				-16.802,56			-0,04
OTHER RECEIVABLES AND PAYABLES							
Receivables							
<u>Belgium</u>							
KBC GROUP EUR RECEIVABLE	24.489,74	EUR	1,000	24.489,74			0,06
Total receivables				24.489,74			0,06
Payables							
<u>Belgium</u>							
KBC GROUP EUR PAYABLE	-107.603,11	EUR	1,000	-107.603,11			-0,28
Payables				-107.603,11			-0,28
TOTAL RECEIVABLES AND PAYABLES				-83.113,37			-0,21
OTHER							
Interest receivable		EUR		173.765,08			0,44
Accrued interest		EUR		47,76			
Expenses payable		EUR		-12.483,22			-0,03
Expenses to be carried forward		EUR		19.884,59			0,05
TOTAL OTHER				181.214,21			0,46
TOTAL NET ASSETS				39.158.687,29			100,00

Geographic breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Argentina	0,38	0,39	0,63	0,51
Brazil	65,61	67,65	63,94	59,25
Chile	6,94	7,31	7,65	9,01
Colombia	3,23	3,38	3,98	5,56
Luxembourg	2,56	0,00	1,08	0,00
Mexico	18,41	19,12	20,02	22,65
Peru	2,87	2,15	2,70	3,02
Total	100,00	100,00	100,00	100,00

Sector breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Cyclicals	40,20	39,45	37,43	34,52
Consum(cycl)	4,34	4,56	4,21	4,87
Cons.goods	10,71	12,03	15,01	15,29
Pharma	0,92	0,95	0,76	0,79
Financials	25,25	23,47	23,70	23,40
Technology	0,80	0,81	0,92	1,05
Telecomm.	7,94	8,34	8,35	9,07
Utilities	7,40	8,19	7,86	9,34
Real est.	2,44	2,20	1,76	1,67
Total	100,00	100,00	100,00	100,00

Currency breakdown (as a % of net assets)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
ARS	0,28	0,32	0,53	0,45
BRC	29,17	0,00	0,00	0,00
BRL	36,18	67,79	63,81	59,41
COP	3,22	3,38	3,97	5,57
EUR	0,38	-0,11	0,11	-0,35
MXN	12,62	13,31	14,03	15,86
PEN	0,93	0,76	0,00	0,00
USD	17,22	14,55	17,55	19,06
Total	100,00	100,00	100,00	100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC EQUITY FUND LATIN AMERICA (IN THE CURRENCY OF THE SUB-FUND)

	1st half of year	Year
Purchases	6.332.238,40	6.332.238,40
Sales	10.533.095,21	10.533.095,21
Total 1	16.865.333,61	16.865.333,61
Subscriptions	6.276.588,78	6.276.588,78
Redemptions	11.539.370,27	11.539.370,27
Total 2	17.815.959,05	17.815.959,05
Monthly average of total assets	47.205.217,76	47.205.217,76
Turnover rate	-2,01 %	-2,01 %

	1st half of year	Year
Purchases	6.332.238,40	6.332.238,40
Sales	10.533.095,21	10.533.095,21
Total 1	16.865.333,61	16.865.333,61
Subscriptions	6.276.588,78	6.276.588,78
Redemptions	11.539.370,27	11.539.370,27
Total 2	17.815.959,05	17.815.959,05
Monthly average of total assets	49.026.582,72	49.026.582,72
Corrected turnover rate	-1,94 %	-1,94 %

The table above shows the capital volume of portfolio transactions. This volume (adjusted to take account of total subscriptions and redemptions) is also compared to the average net assets at the beginning and end of the period.

A figure close to 0% implies that the transactions relating to the securities or transactions relating to the assets (excluding deposits and cash) in a given period only involve subscriptions and redemptions.

A negative percentage shows that subscriptions and redemptions entailed few, if any, transactions in the portfolio.

Active asset management may result in high turnover rates (monthly percentage >50%).

The detailed list of transactions is available for consultation free of charge at the registered office of the Bevek or fund at Havenlaan 2, 1080 Brussels.

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

Nil

2.4.4 CHANGES OF THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND THE NET ASSET VALUE

Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2010 - 06	44.667,74	1.612,57	40.642,43	1.656,27	49.289,10	3.499,30	52.788,40
2011 - 06	25.357,98	2.281,12	25.198,51	1.789,35	49.448,58	3.991,07	53.439,64
2012 - 06	9.492,98	755,08	32.120,10	1.393,71	26.821,45	3.352,44	30.173,89

Period	Amounts received and paid by the UCI (in the currency of the sub-fund)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2010 - 06	58.451.234,85	1.509.518,30	54.206.659,89	1.597.669,27
2011 - 06	39.116.071,74	2.415.292,12	38.266.358,72	1.911.442,57
2012 - 06	13.385.138,94	733.927,94	43.025.970,70	1.348.358,57

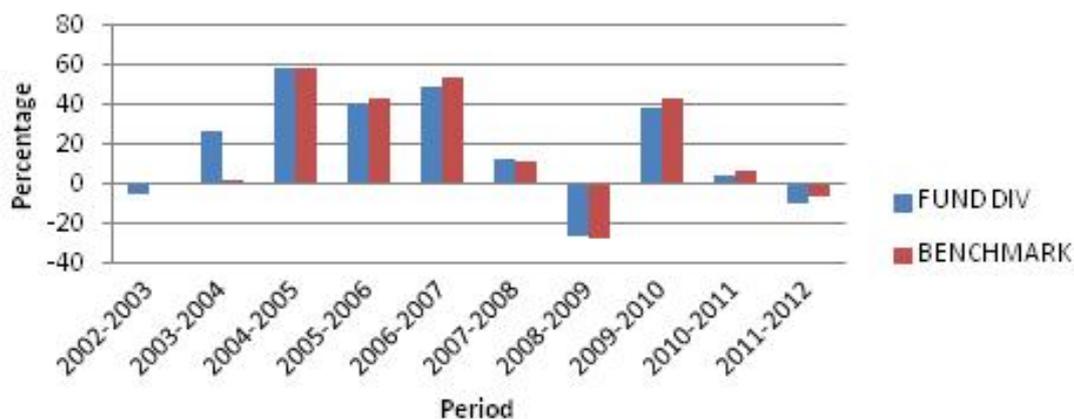
Period	Net asset value End of period (in the currency of the sub-fund)		
Year	Of the sub-fund	Of one share	
		Capitalization	Distribution
2010 - 06	73.378.034,78	1.418,90	983,58
2011 - 06	77.547.739,61	1.485,57	1.024,43
2012 - 06	39.158.687,29	1.345,67	914,48

2.4.5 PERFORMANCE FIGURES

BE0152246535

KBC Equity Fund - Latin America - DIV:

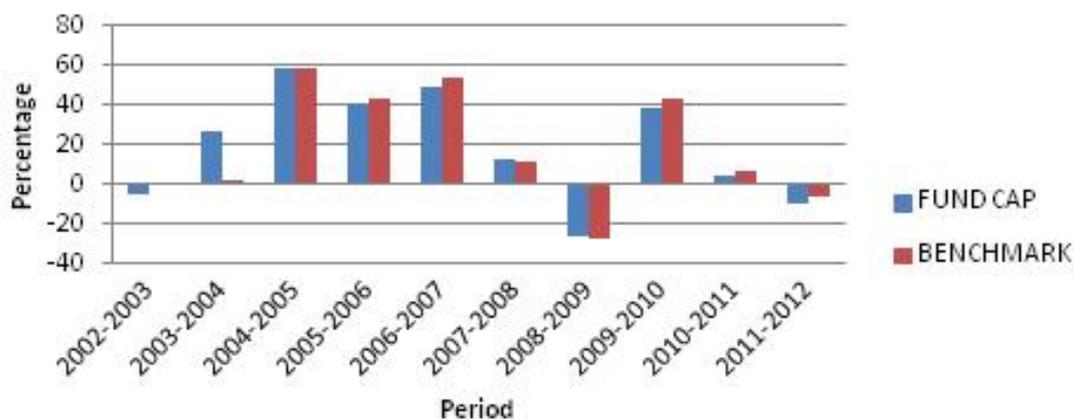
Annual performance compared to the benchmark on 30/06/2012 (in EUR)



BE0146026415

KBC Equity Fund - Latin America - CAP:

Annual performance compared to the benchmark on 30/06/2012 (in EUR)



Cap Div	ISIN code	Cur-rency	1 Year		3 Years*		5 Years*		10 Years*		Since launch*	
			Share classes	Bench mark	Launch Date	Share classes						
CAP	BE0146026415	EUR	-9.42%	-6.73%	9.52%	12.56%	1.76%	2.81%	15.99%		28/01/1994	5.57%
DIV	BE0152246535	EUR	-9.45%	-6.73%	9.50%	12.56%	1.75%	2.81%	15.97%		28/01/1994	7.76%

Risk warning: Past performance is not a guide to future performance.

* Return on annual basis.

- The bar chart shows the performance for full financial years.
- The figures do not take account of any restructuring.
- Calculated in EUR (ex BEF).
- the return is calculated as the change in the net asset value between two dates expressed as a percentage. In the case of units that pay dividends, the dividend is incorporated geometrically in the return.
- Calculation method for date D, where NAV stands for net asset value:
 - Capitalisation units (CAP)
 - Return on date D over a period of X years:

$$[\text{NAV}(D) / \text{NAV}(Y)]^{[1 / X] - 1}$$
 where $Y = D - X$
 - Return on date D since the start date S of the unit:

$$[\text{NAV}(D) / \text{NAV}(S)]^{[1 / F] - 1}$$
 where $F = 1$ if the unit has existed for less than one year on date D
 where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D
 - Distribution units (DIV)
 - Return on date D over a period of X years:

$$[C * \text{NAV}(D) / \text{NAV}(Y)]^{[1 / X] - 1}$$
 where $Y = D - X$
 - Return on date D since the start date S of the unit:

$$[C * \text{NAV}(D) / \text{NAV}(S)]^{[1 / F] - 1}$$
 where $F = 1$ if the unit has existed for less than one year on date D
 where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D
 where C is a factor that is determined for all N dividends between the calculation date D and the reference date.
 - For dividend i on date Di with value Wi:

$$C_i = [W_i / \text{NAV}(D_i)] + 1$$

$$i = 1 \dots N$$
 from which $C = C_0 * \dots * C_N$.
- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the n^{th} square root of 1 plus the total return of the unit.
- The return figures shown above do not take account of the fees and charges associated with the issue and redemption of units.
- These are the performance figures for capitalisation and distribution shares.

2.4.6 COSTS

Total expense ratio (TER): *

Distribution: 1.704%

Capitalization: 1.704%

Percentage calculated at the end of the financial year: 31 December

* The following costs have not been included in the TER:

- Transaction charges
- Interest payments on loans taken out
- Payments in respect of financial derivatives
- Fees and charges paid directly by the investor
- Any soft commissions

SOFT COMMISSIONS

The management company or the appointed manager, as the case may be, is the recipient of soft commissions.

The recipient has laid down an internal policy as regards accepting soft commissions and avoiding possible conflicts of interest in this respect, and has put appropriate internal controls in place to ensure this policy is observed.

For more information, please see the 'General' section of the annual report.

	Commission gross in EUR paid during the period: 1-01-12 -	CSA Credits in EUR accrued during the period: 1-01-12 -	
Broker	30-06-12	30-06-12	Percentage
CITI	2,764	1,359	49.16%
CSFBSAS	1,220	763	62.50%
DEUTSCHE	5,043	2,802	55.56%
MERRILL	229	143	62.50%
MORGAN STANLEY	3,529	1,845	52.29%
NOMURA	1,437	898	62.50%
UBSWDR	930	582	62.50%

FEE-SHARING AGREEMENTS AND REBATES:

The management company may share its fee with the distributor, and institutional and/or professional parties.

In principle, the percentage share amounts to between 35% and 60% if the distributor is an entity of KBC Group NV or to between 35% and 70% if the distributor is not an entity of KBC Group NV. However, in a small number of cases, the distributor's fee is less than 35%. Investors may, on request, obtain more information on these cases.

If the management company invests the assets of the undertaking for collective investment in units of undertakings for collective investment that are not managed by an entity of KBC Group NV, and receives a fee for doing so, it will pay this fee to the undertaking for collective investment.

Fee-sharing does not affect the amount of the management fee paid by the sub-fund to the management company. This management fee is subject to the limitations laid down in the articles of association. The limitations may only be amended after approval by the general meeting of shareholders.

The management company has concluded a distribution agreement with the distributor in order to facilitate the wider distribution of the sub-fund's units by using multiple distribution channels.

It is in the interests of the holders of units, the sub-fund and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund to be maximised in this way. In this respect, there is therefore no question of any conflict of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: 1.4% per annum calculated on the basis of the average total net assets of the sub-fund, excluding those assets invested in investment undertakings managed by a financial institution of the KBC group.

KBC Fund Management Limited receives a fee from the management company of max. 1.4% calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the average total net assets of the sub-fund.

Auditor's fee: 1 700 EUR per year. This fee is not including VAT and will be increased at the end of the 3-year mandate.

The custody fee is calculated on the value of the securities held in custody by the custodian on the final banking day of the preceding calendar year, except on those assets invested in investment undertakings managed by a financial institution of the KBC group. The custody fee is paid at the beginning of the calendar year.

Social, ethical and environmental aspects:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

Exercising voting rights

If necessary, relevant and in the interest of the shareholders, the management company will exercise the voting rights attached to the shares in the Bevek's portfolio.

The management company will adhere to the following criteria when determining how it stands relative to the items on the agenda that are put to the vote:

- Shareholder value may not be adversely affected.
- Corporate governance rules, especially with regard to the rights of minority shareholders, must be respected.
- The minimum standards with regard to sustainable business and corporate social responsibility must be met.

The list of companies for which voting rights are exercised is available at the registered office of the Bevek.

TABLE OF CONTENTS

- 2. Information on KBC Equity Fund Flanders
 - 2.1. Management report
 - 2.1.1. Launch date and subscription price
 - 2.1.2. Stock exchange listing
 - 2.1.3. Aim and distinctive features of the investment policy
 - 2.1.4. Financial portfolio management
 - 2.1.5. Distributors
 - 2.1.6. Index and benchmark
 - 2.1.7. Policy conducted during the financial year
 - 2.1.8. Future policy
 - 2.1.9. Synthetic risk and reward indicator (SRRI)
 - 2.2. Balance sheet
 - 2.3. Profit and loss account
 - 2.4. Composition of the assets and key figures
 - 2.4.1. Composition of the assets
 - 2.4.2. Change in the composition of the assets
 - 2.4.3. Value of commitments in respect of financial derivatives positions
 - 2.4.4. Evolution of the number of subscriptions, repayments and the net asset value
 - 2.4.5. Return figures
 - 2.4.6. Expenses
 - 2.4.7. Notes to the financial statements and other data

2 INFORMATION ON KBC EQUITY FUND FLANDERS

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Launch date: 27 June 1997
Initial subscription price: 20000 BEF
Currency: EUR

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

The main objective of this sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. To this end, the assets are invested, either directly or indirectly via correlated financial instruments, primarily in shares.

SUB-FUND'S INVESTMENT POLICY:

PERMITTED ASSET CLASSES:

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the sub-fund's object.

The sub-fund shall invest no more than 10% of its assets in units of other undertakings for collective investment.

RESTRICTIONS OF THE INVESTMENT POLICY:

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

PERMITTED DERIVATIVES TRANSACTIONS:

Derivates may be used either for hedging purposes or to achieve investment objectives.

Changes will be made to the investments at regular intervals to comply with the sub-fund's investment strategy. **In addition, listed and unlisted derivates may be used to achieve the objectives:** these may be forward contracts, options or swaps on securities, indices, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions. **Such derivatives may also be used to hedge the assets against exchange-rate fluctuations.** Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions.

STRATEGY SELECTED

The assets are invested primarily in shares with a Flemish character where conditions are such as to allow accelerated economic growth in the short or medium term.

RISK CONCENTRATION

Shares with a Flemish character.

LENDING FINANCIAL INSTRUMENTS:

The sub-fund may lend financial instruments within the limits set by law and regulations.

This lending does not affect the sub-fund's risk profile since:

- it takes place within the framework of a securities lending system managed by a principal. In addition, the sub-fund has a relationship only with the principal of the securities lending system which acts as counterparty and to which title of the loaned securities is transferred. The choice of principal is subject to strict selection criteria. The return of securities similar to the securities that have been lent is guaranteed by the principal.
- through a margin management system, the sub-fund is always guaranteed financial security, the actual value of which always exceeds the actual value of the securities that have been lent, in case the principal does not return similar securities.

The return of securities similar to the securities that have been lent can be requested at any time, which means that the lending of securities does not affect the management of the sub-fund's assets. By lending securities, the sub-fund can generate an additional return. The principal pays a fee to the management company. After deducting the fee for the margin management and clearing services of KBC Bank, most of this fee is paid to the sub-fund.

The relationship with the counterparty or counterparties is governed by standard international agreements.

More information is provided on the terms and conditions governing securities lending in the annual or half-yearly report for the sub-fund.

VOLATILITY OF THE NET ASSET VALUE:

The volatility of the net asset value may be high due to the composition of the portfolio.

GENERAL STRATEGY FOR HEDGING THE EXCHANGE RATE RISK:

In order to protect its assets against exchange rate fluctuations and within the limitations laid down in the articles of association, the sub-fund may perform transactions relating to the sale of forward currency contracts, as well as the sale of call options and the purchase of put options on currencies. The transactions in question may relate solely to contracts traded on a regulated market that operates regularly, is recognised and is open to the public or that are traded with a recognised, prime financial institution specialising in such transactions and dealing in the over-the-counter (OTC) market in options. With the same objective, the sub-fund may also sell currencies forward or exchange them in private transactions with prime financial institutions specialising in such transactions. The hedging objective of the aforementioned transactions suggests that there is a direct link between these transactions and the assets to be hedged, which implies that the transactions carried out in a particular currency may in principle not exceed, in terms of volume, either the valuation value of all the assets in the same currency or the holding period of those assets.

SOCIAL, ETHICAL AND ENVIRONMENTAL ASPECTS:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

THE EUROPEAN SAVINGS DIRECTIVE AND TAX ON DEBT CLAIM RETURNS OBTAINED THROUGH THE REDEMPTION OF OWN UNITS OR IN THE EVENT OF FULL OR PARTIAL DISTRIBUTION OF EQUITY CAPITAL.

The following information is of a general character and is not intended to cover all aspects of an investment in a UCITS. In certain cases entirely different rules might even apply. Moreover, both tax law and the interpretation of it can change. Investors who wish to have more information about the tax implications – in both Belgium and abroad – of acquiring, holding and transferring units should seek the advice of their usual financial and tax advisers.

This UCITS shall invest a maximum of 15% of its assets directly or indirectly in debt instruments as intended by the European Savings Directive.

A. European Savings Directive (Directive 2003/48/EC)

The European Savings Directive has been implemented in Belgium through:

- The Law of 17 May 2004 transposing into Belgian law Directive 2003/48/EC of 3 June 2003 of the Council of the European Union on taxation of savings income in the form of interest payments and amending Income Tax Code 1992 on withholding tax;
- The Royal Decree of 27 September 2009 implementing Article 338bis § 2 of Income Tax Code 1992;
- The Royal Decree of 27 September 2009 concerning the entry into effect of Article 338bis § 2, paragraphs one to three, of Income Tax Code 1992;

Since this UCITS invests a maximum of 15% of its assets directly or indirectly in debt claims as intended by the European Savings Directive, the income of this UCITS does not fall within the scope of this directive.

B. Tax on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital (Article 19bis Income Tax Code 1992).

The income from this UCITS is not subject to the tax on debt instrument returns as intended by Article 19bis, Income Tax Code 1992.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

There is no delegation of the portfolio.

2.1.5 DISTRIBUTORS

KBC Asset Management S.A., 5, Place de la Gare, L-1616 Luxembourg.

2.1.6 INDEX AND BENCHMARK

See 'Sub-fund's investment policy'.

2.1.7 POLICY PERSUED DURING THE FINANCIAL YEAR

Recent economic data indicates that Belgium was one of the better performing EMU countries at the start of this year, too. With first-quarter 2012 growth of 1.3% (on an annualised basis compared with the previous quarter), Belgium was next after the leaders, Germany (2.1%), Finland and Austria. The performance of these countries is in stark contrast to the recession other member states, including the Netherlands, are going through.

The European debt crisis has not yet been definitively solved, and this is eating away at the confidence of the economic players. Following the ECB's long-term refinancing operations (LTROs) of December 2011 and February 2012, it appeared for a short while as though the central bank had pumped enough cash into the financial markets to take away the uncertainty for a time, but the numbing effect of these LTROs proved to be short lived.

The flaring up of problems with the banks in Spain and speculation about Greece existing the euro area caused the crisis to explode again in April 2012.

The BEL20 recorded a fairly strong first six months and outperformed the broad European market. Topping the BEL20 (+6.92%) were the financial shares, KBC and Ageas. Heavyweight, AB Inbev, was third. UCB continued its strong performance of the previous year. And Solvay (+18.21%) completed the top five.

The big disappointments were Delhaize and Mobistar, both shares lingering at the bottom. Delhaize is contending with problems in the US and Mobistar is trapped between the two other major players in Belgium. Nyrstar and Bekaert suffered on account of a weaker Chinese economy and falling metal prices.

KBC Equity Fund Flanders performed strongly in the first half of 2012 and outperformed the BEL20 and Institutional Return indices.

Overweight positions in KBC, Arseus, Kinopolis, Thrombogenics and Barco contributed significantly to the fund's relative performance. Negative relative contributions came from AB Inbev due to the legal restriction of 10% and from an underweight position in Solvay and UCB.

2.1.8 FUTURE POLICY

Consumption will be negatively affected in Belgium this year by the decreasing purchasing power of households, which is the result of the weaker labour market and in particular the tax measures aimed at restructuring public finances. On the other hand, public spending and net exports will deliver a slightly positive contribution.

All the same, Belgium is one of the better performing countries. The National Bank estimates growth for Belgium at 0.6% in 2012 and 1.4% in 2013.

KBC Equity Flanders focuses primarily on Flemish stocks with above-average growth potential in the years ahead. This means, for instance, large Flemish companies like AB InBev, KBC, Ackermans and Colruyt, cyclical and growth stocks such as Bekaert, Nyrstar, Telenet, CMB, Euronav, Barco, Recticel and Melexis, pharmaceutical and biotech companies like Arseus, Thrombogenics, Galapagos and Ablynx, and a number of defensive stocks such as Van de Velde and Miko. The fund also invests in a number of company-specific themes, such as CFE, Tessenderlo Chemie, Sipef and Kinopolis.

The evolution of the European debt crisis and the associated credibility of the euro remain crucial to share price trends in the European and Belgian banking sectors alike. We will be monitoring the situation closely.

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

7 on a scale of 1 (lowest risk) to 7 (highest risk).

The value of a share can decrease or increase and the investor may not get back the amount invested.

In accordance with Commission Regulation (EU) No. 583/2010, a synthetic risk and reward indicator has been calculated. This indicator provides a quantitative measure of the sub-fund's potential return and the risk involved, calculated in the currency in which the sub-fund is denominated. It is given as a figure between 1 and 7. The higher the figure, the greater the potential return, but also the more difficult it is to predict this return. Losses are possible too. The lowest figure does not mean that the investment is entirely free of risk. However, it does indicate that, compared with the higher figures, this product will generally provide a lower, but more predictable return.

The synthetic risk and reward indicator is assessed regularly and can therefore go up or down based on data from the past. Data from the past is not always a reliable indicator of future risk and return. The most recent indicator can be found under the 'Risk and reward profile' heading in the 'Key Investor Information' document.

2.2 BALANCE SHEET

Balance sheet layout	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
TOTAL NET ASSETS	19.384.034,04	23.096.370,38
II. Securities, money market instruments, UCIs and derivatives		
A. Bonds and other debt instruments		
a) Bonds		
a) Collateral received in the form of bonds	116.852,41	
C. Shares and similar instruments		
a) Shares	19.101.188,26	22.608.593,71
Of which securities lent	120.084,05	
b) Closed-end undertakings for collective investment	11.072,88	13.770,12
D. Other securities	41.607,50	40.389,66
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable	133.190,23	466.383,47
b) Tax assets	225.409,69	237.835,04
B. Payables		
a) Accounts payable (-)	-308.175,85	-60.580,81
c) Borrowings (-)		-219.198,94
d) Collateral (-)	-116.852,41	
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	168.318,61	7.047,34
VI. Accruals and deferrals		
A. Expense to be carried forward	6.984,02	12.787,30
B. Accrued income	15.941,68	1.649,98
C. Accrued expense (-)	-11.502,98	-12.306,49
TOTAL SHAREHOLDERS' EQUITY	19.384.034,04	23.096.370,38
A. Capital	17.513.382,92	23.779.167,81
B. Income equalization	-4.914,85	-24.297,00
D. Result for the period	1.875.565,97	-658.500,43

Off-balance-sheet headings

I	Collateral (+/-)	
I.A	Collateral (+/-)	
I.A.A	Securities/market instruments	116.852,41
IX	Financial instruments lent	120.084,05

2.3 PROFIT AND LOSS ACCOUNT

Income Statement	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
I. Net gains(losses) on investments		
C. Shares and similar instruments		
a) Shares	1.654.782,48	-840.096,00
b) Closed-end undertakings for collective investment	-165,62	1.206,66
D. Other securities	-11.623,89	-13,79
H. Foreign exchange positions and transactions		
b) Other foreign exchange positions and transactions	6,30	-19,98
II. Investment income and expenses		
A. Dividends	403.350,97	430.046,19
B. Interests		
a) Securities and money market instruments	429,29	3.597,27
b) Cash at bank and in hand and deposits	902,12	1.350,46
C. Interest on borrowings (-)	-869,90	-4.320,74
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-22.802,14	-38.006,57
B. Financial expenses (-)	-123,05	-1.253,74
C. Custodian's fee (-)	-6.613,90	-10.518,73
D. Manager's fee (-)		
a) Financial management	-119.447,32	-172.208,36
b) Administration and accounting management	-9.137,62	-12.611,72
E. Administrative expenses (-)	-97,99	-59,84
F. Formation and organisation expenses (-)	-1.179,36	-1.118,26
G. Remuneration, social security charges and pension		-5,17
H. Services and sundry goods (-)	-2.633,15	-2.325,81
J. Taxes	-7.016,83	-9.839,82
K. Other expenses (-)	-2.194,42	-2.302,48
Income and expenditure for the period		
Subtotal II + III + IV	232.566,70	180.422,68
V. Profit (loss) on ordinary activities before tax	1.875.565,97	-658.500,43
VII. Result for the period	1.875.565,97	-658.500,43

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC EQUITY FUND FLANDERS

Name	Quantity on 30/06/2012	Currency	Price in currency	Evaluation (in the currency of the sub-fund)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
Investment funds							
Closed-end funds							
Listed closed-end investment funds							
<u>Belgium</u>							
QUEST FOR GROWTH -	2.366,00	EUR	4,680	11.072,88		0,06	0,06
Total investment funds				11.072,88		0,06	0,06
Shares							
Exchange-listed shares							
<u>Belgium</u>							
ABLYNX -	19.370,00	EUR	2,830	54.817,10		0,29	0,28
ABLYNX STRIP-VVPR	20.000,00	EUR	0,001	20,00			
ACKERMANS VH NV -	8.067,00	EUR	61,900	499.347,30		2,61	2,58
AGEAS NV -	180.000,00	EUR	1,560	280.800,00		1,47	1,45
AGFA GEVAERT STRIP VVPR	58.203,00	EUR	0,001	58,20			
ANHEUSER-BUSCH INBEV NV -	25.330,00	EUR	61,300	1.552.729,00		8,11	8,01
ANHEUSER-BUSCH INBEV NV STRIP-VVPR	38.912,00	EUR	0,001	38,91			
ARSEUS NV -	40.466,00	EUR	13,900	562.477,40		2,94	2,90
ARSEUS NV STRIP VVPR	10.868,00	EUR	0,030	326,04		0,00	0,00
BARCO NV NEW	6.844,00	EUR	39,850	272.733,40		1,42	1,41
BEKAERT -	40.203,00	EUR	19,510	784.360,53		4,10	4,05
C.F.E. (BRU)	20.482,00	EUR	41,970	859.629,54		4,49	4,44
C.M.B. -	19.171,00	EUR	17,490	335.300,79		1,75	1,73
COLRUYT -	26.976,00	EUR	35,195	949.420,32		4,96	4,90
D'IETEREN -	4.078,00	EUR	32,800	133.758,40		0,70	0,69
DECEUNINCK -	163.934,00	EUR	0,860	140.983,24		0,74	0,73
DELHAIZE GROEP -	24.493,00	EUR	28,880	707.357,84		3,69	3,65
DEVGEN -	23.730,00	EUR	8,180	194.111,40		1,01	1,00
DEVGEN STRIP-VVPR	20.000,00	EUR	0,000	2,00			
DUVEL - MOORTGAT (BRU)	1.998,00	EUR	75,000	149.850,00		0,78	0,77
ECODIS -	13.393,00	EUR	0,090	1.205,37		0,01	0,01
ECONOCOM GROUP -	10.000,00	EUR	16,690	166.900,00		0,87	0,86
EURONAV SA -	58.318,00	EUR	5,400	314.917,20		1,64	1,63
EVS BROADCAST EQUIPMENT (BRU)	5.246,00	EUR	37,170	194.993,82		1,02	1,01
EXMAR NV -	50.398,00	EUR	5,790	291.804,42		1,52	1,51
EXMAR NV VVPR - STRIP	27.795,00	EUR	0,002	55,59			
FINANCIERE DE TUBIZE (BRU)	4.658,00	EUR	29,800	138.808,40		0,73	0,72
GALAPAGOS GENOMICS NV -	25.867,00	EUR	12,400	320.750,80		1,68	1,66
GIMV -	2.750,00	EUR	35,950	98.862,50		0,52	0,51
IBA ION BEAM -	30.953,00	EUR	4,180	129.383,54		0,68	0,67
JENSEN-GROUP NV (BRU)	25.578,00	EUR	7,350	187.998,30		0,98	0,97
KBC ANCORA -	121.084,00	EUR	6,850	829.425,40		4,33	4,28
KBC GROUP -	82.000,00	EUR	16,665	1.366.530,00		7,13	7,05
KINEPOLIS GROUP (BRU)	5.516,00	EUR	67,250	370.951,00		1,94	1,91

LOTUS BAKERIES (BRU)	250,00	EUR	505,000	126.250,00		0,66	0,65
MDXHEALTH -	3.184,00	EUR	1,430	4.553,12		0,02	0,02
MELEXIS NV -	39.939,00	EUR	12,250	489.252,75		2,55	2,52
MIKO -	9.501,00	EUR	44,000	418.044,00		2,18	2,16
MOBISTAR -	15.000,00	EUR	27,040	405.600,00		2,12	2,09
NYRSTAR -	45.871,00	EUR	4,478	205.410,34		1,07	1,06
NYRSTAR STRIP VVPR	47.691,00	EUR	0,001	47,69			
PINGUIN -	18.967,00	EUR	8,040	152.494,68		0,80	0,79
PINGUIN STRIP VVPR	6.446,00	EUR	0,040	257,84		0,00	0,00
PUNCH INTERNATIONAL (BRU)	13.485,00	EUR	2,600	35.061,00		0,18	0,18
PUNCH INTERNATIONAL VVPR STRIP	16.028,00	EUR	0,001	16,03			
REALDOLMEN BONUS 01/04/09	16.257,00	EUR	16,500	268.240,50		1,40	1,38
REALDOLMEN STRIP VVPR BONUS 01/04/09	12.482,00	EUR	0,001	12,48			
REALDOLMEN STRIP-VVPR	19,00	EUR	0,001	0,02			
RECTICEL -	87.494,00	EUR	4,940	432.220,36		2,26	2,23
RESILUX (BRU)	3.250,00	EUR	50,100	162.825,00		0,85	0,84
RHJ INTERNATIONAL -	41.571,00	EUR	3,540	147.161,34		0,77	0,76
ROULARTA MEDIA GROUP (BRU) STRIP-VVPR	1.422,00	EUR	0,009	12,80			
ROULARTA MEDIA GROUP -	14.643,00	EUR	13,750	201.341,25		1,05	1,04
SIOEN INDUSTRIES -	23.811,00	EUR	4,880	116.197,68		0,61	0,60
SIPEF (BRU)	9.320,00	EUR	56,900	530.308,00		2,77	2,74
SOLVAY -	6.749,00	EUR	77,780	524.937,22		2,74	2,71
SPECTOR (BRU) STRIP-VVPR	125.000,00	EUR	0,001	125,00		0,00	0,00
TELENET -	13.677,00	EUR	34,500	471.856,50		2,46	2,43
TER BEKE (BRU)	2.314,00	EUR	49,010	113.409,14		0,59	0,59
TESSENDERLO -	34.870,00	EUR	20,100	700.887,00		3,66	3,62
THROMBOGENICS NV -	10.601,00	EUR	21,300	225.801,30		1,18	1,17
THROMBOGENICS NV STRIP-VVPR	38.750,00	EUR	0,007	271,25		0,00	0,00
TRANSICS INTERNATIONAL NV -	21.484,00	EUR	7,290	156.618,36		0,82	0,81
UMICORE -	5.280,00	EUR	36,370	192.033,60		1,00	0,99
VAN DE VELDE -	10.789,00	EUR	34,100	367.904,90		1,92	1,90
WAREHOUSE DISTR. DE PAUW -	1.706,00	EUR	42,060	71.754,36		0,38	0,37
<u>France</u>							
GDF SUEZ -	35.000,00	EUR	18,755	656.425,00		3,43	3,39
<u>Netherlands</u>							
ADVANCED METALLURGICAL GROUP -	5.000,00	EUR	6,630	33.150,00		0,17	0,17
Total shares				19.101.188,26		99,73	98,54
Rights							
<u>Belgium</u>							
GIMV CP 29/06/2012	2.750,00	EUR	2,450	6.737,50		0,04	0,04
TESSENDERLO CP 07/06/12	34.870,00	EUR	1,000	34.870,00		0,18	0,18
Total rights				41.607,50		0,22	0,22
TOTAL SECURITIES PORTFOLIO				19.153.868,64		100,00	98,81
COLLATERAL RECEIVED							
<u>Belgium</u>							
KBC GROUP COLLATERAL EUR	116.852,41	EUR	1,000	116.852,41			0,60
TOTAL RECEIVED COLLATERAL				116.852,41			0,60
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP EURO	167.931,09	EUR	1,000	167.931,09			0,87

KBC GROUP USD	355,26	USD	1,000	279,93		0,00
Total demand accounts				168.211,02		0,87
Managed futures accounts						
<u>Belgium</u>						
KBC GROUP EURO FUT REK	107,59	EUR	1,000	107,59		0,00
Total managed futures accounts				107,59		0,00
TOTAL CASH AT BANK AND IN HAND				168.318,61		0,87
OTHER RECEIVABLES AND PAYABLES						
Receivables						
<u>Belgium</u>						
KBC GROUP EUR RECEIVABLE	133.190,23	EUR	1,000	133.190,23		0,69
KBC GROUP WHT TO BE RECOVERED EUR	225.409,69	EUR	1,000	225.409,69		1,16
Total receivables				358.599,92		1,85
Payables						
<u>Belgium</u>						
KBC GROUP COUNTERPART ENTRY COLLATERAL IN EUR	-116.852,41	EUR	1,000	-116.852,41		-0,60
KBC GROUP EUR PAYABLE	-308.175,85	EUR	1,000	-308.175,85		-1,59
Payables				-425.028,26		-2,19
TOTAL RECEIVABLES AND PAYABLES				-66.428,34		-0,34
OTHER						
Interest receivable		EUR		15.844,00		0,08
Accrued interest		EUR		97,68		
Expenses payable		EUR		-11.502,98		-0,06
Expenses to be carried forward		EUR		6.984,02		0,04
TOTAL OTHER				11.422,72		0,06
TOTAL NET ASSETS				19.384.034,04		100,00

Geographic breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Belgium	99,32	100,00	100,00	96,40
France	0,00	0,00	0,00	3,43
Netherlands	0,68	0,00	0,00	0,17
Total	100,00	100,00	100,00	100,00

Sector breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Cyclicals	22,36	25,96	27,21	24,15
Consum(cycl)	17,33	12,73	16,20	12,04
Cons.goods	14,26	18,85	18,89	23,14
Pharma	16,48	14,83	13,05	7,82
Financials	15,95	18,29	13,63	17,65
Technology	10,41	6,66	8,10	7,09
Telecomm.	3,17	2,62	2,84	4,60
Utilities	0,00	0,00	0,01	3,45
Unit trusts	0,04	0,06	0,07	0,06
Total	100,00	100,00	100,00	100,00

Currency breakdown (as a % of net assets)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
EUR	100,00	100,00	100,00	100,00
Total	100,00	100,00	100,00	100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC EQUITY FUND FLANDERS (IN THE CURRENCY OF THE SUB-FUND)

	1st half of year	Year
Purchases	13.348.216,68	13.348.216,68
Sales	11.522.258,81	11.522.258,81
Total 1	24.870.475,49	24.870.475,49
Subscriptions	3.688.336,23	3.688.336,23
Redemptions	2.186.973,35	2.186.973,35
Total 2	5.875.309,58	5.875.309,58
Monthly average of total assets	19.155.996,02	19.155.996,02
Turnover rate	99,16 %	99,16 %

	1st half of year	Year
Purchases	13.348.216,68	13.348.216,68
Sales	11.522.258,81	11.522.258,81
Total 1	24.870.475,49	24.870.475,49
Subscriptions	3.688.336,23	3.688.336,23
Redemptions	2.186.973,35	2.186.973,35
Total 2	5.875.309,58	5.875.309,58
Monthly average of total assets	18.859.565,63	18.859.565,63
Corrected turnover rate	100,72 %	100,72 %

The table above shows the capital volume of portfolio transactions. This volume (adjusted to take account of total subscriptions and redemptions) is also compared to the average net assets at the beginning and end of the period.

A figure close to 0% implies that the transactions relating to the securities or transactions relating to the assets (excluding deposits and cash) in a given period only involve subscriptions and redemptions.

A negative percentage shows that subscriptions and redemptions entailed few, if any, transactions in the portfolio.

Active asset management may result in high turnover rates (monthly percentage >50%).

The detailed list of transactions is available for consultation free of charge at the registered office of the Bevek or fund at Havenlaan 2, 1080 Brussels.

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

NAME	Currency	Value in currency	In the currency of the sub-fund	Lot-size	Transaction date
KBC COLLATERAL EUR	EUR	116.852,41	116.852,41	N/A	29.06.2012

2.4.4 CHANGES OF THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND THE NET ASSET VALUE

Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2010 - 06	10.413,73	337,64	5.543,68	874,00	16.695,75	3.350,64	20.046,39
2011 - 06	3.283,62	400,53	6.518,73	1.082,25	13.460,64	2.668,92	16.129,57
2012 - 06	3.101,66	280,87	2.721,18	461,99	13.841,13	2.487,80	16.328,93

Period	Amounts received and paid by the UCI (in the currency of the sub-fund)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2010 - 06	12.318.300,14	320.979,24	7.371.445,79	833.475,78
2011 - 06	4.774.019,23	454.956,55	9.857.866,48	1.222.419,06
2012 - 06	3.885.988,56	266.907,53	3.319.010,03	435.010,13

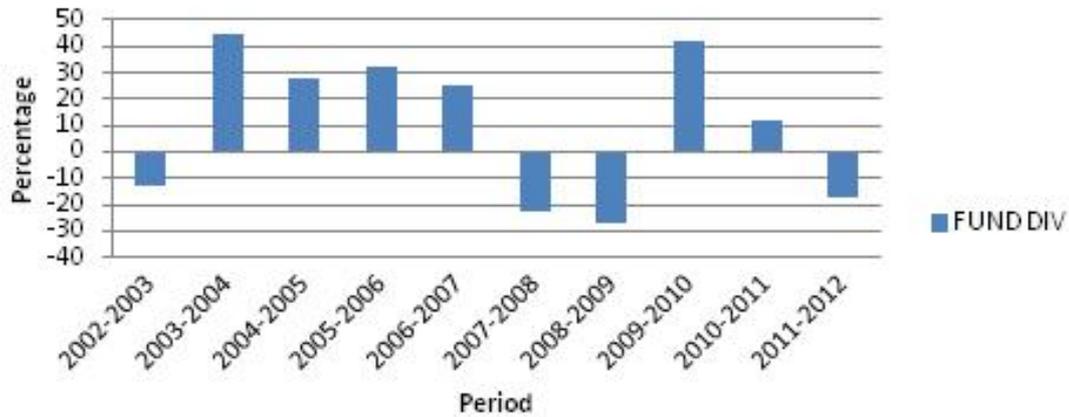
Period	Net asset value End of period (in the currency of the sub-fund)		
Year	Of the sub-fund	Of one share	
		Capitalization	Distribution
2010 - 06	25.609.386,89	1.331,95	1.006,23
2011 - 06	23.096.370,38	1.492,96	1.124,09
2012 - 06	19.384.034,04	1.234,83	921,52

2.4.5 PERFORMANCE FIGURES

BE0164244239

KBC Equity Fund - Flanders - DIV:

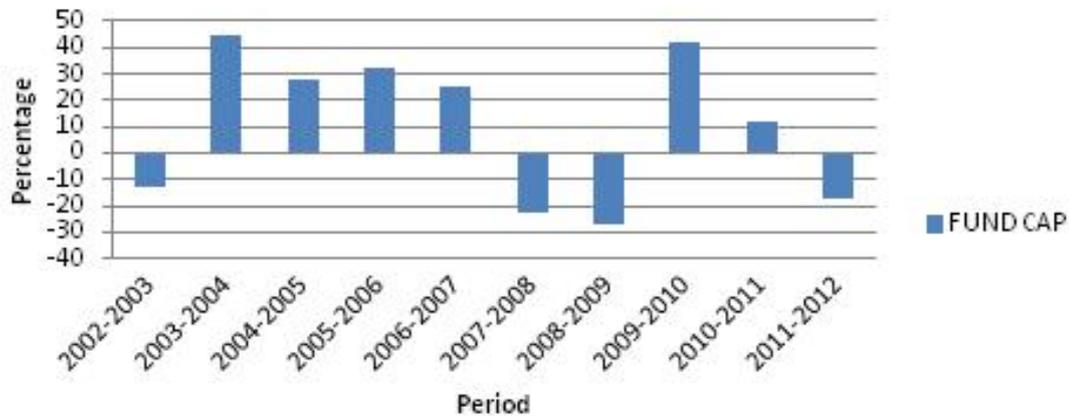
Annual performance on 30/06/2012 (in EUR)



BE0164243223

KBC Equity Fund - Flanders - CAP:

Annual performance on 30/06/2012 (in EUR)



Cap Div	ISIN code	Cur- rency	1 Year		3 Years*		5 Years*		10 Years*		Since launch*	
			Share classes	Bench mark	Launch Date	Share classes						
CAP	BE0164243223	EUR	-17.29%		9.51%		-5.79%		7.16%		27/06/1997	6.27%
DIV	BE0164244239	EUR	-17.30%		9.51%		-5.80%		7.14%		27/06/1997	6.26%

Risk warning: Past performance is not a guide to future performance.

* Return on annual basis.

- The bar chart shows the performance for full financial years.
- The figures do not take account of any restructuring.
- Calculated in EUR (ex BEF).
- the return is calculated as the change in the net asset value between two dates expressed as a percentage. In the case of units that pay dividends, the dividend is incorporated geometrically in the return.
- Calculation method for date D, where NAV stands for net asset value:
 - Capitalisation units (CAP)
 - Return on date D over a period of X years:

$$[\text{NAV}(D) / \text{NAV}(Y)]^{[1 / X] - 1}$$
 where $Y = D - X$
 - Return on date D since the start date S of the unit:

$$[\text{NAV}(D) / \text{NAV}(S)]^{[1 / F] - 1}$$
 where $F = 1$ if the unit has existed for less than one year on date D
 where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D
 - Distribution units (DIV)
 - Return on date D over a period of X years:

$$[C * \text{NAV}(D) / \text{NAV}(Y)]^{[1 / X] - 1}$$
 where $Y = D - X$
 - Return on date D since the start date S of the unit:

$$[C * \text{NAV}(D) / \text{NAV}(S)]^{[1 / F] - 1}$$
 where $F = 1$ if the unit has existed for less than one year on date D
 where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D
 where C is a factor that is determined for all N dividends between the calculation date D and the reference date.
 - For dividend i on date Di with value Wi:

$$C_i = [W_i / \text{NAV}(D_i)] + 1$$

$$i = 1 \dots N$$
 from which $C = C_0 * \dots * C_N$.
- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the n^{th} square root of 1 plus the total return of the unit.
- The return figures shown above do not take account of the fees and charges associated with the issue and redemption of units.
- These are the performance figures for capitalisation and distribution shares.

2.4.6 COSTS

Total expense ratio (TER): *

Distribution: 1.543%

Capitalization: 1.543%

Percentage calculated at the end of the financial year: 31 December

* The following costs have not been included in the TER:

- Transaction charges
- Interest payments on loans taken out
- Payments in respect of financial derivatives
- Fees and charges paid directly by the investor
- Any soft commissions

SOFT COMMISSIONS

The management company or the appointed manager, as the case may be, is the recipient of soft commissions.

The recipient has laid down an internal policy as regards accepting soft commissions and avoiding possible conflicts of interest in this respect, and has put appropriate internal controls in place to ensure this policy is observed.

For more information, please see the 'General' section of the annual report.

	Commission gross in EUR paid during the period: 1-01-12	CSA Credits in EUR accrued during the period: 1-01-12	
	-	-	
Broker	30-06-12	30-06-12	Percentage
DEUTSCHE	4,359	2,180	50.00%
SOCGEN	106	53	50.00%
UBSWDR	230	115	50.00%

FEE-SHARING AGREEMENTS AND REBATES:

The management company may share its fee with the distributor, and institutional and/or professional parties.

In principle, the percentage share amounts to between 35% and 60% if the distributor is an entity of KBC Group NV or to between 35% and 70% if the distributor is not an entity of KBC Group NV. However, in a small number of cases, the distributor's fee is less than 35%. Investors may, on request, obtain more information on these cases.

If the management company invests the assets of the undertaking for collective investment in units of undertakings for collective investment that are not managed by an entity of KBC Group NV, and receives a fee for doing so, it will pay this fee to the undertaking for collective investment.

Fee-sharing does not affect the amount of the management fee paid by the sub-fund to the management company. This management fee is subject to the limitations laid down in the articles of association. The limitations may only be amended after approval by the general meeting of shareholders.

The management company has concluded a distribution agreement with the distributor in order to facilitate the wider distribution of the sub-fund's units by using multiple distribution channels.

It is in the interests of the holders of units, the sub-fund and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund to be maximised in this way. In this respect, there is therefore no question of any conflict of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: 1.25% per annum calculated on the basis of the average total net assets of the sub-fund, excluding those assets invested in investment undertakings managed by a financial institution of the KBC group.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the average total net assets of the sub-fund.

Auditor's fee: 1 700 EUR per year. This fee is not including VAT and will be increased at the end of the 3-year mandate.

The custody fee is calculated on the value of the securities held in custody by the custodian on the final banking day of the preceding calendar year, except on those assets invested in investment undertakings managed by a financial institution of the KBC group. The custody fee is paid at the beginning of the calendar year.

Social, ethical and environmental aspects:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

Exercising voting rights

If necessary, relevant and in the interest of the shareholders, the management company will exercise the voting rights attached to the shares in the Bevek's portfolio.

The management company will adhere to the following criteria when determining how it stands relative to the items on the agenda that are put to the vote:

- Shareholder value may not be adversely affected.
- Corporate governance rules, especially with regard to the rights of minority shareholders, must be respected.
- The minimum standards with regard to sustainable business and corporate social responsibility must be met.

The list of companies for which voting rights are exercised is available at the registered office of the Bevek.

Name	Maximum management fee
KBC Equity Fund-Flanders	1,25

Securities lending

In accordance with the Royal Decree of 7 March 2006 concerning securities lending, the undertaking for collective investment has taken out securities loans with a principal to whom the full title of the loaned securities was transferred, without recording this transfer of ownership in the accounts.

For the period from 1 January 2012 to 30 June 2012, the fee for securities lent comes to 331.14 EUR. KBC Asset Management NV receives 50% of the net fee received for securities lent.

The detailed list of securities lending transactions carried out can be obtained from the registered office of the collective investment undertaking at 2 Havenlaan, 1080 Brussels.

Overview of securities lent as at 30/06/2012

Name	Currency	Quantity	Price	Value in currency of the portfolio
BEKAERT	EUR	6.155	19,510	120.084,05
Total				120.084,05

Details of collateral received for securities lent

Name	Currency	Nominal value	Currency fund	Value in Currency fund
GERMANY 2009 2,25% 11/04/14	EUR	62.000	EUR	64.715,79
FRANCE 2001 3% 25/07/2012	EUR	11.000	EUR	14.064,81
BTAN FRANCE 2008 4 1/2% 12/07/13	EUR	35.000	EUR	38.071,81
Total				116.852,41

For the valuation of the collateral received, indicative prices have been used in this detail list by the Collateral Management Division of KBC Bank.

TABLE OF CONTENTS

- 2. Information on KBC Equity Fund Utilities
 - 2.1. Management report
 - 2.1.1. Launch date and subscription price
 - 2.1.2. Stock exchange listing
 - 2.1.3. Aim and distinctive features of the investment policy
 - 2.1.4. Financial portfolio management
 - 2.1.5. Distributors
 - 2.1.6. Index and benchmark
 - 2.1.7. Policy conducted during the financial year
 - 2.1.8. Future policy
 - 2.1.9. Synthetic risk and reward indicator (SRRI)
 - 2.2. Balance sheet
 - 2.3. Profit and loss account
 - 2.4. Composition of the assets and key figures
 - 2.4.1. Composition of the assets
 - 2.4.2. Change in the composition of the assets
 - 2.4.3. Value of commitments in respect of financial derivatives positions
 - 2.4.4. Evolution of the number of subscriptions, repayments and the net asset value
 - 2.4.5. Return figures
 - 2.4.6. Expenses
 - 2.4.7. Notes to the financial statements and other data

2 INFORMATION ON KBC EQUITY FUND UTILITIES

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Launch date: 31 December 1998
Initial subscription price: 20000 BEF
Currency: EUR

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

The main objective of this sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. To this end, the assets are invested, either directly or indirectly via correlated financial instruments, primarily in shares.

SUB-FUND'S INVESTMENT POLICY:

PERMITTED ASSET CLASSES:

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the sub-fund's object.

The sub-fund shall invest no more than 10% of its assets in units of other undertakings for collective investment.

RESTRICTIONS OF THE INVESTMENT POLICY:

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

PERMITTED DERIVATIVES TRANSACTIONS:

Derivates may be used either for hedging purposes or to achieve investment objectives.

Changes will be made to the investments at regular intervals to comply with the sub-fund's investment strategy. **In addition, listed and unlisted derivates may be used to achieve the objectives:** these may be forward contracts, options or swaps on securities, indices, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions. **Such derivatives may also be used to hedge the assets against exchange-rate fluctuations.** Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions.

STRATEGY SELECTED

At least 75% of the assets are invested in shares of public utility companies in countries where conditions are such as to ensure accelerated economic growth in the short or medium term.

LENDING FINANCIAL INSTRUMENTS:

The sub-fund may lend financial instruments within the limits set by law and regulations.

This lending does not affect the sub-fund's risk profile since:

- it takes place within the framework of a securities lending system managed by a principal. In addition, the sub-fund has a relationship only with the principal of the securities lending system which acts as counterparty and to which title of the loaned securities is transferred. The choice of principal is subject to strict selection criteria. The return of securities similar to the securities that have been lent is guaranteed by the principal.
- through a margin management system, the sub-fund is always guaranteed financial security, the actual value of which always exceeds the actual value of the securities that have been lent, in case the principal does not return similar securities.

The return of securities similar to the securities that have been lent can be requested at any time, which means that the lending of securities does not affect the management of the sub-fund's assets. By lending securities, the sub-fund can generate an additional return. The principal pays a fee to the management company. After deducting the fee for the margin management and clearing services of KBC Bank, most of this fee is paid to the sub-fund.

The relationship with the counterparty or counterparties is governed by standard international agreements.

More information is provided on the terms and conditions governing securities lending in the annual or half-yearly report for the sub-fund.

VOLATILITY OF THE NET ASSET VALUE:

The volatility of the net asset value may be high due to the composition of the portfolio.

GENERAL STRATEGY FOR HEDGING THE EXCHANGE RATE RISK:

In order to protect its assets against exchange rate fluctuations and within the limitations laid down in the articles of association, the sub-fund may perform transactions relating to the sale of forward currency contracts, as well as the sale of call options and the purchase of put options on currencies. The transactions in question may relate solely to contracts traded on a regulated market that operates regularly, is recognised and is open to the public or that are traded with a recognised, prime financial institution specialising in such transactions and dealing in the over-the-counter (OTC) market in options. With the same objective, the sub-fund may also sell currencies forward or exchange them in private transactions with prime financial institutions specialising in such transactions. The hedging objective of the aforementioned transactions suggests that there is a direct link between these transactions and the assets to be hedged, which implies that the transactions carried out in a particular currency may in principle not exceed, in terms of volume, either the valuation value of all the assets in the same currency or the holding period of those assets.

SOCIAL, ETHICAL AND ENVIRONMENTAL ASPECTS:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

THE EUROPEAN SAVINGS DIRECTIVE AND TAX ON DEBT CLAIM RETURNS OBTAINED THROUGH THE REDEMPTION OF OWN UNITS OR IN THE EVENT OF FULL OR PARTIAL DISTRIBUTION OF EQUITY CAPITAL.

The following information is of a general character and is not intended to cover all aspects of an investment in a UCITS. In certain cases entirely different rules might even apply. Moreover, both tax law and the interpretation of it can change. Investors who wish to have more information about the tax implications – in both Belgium and abroad – of acquiring, holding and transferring units should seek the advice of their usual financial and tax advisers.

This UCITS shall invest a maximum of 15% of its assets directly or indirectly in debt instruments as intended by the European Savings Directive.

A. European Savings Directive (Directive 2003/48/EC)

The European Savings Directive has been implemented in Belgium through:

- The Law of 17 May 2004 transposing into Belgian law Directive 2003/48/EC of 3 June 2003 of the Council of the European Union on taxation of savings income in the form of interest payments and amending Income Tax Code 1992 on withholding tax;
- The Royal Decree of 27 September 2009 implementing Article 338bis § 2 of Income Tax Code 1992;
- The Royal Decree of 27 September 2009 concerning the entry into effect of Article 338bis § 2, paragraphs one to three, of Income Tax Code 1992;

Since this UCITS invests a maximum of 15% of its assets directly or indirectly in debt claims as intended by the European Savings Directive, the income of this UCITS does not fall within the scope of this directive.

B. Tax on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital (Article 19bis Income Tax Code 1992).

The income from this UCITS is not subject to the tax on debt instrument returns as intended by Article 19bis, Income Tax Code 1992.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

There is no delegation of the portfolio.

2.1.5 DISTRIBUTORS

KBC Asset Management S.A., 5, Place de la Gare, L-1616 Luxembourg.

2.1.6 INDEX AND BENCHMARK

See 'Sub-fund's investment policy'.

2.1.7 POLICY PERSUED DURING THE FINANCIAL YEAR

The global economy emerged from a deep recession in mid-2009, but the recovery was highly dependent on massive government budgetary and monetary stimuli. Doubts about the sustainability of the economic recovery continued to dominate the investment climate in the past period under review. In Europe the debt crisis continued to rage unabated. Five euro countries needed a bail-out from the European emergency fund. Greece reached agreement with its private sector creditors on restructuring the bond debt it owes them.

The economic crisis and the government intervention required to keep the financial sector from collapsing have put public finances out of kilter virtually everywhere in the Western world, not only in the EMU, but also in the UK and US. The budget debate in the US led to a political impasse. As a result, Standard & Poor's lowered its long-term rating for US sovereign debt from AAA to AA+. The outlook remained 'negative'. This means that further rating downgrades cannot be ruled out. The downgrade occurred against the background of the political squabbling about the restructuring of US federal finances. The divisions between Republicans (who control the House of Representatives) and Democrats (who control the Senate) are pronounced and ideological in nature. Aware of their inability to work out a policy and fearful that the stalemate could lead to an uncontrolled explosion in debt, the parties have passed automatic spending cuts into legislation to reduce the budget deficit over a period of ten years to 3% of GDP. The concrete measures to this end are damaging the priorities of Democrats and Republicans alike. It is doubtful whether this will bring them closer together in the election year of 2012.

As public-sector finances threatened to run out of control, many European countries have looked to levy higher taxes on their utilities. The most striking example in Southern Europe was Italy, which didn't waste much time introducing its so-called 'Robin Hood tax'. In the first half of the year, it became evident in Spain that the utilities companies could not count on full payment of the assets the sector has outstanding with the government (known as the 'tariff deficits').

The Fukushima disaster in Japan continues to reverberate. Its consequences have been felt by the nuclear industry in Europe in particular. In Germany, a nuclear tax and gradual closure of nuclear plants have been imposed. There was little or no fuss about nuclear power generation in the US and especially the emerging markets. However, with the emergence of shale gas in the US gas prices are at record low levels and operators are switching to gas for their electricity production.

In the first half of 2012, the sector performed very well, in particular in the US. The Federal Reserve's loose monetary policy led investors to seek refuge in the relatively high and stable dividends offered by most of the utilities there. Revenues are also more stable in the US, given that the sector is heavily regulated there.

2.1.8 FUTURE POLICY

We remain fairly cautious about the fundamental outlook for the industry. The slowdown in growth in Europe is not such as to cancel out the overcapacity that currently exists in the electricity market straight away. We also fear that the sector will remain the victim in the near term of declining government finances. Current valuations in the United States therefore strike us as a little too generous.

For the time being, we prefer a healthy mix of defensive, generally regulated businesses with a stable income flow. On the other hand, businesses with strong growth potential also have a place in the fund. These activities are frequently found in the emerging countries.

We view the sector as attractive for investors in the long term. The high dividends have a lot to do with that. The debt reduction carried out by most companies translates into healthy balance sheets. Growth in emerging countries remains strong. An important factor, lastly, is the systematic disappearance of the current overcapacity in Europe, which will result in robust price-setting.

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

6 on a scale of 1 (lowest risk) to 7 (highest risk).

The value of a share can decrease or increase and the investor may not get back the amount invested.

In accordance with Commission Regulation (EU) No. 583/2010, a synthetic risk and reward indicator has been calculated. This indicator provides a quantitative measure of the sub-fund's potential return and the risk involved, calculated in the currency in which the sub-fund is denominated. It is given as a figure between 1 and 7. The higher the figure, the greater the potential return, but also the more difficult it is to predict this return. Losses are possible too. The lowest figure does not mean that the investment is entirely free of risk. However, it does indicate that, compared with the higher figures, this product will generally provide a lower, but more predictable return.

The synthetic risk and reward indicator is assessed regularly and can therefore go up or down based on data from the past. Data from the past is not always a reliable indicator of future risk and return.

The most recent indicator can be found under the 'Risk and reward profile' heading in the 'Key Investor Information' document.

2.2 BALANCE SHEET

Balance sheet layout	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
TOTAL NET ASSETS	23.938.178,83	26.230.035,24
II. Securities, money market instruments, UCIs and derivatives		
A. Bonds and other debt instruments		
a) Bonds		
a) Collateral received in the form of bonds	632.691,69	104.071,51
C. Shares and similar instruments		
a) Shares	23.470.303,94	25.541.503,99
Of which securities lent	206.028,91	97.769,26
D. Other securities	4.439,63	15.756,06
F. Derivative financial instruments		
j) Foreign exchange		
Futures and forward contracts (+/-)	10.706,57	
n) Derivative financial instruments		
Swap contracts (+/-)	202.300,00	129.750,00
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable	133,55	57.126,58
b) Tax assets	4.987,00	2.016,00
B. Payables		
a) Accounts payable (-)	-73.050,17	-11.124,89
c) Borrowings (-)	-125.227,76	
d) Collateral (-)	-632.691,69	-104.071,51
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	239.891,80	203.205,78
VI. Accruals and deferrals		
A. Expense to be carried forward	10.065,67	13.615,22
B. Accrued income	206.468,51	293.479,16
C. Accrued expense (-)	-12.839,91	-15.292,66
TOTAL SHAREHOLDERS' EQUITY	23.938.178,83	26.230.035,24
A. Capital	23.202.247,63	27.267.241,70
B. Income equalization	-9.183,13	-45.702,86
D. Result for the period	745.114,33	-991.503,60

Off-balance-sheet headings

I	Collateral (+/-)		
I.A	Collateral (+/-)		
I.A.A	Securities/market instruments	632.691,69	104.071,51
III	Notional amounts of futures and forward contracts		
III.B	Written futures and forward contracts	-444.400,55	
IV	Notional amounts of swap contracts (+)	1.700.000,00	2.500.000,00
IX	Financial instruments lent	206.028,91	97.769,26

2.3 PROFIT AND LOSS ACCOUNT

Income Statement	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
I. Net gains(losses) on investments		
C. Shares and similar instruments		
a) Shares	111.076,15	-141.273,04
D. Other securities	727,28	-437,82
F. Derivative financial instruments		
m) Derivative financial instruments		
Swap contracts (+/-)	31.600,00	-70.900,00
H. Foreign exchange positions and transactions		
a) Derivative financial instruments		
Futures and forward contracts	10.706,57	
b) Other foreign exchange positions and transactions	267.868,06	-1.325.959,75
II. Investment income and expenses		
A. Dividends	534.444,24	744.258,69
B. Interests		
a) Securities and money market instruments	2.555,25	14.476,54
b) Cash at bank and in hand and deposits	905,64	339,71
C. Interest on borrowings (-)	-145,91	-3.461,28
III. Other income		
B. Other		57.368,78
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-14.563,33	-19.128,80
B. Financial expenses (-)	-229,58	-1.456,37
C. Custodian's fee (-)	-9.585,36	-11.635,01
D. Manager's fee (-)		
a) Financial management	-163.924,92	-199.689,74
b) Administration and accounting management	-11.496,64	-13.846,37
E. Administrative expenses (-)	-488,41	-649,09
F. Formation and organisation expenses (-)	-1.558,68	-1.175,91
G. Remuneration, social security charges and pension		-5,39
H. Services and sundry goods (-)	-3.182,82	-2.465,22
J. Taxes	-8.159,29	-9.979,36
K. Other expenses (-)	-1.433,92	-5.884,17
Income and expenditure for the period		
Subtotal II + III + IV	323.136,27	547.067,01
V. Profit (loss) on ordinary activities before tax	745.114,33	-991.503,60
VII. Result for the period	745.114,33	-991.503,60

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC EQUITY FUND UTILITIES

Name	Quantity on 30/06/2012	Currency	Price in currency	Evaluation (in the currency of the sub-fund)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
Shares							
Exchange-listed shares							
<u>Australia</u>							
AGL ENERGY LIMITED -	9.504,00	AUD	14,770	113.383,21		0,48	0,47
ORIGIN ENERGY LTD -	7.000,00	AUD	12,200	68.979,44		0,29	0,29
SANTOS LTD. -	7.000,00	AUD	10,650	60.215,66		0,25	0,25
<u>Austria</u>							
VERBUND AG -	7.000,00	EUR	18,070	126.490,00		0,53	0,53
<u>Belgium</u>							
FLUXYS BELGIUM "D"	1.800,00	EUR	31,700	57.060,00		0,24	0,24
<u>Brazil</u>							
CIA ENERGETICA DE SP -	5.059,00	BRL	36,700	72.483,04		0,31	0,30
ELETRORAS-CENTR ELETRICAS BRAS S.A. -	16.970,00	BRL	14,250	94.406,60		0,40	0,39
ENERGIAS DO BRASIL SA -	17.100,00	BRL	12,890	86.050,75		0,36	0,36
SABESP-CIA SANEAM. BASICO SAO PAULO -	5.000,00	BRL	77,000	150.302,56		0,64	0,63
TRACTEBEL ENERGIA SA -	10.000,00	BRL	37,150	145.032,21		0,61	0,61
<u>Canada</u>							
CANADIAN UTILITIES LTD -	2.904,00	CAD	66,450	149.156,17		0,63	0,62
FORTIS INC -	4.358,00	CAD	32,290	108.768,94		0,46	0,45
TRANSALTA CORP. -	7.283,00	CAD	17,250	97.106,67		0,41	0,41
<u>China</u>							
DATANG INTER POWER GENERATION CO LTD -	64.931,00	HKD	3,040	20.052,24		0,09	0,08
HUANENG POWER INTL "H"	300.240,00	HKD	5,820	177.512,42		0,75	0,74
<u>Czech Republic</u>							
CEZ A.S. -	8.000,00	CZK	696,900	218.352,72		0,92	0,91
<u>Finland</u>							
FORTUM CORPORATION -	22.000,00	EUR	14,970	329.340,00		1,39	1,38
<u>France</u>							
ELECTRICITE DE FRANCE -	15.000,00	EUR	17,550	263.250,00		1,11	1,10
GDF SUEZ -	48.000,00	EUR	18,755	900.240,00		3,80	3,76
GDF SUEZ STRIP VVPR	64.180,00	EUR	0,001	64,18			
SUEZ ENVIRONNEMENT SA -	30.262,00	EUR	8,465	256.167,83		1,08	1,07
VEOLIA ENVIRONNEMENT (PAR)	17.000,00	EUR	9,984	169.728,00		0,72	0,71
<u>Germany</u>							
E.ON AG -	75.000,00	EUR	17,000	1.275.000,00		5,43	5,33
RWE AG -	2.480,00	EUR	32,175	79.794,00		0,34	0,33
<u>Greece</u>							
PUBLIC POWER CORP -	1.629,00	EUR	1,870	3.046,23		0,01	0,01

<u>Hong Kong</u>							
CHEUNG KONG INFRASTRUCTURE -	46.697,00	HKD	46,750	221.772,56		0,94	0,93
CHINA RESOURCES POWER HOLDINGS CO -	135.364,00	HKD	15,900	218.643,98		0,92	0,91
CLP -	38.324,00	HKD	65,750	255.978,69		1,08	1,07
GUANGDONG INVESTMENT -	350.000,00	HKD	5,580	198.398,99		0,84	0,83
HONG KONG CHINA GAS -	148.003,00	HKD	16,420	246.877,15		1,04	1,03
HUANENG RENEWABLES CORP LTD -	600.000,00	HKD	1,270	77.409,13		0,33	0,32
POWER ASSETS HOLDINGS LTD -	32.510,00	HKD	58,100	191.880,27		0,81	0,80
<u>India</u>							
GAIL INDIA LTD -	39.149,00	INR	352,100	194.536,67		0,82	0,81
INDRAPRASTHA GAS LTD -	15.000,00	INR	239,400	50.679,25		0,21	0,21
RELIANCE ENERGY LTD -	3.643,00	INR	558,250	28.701,37		0,12	0,12
RELIANCE POWER LTD -	23.556,00	INR	106,850	35.521,46		0,15	0,15
<u>Indonesia</u>							
PERUSAHAAN GAS NEGARA PT -	400.000,00	IDR	3.525,000	118.292,56		0,50	0,49
<u>Italy</u>							
ATLANTIA SPA -	4.725,00	EUR	10,050	47.486,25		0,20	0,20
A2A SPA -	30.000,00	EUR	0,423	12.678,00		0,05	0,05
E.N.E.I. -	200.993,00	EUR	2,542	510.924,21		2,16	2,13
ENEL GREEN POWER SPA -	170.000,00	EUR	1,244	211.480,00		0,89	0,88
HERA SPA -	100.000,00	EUR	1,110	111.000,00		0,47	0,46
SNAM RETE GAS S.P.A. -	75.000,00	EUR	3,520	264.000,00		1,12	1,10
TERNA SPA -	90.000,00	EUR	2,844	255.960,00		1,08	1,07
<u>Japan</u>							
CHUBU ELECTRIC POWER -	20.868,00	JPY	1.294,000	266.671,85		1,13	1,11
CHUGOKU ELECTRIC POWER CO INC -	11.289,00	JPY	1.311,000	146.157,21		0,62	0,61
ELECTRIC POWER DEV. -	6.264,00	JPY	2.089,000	129.226,70		0,55	0,54
HOKKAIDO ELECTRIC POWER CO -	5.712,00	JPY	1.029,000	58.045,11		0,25	0,24
HOKURIKU ELECTRIC POWER CO -	5.900,00	JPY	1.238,000	72.133,12		0,31	0,30
KANSAI ELECTRIC POWER -	23.482,00	JPY	955,000	221.462,67		0,94	0,93
KYUSHU ELECTRIC POWER COMPANY,INC. -	10.437,00	JPY	945,000	97.402,38		0,41	0,41
OKINAWA ELECTRIC POWER CO INC/ -	3.500,00	JPY	2.582,000	89.245,51		0,38	0,37
OSAKA GAS -	52.107,00	JPY	334,000	171.871,80		0,73	0,72
SHIKOKU ELECTRIC POWER CO INC -	2.600,00	JPY	1.693,000	43.470,27		0,18	0,18
TOHO GAS CO LTD -	6.000,00	JPY	495,000	29.330,44		0,12	0,12
TOHOKU ELECTRIC POWER -	12.363,00	JPY	799,000	97.551,22		0,41	0,41
TOKYO GAS CO. LTD -	100.603,00	JPY	407,000	404.359,28		1,71	1,69
<u>Malaysia</u>							
PETRONAS GAS BHD -	16.390,00	MYR	18,000	73.207,77		0,31	0,31
TENAGA NASIONAL (BHD) -	60.035,00	MYR	6,740	100.408,42		0,42	0,42
<u>Poland</u>							
POLSKA GRUPA ENERGETYCZNA SA -	18.750,00	PLN	19,440	86.064,41		0,36	0,36
<u>Portugal</u>							
ENERGIAS DE PORTUGAL SA -	40.000,00	EUR	1,864	74.560,00		0,32	0,31
GALP ENERGIA SGPS SA -	6.000,00	EUR	10,000	60.000,00		0,25	0,25
<u>Russia</u>							
GAZPROM ADR NEW	10.000,00	USD	9,430	74.304,63		0,31	0,31
<u>Singapore</u>							
HYFLUX LIMITED -	100.000,00	SGD	1,345	83.659,89		0,35	0,35
SOUND GLOBAL LTD -	250.000,00	SGD	0,570	88.635,94		0,37	0,37

<u>South Korea</u>							
KOREA ELECTRIC POWER (KEPCO) CORP -	14.996,00	KRW	25.650,000	264.633,47		1,12	1,11
<u>Spain</u>							
ACCIONA SA -	3.000,00	EUR	47,100	141.300,00		0,60	0,59
EDP RENOVAVEIS SA -	40.000,00	EUR	2,701	108.040,00		0,46	0,45
ENAGAS -	3.000,00	EUR	14,370	43.110,00		0,18	0,18
IBERDROLA SA -	130.094,00	EUR	3,719	483.819,59		2,04	2,02
RED ELECTRICA DE ESPANA -	5.000,00	EUR	34,410	172.050,00		0,73	0,72
<u>Turkey</u>							
AK ENERJI ELEKTRIK URETIM -	100.000,00	TRY	2,190	95.408,21		0,40	0,40
<u>U.K.</u>							
BG GROUP PLC -	10.000,00	GBP	13,000	160.672,35		0,68	0,67
CAIRN ENERGY PLC -	15.000,00	GBP	2,649	49.110,12		0,21	0,21
CENTRICA -	220.000,00	GBP	3,180	864.664,44		3,65	3,61
DRAX GROUP PLC -	10.000,00	GBP	5,605	69.274,50		0,29	0,29
INTERNATIONAL POWER PLC -	25.000,00	GBP	4,175	129.001,36		0,55	0,54
NAT. GRID PLC -	71.742,00	GBP	6,755	598.958,36		2,53	2,50
PENNON GROUP PLC -	25.000,00	GBP	7,620	235.446,79		0,99	0,98
SCOTTISH & SOUTHERN ENERGY -	29.000,00	GBP	13,910	498.566,31		2,11	2,08
SEVERN TRENT -	7.500,00	GBP	16,530	153.225,81		0,65	0,64
SOCO INTERNATIONAL PLC -	35.000,00	GBP	2,894	125.188,48		0,53	0,52
UNITED UTILITIES WATER PLC -	40.377,00	GBP	6,750	336.849,28		1,42	1,41
<u>U.S.A.</u>							
AES CORP -	34.269,00	USD	12,830	346.443,36		1,46	1,45
ALLIANT ENERGY CORP -	2.771,00	USD	45,570	99.499,23		0,42	0,42
AMEREN CORP. -	1.904,00	USD	33,540	50.319,25		0,21	0,21
AMERICAN ELECTRIC POWER -	16.000,00	USD	39,900	503.033,65		2,12	2,10
AMERICAN WATER WORKS INC. -	6.000,00	USD	34,280	162.067,61		0,68	0,68
AQUA AMERICA INC -	13.000,00	USD	24,960	255.677,25		1,08	1,07
CALPINE CORP -	8.000,00	USD	16,510	104.073,75		0,44	0,44
CENTERPOINT ENERGY INC -	5.811,00	USD	20,670	94.644,53		0,40	0,40
DOMINION RES INC -	9.428,00	USD	54,000	401.159,88		1,69	1,68
DTE ENERGY COMPANY -	4.000,00	USD	59,330	186.998,66		0,79	0,78
DUKE ENERGY HOLDING CORP -	13.645,00	USD	23,060	247.934,52		1,05	1,04
EDISON INTL -	7.103,00	USD	46,200	258.575,84		1,09	1,08
ENERGEN CORPORATION -	8.761,00	USD	45,130	311.546,71		1,32	1,30
ENTERGY CORPORATION -	6.418,00	USD	67,890	343.328,36		1,45	1,43
EQT CORP -	4.166,00	USD	53,630	176.048,05		0,74	0,74
EXELON CORP -	23.150,00	USD	37,620	686.236,70		2,90	2,87
FIRSTENERGY CORP -	9.000,00	USD	49,190	348.837,76		1,47	1,46
GENON ENERGY INC -	76.416,00	USD	1,710	102.963,80		0,44	0,43
NEXTERA ENERGY INC -	8.424,00	USD	68,810	456.745,28		1,93	1,91
NISOURCE INC. -	3.174,00	USD	24,750	61.899,38		0,26	0,26
NORTHEAST UTILITIES -	10.038,00	USD	38,810	306.969,33		1,30	1,28
NRG ENERGY INC -	15.000,00	USD	17,360	205.184,78		0,87	0,86
PEPCO HOLDING INC -	2.115,00	USD	19,570	32.614,10		0,14	0,14
PG & E CORP -	5.016,00	USD	45,270	178.925,47		0,76	0,75
PPL CORP -	14.895,00	USD	27,810	326.396,62		1,38	1,36
PROGRESS ENERGY INC -	5.416,00	USD	60,170	256.780,96		1,08	1,07
PUBLIC SERVICE ENTERPRISE GROUP -	16.588,00	USD	32,500	424.797,10		1,79	1,78
OEP RESOURCES INC -	5.972,00	USD	29,970	141.029,74		0,60	0,59
QUESTAR CORP -	7.112,00	USD	20,860	116.898,84		0,49	0,49
SEMPRA ENERGY -	6.000,00	USD	68,880	325.648,10		1,38	1,36
SOUTHERN COMPANY -	11.464,00	USD	46,300	418.235,92		1,77	1,75
WISCONSIN ENERGY CORP -	2.982,00	USD	39,570	92.977,50		0,39	0,39

XCEL ENERGY INC -	7.796,00	USD	28,410	174.520,81		0,74	0,73
Total shares				23.470.303,94		99,08	98,05
Rights							
<u>Australia</u>							
AGL ENERGY LIMITED CP 24/05/12	1.584,00	AUD	3,470	4.439,63		0,02	0,02
Total rights				4.439,63		0,02	0,02
Swaps							
<u>U.K.</u>							
ROYAL BANK OF SCOTLAND PLC/AUS	1.700.000,00	EUR	11,900	202.300,00		0,85	0,85
Total swaps				202.300,00		0,85	0,85
Forward contracts		EUR		10.706,57			0,05
TOTAL SECURITIES PORTFOLIO				23.687.750,14		100,00	98,95
COLLATERAL RECEIVED							
<u>Belgium</u>							
KBC GROUP COLLATERAL EUR	632.691,69	EUR	1,000	632.691,69			2,64
TOTAL RECEIVED COLLATERAL				632.691,69			2,64
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP AUD	4.684,48	AUD	1,000	3.783,76			0,02
KBC GROUP CAD	23.837,69	CAD	1,000	18.425,27			0,08
KBC GROUP CZK	10.572,29	CZK	1,000	414,06			0,00
KBC GROUP DKK	574,98	DKK	1,000	77,34			
KBC GROUP EURO	-125.227,76	EUR	1,000	-125.227,76			-0,52
KBC GROUP GBP	72.722,31	GBP	1,000	89.880,50			0,38
KBC GROUP HKD	87.850,98	HKD	1,000	8.924,50			0,04
KBC GROUP JPY	64.362,00	JPY	1,000	635,61			0,00
KBC GROUP NZD	7.354,72	NZD	1,000	4.658,13			0,02
KBC GROUP PLN	13.142,31	PLN	1,000	3.103,11			0,01
KBC GROUP SEK	659,84	SEK	1,000	75,33			
KBC GROUP SGD	5.223,98	SGD	1,000	3.249,35			0,01
KBC GROUP TRY	2.737,24	TRY	1,000	1.192,49			0,01
KBC GROUP USD	133.854,96	USD	1,000	105.472,35			0,44
Total demand accounts				114.664,04			0,48
TOTAL CASH AT BANK AND IN HAND				114.664,04			0,48
OTHER RECEIVABLES AND PAYABLES							
Receivables							
<u>Belgium</u>							
KBC GROUP EUR RECEIVABLE	133,55	EUR	1,000	133,55			0,00
KBC GROUP WHT TO BE RECOVERED EUR	4.987,00	EUR	1,000	4.987,00			0,02
Total receivables				5.120,55			0,02
Payables							
<u>Belgium</u>							
KBC GROUP COUNTERPART ENTRY COLLATERAL IN EUR	-632.691,69	EUR	1,000	-632.691,69			-2,64

KBC GROUP EUR PAYABLE	-73.050,17	EUR	1,000	-73.050,17			-0,31
Payables				-705.741,86			-2,95
TOTAL RECEIVABLES AND PAYABLES				-700.621,31			-2,93
OTHER							
Interest receivable		EUR		203.900,36			0,85
Accrued interest		EUR		2.568,15			0,01
Expenses payable		EUR		-12.839,91			-0,05
Expenses to be carried forward		EUR		10.065,67			0,04
TOTAL OTHER				203.694,27			0,85
TOTAL NET ASSETS				23.938.178,83			100,00

Geographic breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Australia	0,34	0,40	0,44	1,04
Austria	0,00	0,00	0,26	0,53
Belgium	1,27	0,19	0,21	0,29
Brazil	4,37	3,46	2,84	2,31
Canada	1,08	1,26	1,48	1,50
China	0,65	0,69	0,82	0,83
Czech Republic	1,06	1,52	1,39	0,92
Germany	8,04	8,38	6,65	5,72
Spain	5,80	5,06	4,82	4,00
Finland	1,82	2,18	1,63	1,39
France	10,48	10,93	6,73	6,71
U.K.	10,99	11,55	14,22	14,45
Greece	0,57	0,06	0,03	0,01
Hong Kong	4,80	4,76	5,24	5,96
India	1,47	1,32	1,07	1,31
Indonesia	0,94	0,95	0,44	0,50
Italy	5,69	6,27	5,48	5,97
Japan	8,39	6,78	7,65	7,71
South Korea	1,46	1,47	1,05	1,12
Malaysia	1,65	1,40	1,24	0,73
Poland	0,34	0,44	0,36	0,36
Portugal	1,23	0,61	0,00	0,57
Russia	0,00	0,00	0,34	0,31
Singapore	1,18	1,13	0,82	0,73
Turkey	0,00	0,00	0,00	0,40
U.S.A.	26,38	29,19	34,79	34,63
Total	100,00	100,00	100,00	100,00

Sector breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Cyclicals	9,78	8,46	8,81	11,08
Consum(cycl)	0,00	0,00	0,00	0,20
Financials	1,14	0,51	3,44	0,90
Technology	0,12	0,17	0,18	0,00
Utilities	88,96	90,86	87,57	87,82
Total	100,00	100,00	100,00	100,00

Currency breakdown (as a % of net assets)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
AUD	0,35	0,41	0,45	1,06
BRC	2,14	0,00	0,00	0,00
BRL	2,24	3,42	2,78	2,31
CAD	1,08	1,27	1,50	1,57
CZK	1,06	1,50	1,36	0,92
EUR	34,72	33,90	29,10	27,05
GBP	11,01	11,22	10,57	13,95
HKD	5,47	5,41	5,97	6,81
IDR	0,94	0,94	0,43	0,50
INR	1,47	1,31	1,04	1,30
JPY	8,42	6,82	7,82	5,83
KRW	1,46	1,46	1,03	1,11
MYR	1,65	1,39	1,21	0,73
NZD	0,01	0,02	0,02	0,02
PLN	0,34	0,44	0,36	0,38
SGD	1,19	1,21	0,91	0,74
TRY	0,00	0,00	0,00	0,41
USD	26,45	29,28	35,45	35,31
Total	100,00	100,00	100,00	100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC EQUITY FUND UTILITIES (IN THE CURRENCY OF THE SUB-FUND)

	1st half of year	Year
Purchases	3.903.326,08	3.903.326,08
Sales	5.004.532,08	5.004.532,08
Total 1	8.907.858,16	8.907.858,16
Subscriptions	1.357.807,22	1.357.807,22
Redemptions	3.109.800,02	3.109.800,02
Total 2	4.467.607,24	4.467.607,24
Monthly average of total assets	24.356.588,35	24.356.588,35
Turnover rate	18,23 %	18,23 %

	1st half of year	Year
Purchases	3.903.326,08	3.903.326,08
Sales	5.004.532,08	5.004.532,08
Total 1	8.907.858,16	8.907.858,16
Subscriptions	1.357.807,22	1.357.807,22
Redemptions	3.109.800,02	3.109.800,02
Total 2	4.467.607,24	4.467.607,24
Monthly average of total assets	23.856.925,20	23.856.925,20
Corrected turnover rate	18,61 %	18,61 %

The table above shows the capital volume of portfolio transactions. This volume (adjusted to take account of total subscriptions and redemptions) is also compared to the average net assets at the beginning and end of the period.

A figure close to 0% implies that the transactions relating to the securities or transactions relating to the assets (excluding deposits and cash) in a given period only involve subscriptions and redemptions.

A negative percentage shows that subscriptions and redemptions entailed few, if any, transactions in the portfolio.

Active asset management may result in high turnover rates (monthly percentage >50%).

The detailed list of transactions is available for consultation free of charge at the registered office of the Bevek or fund at Havenlaan 2, 1080 Brussels.

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

NAME	Currency	Value in currency	In the currency of the sub-fund	Lot-size	Transaction date
KBC COLLATERAL EUR	EUR	632.691,69	632.691,69	N/A	29.06.2012
KBC VK-AK JPY-EUR 120830-120628 98.8587	JPY	- 45.000.000,00	-444.400,55	N/A	28.06.2012
ROYALBAN	EUR	1.700.000,00	1.700.000,00	N/A	29.02.2012

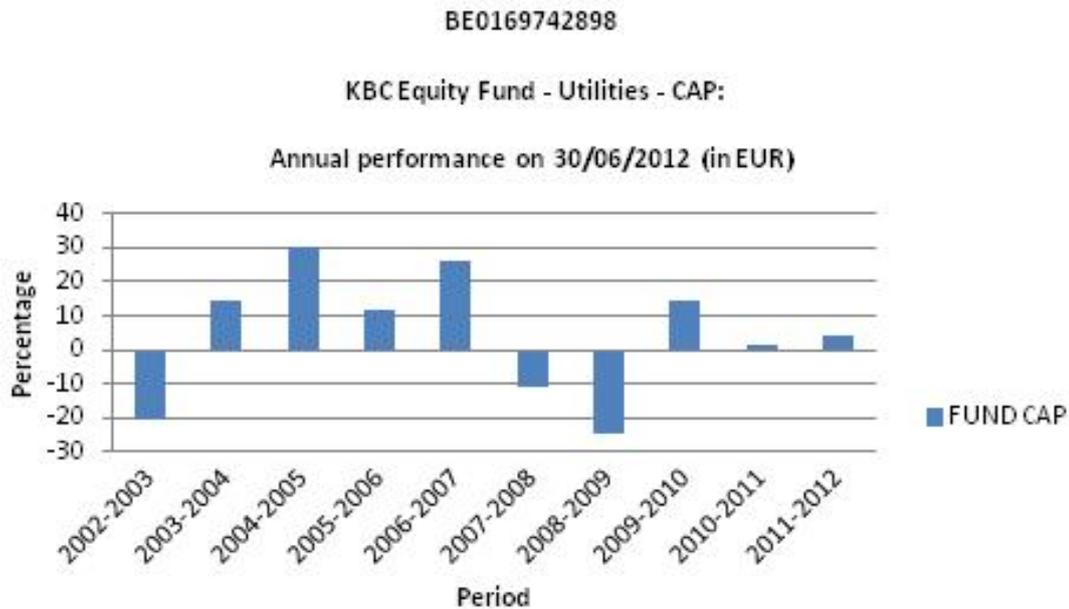
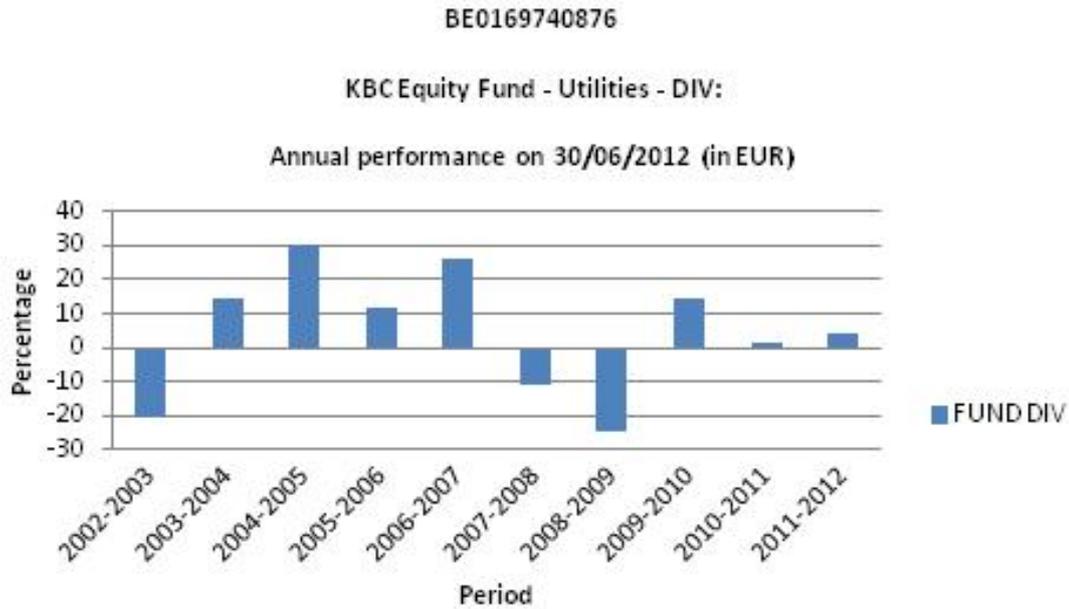
2.4.4 CHANGES OF THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND THE NET ASSET VALUE

Period	Change in number of shares in circulation						
	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2010 - 06	200.519,23	12.823,60	317.880,78	30.370,00	57.972,87	15.723,60	73.696,47
2011 - 06	11.636,09	2.404,00	30.157,72	4.326,00	39.451,24	13.801,60	53.252,84
2012 - 06	3.839,56	462,00	7.940,20	3.163,00	35.350,59	11.100,60	46.451,20

Period	Amounts received and paid by the UCI (in the currency of the sub-fund)			
	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2010 - 06	97.569.897,86	4.772.188,25	156.436.922,50	11.297.813,29
2011 - 06	6.299.472,82	964.510,76	16.267.252,21	1.723.784,60
2012 - 06	2.013.619,09	172.700,01	4.174.835,38	1.196.366,75

Period	Net asset value End of period (in the currency of the sub-fund)		
	Of the sub-fund	Of one share	
		Capitalization	Distribution
2010 - 06	36.461.556,16	523,22	389,79
2011 - 06	26.230.035,24	530,32	384,60
2012 - 06	23.938.178,83	554,26	391,40

2.4.5 PERFORMANCE FIGURES



Cap Div	ISIN code	Cur-rency	1 Year		3 Years*		5 Years*		10 Years*		Since launch*	
			Share classes	Bench mark	Launch Date	Share classes						
CAP	BE0169742898	EUR	4.51%		6.62%		-4.08%		3.05%		31/12/1998	0.83%
DIV	BE0169740876	EUR	4.50%		6.60%		-4.09%		3.03%		31/12/1998	0.81%

Risk warning: Past performance is not a guide to future performance.
* Return on annual basis.

- The bar chart shows the performance for full financial years.
- The figures do not take account of any restructuring.
- Calculated in EUR (ex BEF).
- the return is calculated as the change in the net asset value between two dates expressed as a percentage. In the case of units that pay dividends, the dividend is incorporated geometrically in the return.
- Calculation method for date D, where NAV stands for net asset value:
 - Capitalisation units (CAP)
 - Return on date D over a period of X years:

$$[\text{NAV}(D) / \text{NAV}(Y)]^{[1 / X] - 1}$$
 where $Y = D - X$
 - Return on date D since the start date S of the unit:

$$[\text{NAV}(D) / \text{NAV}(S)]^{[1 / F] - 1}$$
 where $F = 1$ if the unit has existed for less than one year on date D
 where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D
 - Distribution units (DIV)
 - Return on date D over a period of X years:

$$[C * \text{NAV}(D) / \text{NAV}(Y)]^{[1 / X] - 1}$$
 where $Y = D - X$
 - Return on date D since the start date S of the unit:

$$[C * \text{NAV}(D) / \text{NAV}(S)]^{[1 / F] - 1}$$
 where $F = 1$ if the unit has existed for less than one year on date D
 where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D
 where C is a factor that is determined for all N dividends between the calculation date D and the reference date.
 - For dividend i on date Di with value Wi:

$$C_i = [W_i / \text{NAV}(D_i)] + 1$$

$$i = 1 \dots N$$
 from which $C = C_0 * \dots * C_N$.
- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the n^{th} square root of 1 plus the total return of the unit.
- The return figures shown above do not take account of the fees and charges associated with the issue and redemption of units.
- These are the performance figures for capitalisation and distribution shares.

2.4.6 COSTS

Total expense ratio (TER): *

Distribution: 1.404%

Capitalization: 1.404%

Percentage calculated at the end of the financial year: 31 December

* The following costs have not been included in the TER:

- Transaction charges
- Interest payments on loans taken out
- Payments in respect of financial derivatives
- Fees and charges paid directly by the investor
- Any soft commissions

SOFT COMMISSIONS

The management company or the appointed manager, as the case may be, is the recipient of soft commissions.

The recipient has laid down an internal policy as regards accepting soft commissions and avoiding possible conflicts of interest in this respect, and has put appropriate internal controls in place to ensure this policy is observed.

For more information, please see the 'General' section of the annual report.

	Commission gross in EUR paid during the period: 1-01-12 -	CSA Credits in EUR accrued during the period: 1-01-12 -	
Broker	30-06-12	30-06-12	Percentage
CITI	35	22	62.50%
CSFBSAS	2,240	1,041	46.50%
DEUTSCHE	550	162	29.56%
HSBC	665	302	45.37%
JP MORGAN	237	132	55.55%
MERRILL	50	31	62.50%
MORGAN STANLEY	1,615	771	47.75%
NOMURA	331	150	45.35%
SOCGEN	92	46	50.00%
UBSWDR	1,249	660	52.84%
WOOD	248	62	25.00%

FEE-SHARING AGREEMENTS AND REBATES:

The management company may share its fee with the distributor, and institutional and/or professional parties.

In principle, the percentage share amounts to between 35% and 60% if the distributor is an entity of KBC Group NV or to between 35% and 70% if the distributor is not an entity of KBC Group NV. However, in a small number of cases, the distributor's fee is less than 35%. Investors may, on request, obtain more information on these cases.

If the management company invests the assets of the undertaking for collective investment in units of undertakings for collective investment that are not managed by an entity of KBC Group NV, and receives a fee for doing so, it will pay this fee to the undertaking for collective investment.

Fee-sharing does not affect the amount of the management fee paid by the sub-fund to the management company. This management fee is subject to the limitations laid down in the articles of association. The limitations may only be amended after approval by the general meeting of shareholders.

The management company has concluded a distribution agreement with the distributor in order to facilitate the wider distribution of the sub-fund's units by using multiple distribution channels.

It is in the interests of the holders of units, the sub-fund and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund to be maximised in this way. In this respect, there is therefore no question of any conflict of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: 1.35% per annum calculated on the basis of the average total net assets of the sub-fund, excluding those assets invested in investment undertakings managed by a financial institution of the KBC group.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the average total net assets of the sub-fund.

Auditor's fee: 1 700 EUR per year. This fee is not including VAT and will be increased at the end of the 3-year mandate.

The custody fee is calculated on the value of the securities held in custody by the custodian on the final banking day of the preceding calendar year, except on those assets invested in investment undertakings managed by a financial institution of the KBC group. The custody fee is paid at the beginning of the calendar year.

Social, ethical and environmental aspects:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

Exercising voting rights

If necessary, relevant and in the interest of the shareholders, the management company will exercise the voting rights attached to the shares in the Bevek's portfolio.

The management company will adhere to the following criteria when determining how it stands relative to the items on the agenda that are put to the vote:

- Shareholder value may not be adversely affected.
- Corporate governance rules, especially with regard to the rights of minority shareholders, must be respected.
- The minimum standards with regard to sustainable business and corporate social responsibility must be met.

The list of companies for which voting rights are exercised is available at the registered office of the Bevek.

Securities lending

In accordance with the Royal Decree of 7 March 2006 concerning securities lending, the undertaking for collective investment has taken out securities loans with a principal to whom the full title of the loaned securities was transferred, without recording this transfer of ownership in the accounts.

For the period from 1 January 2012 to 30 June 2012, the fee for securities lent comes to - 13.16 EUR. KBC Asset Management NV receives 50% of the net fee received for securities lent.

The detailed list of securities lending transactions carried out can be obtained from the registered office of the collective investment undertaking at 2 Havenlaan, 1080 Brussels.

Overview of securities lent as at 30/06/2012

Name	Currency	Quantity	Price	Value in currency of the portfolio
CHEUNG KONG INFRASTRUCTURE	HKD	25.261	46,750	119.969,09
POLSKA GRUPA ENERGETYCZNA SA	PLN	18.749	19,440	86.059,82
			Total	206.028,91

Details of collateral received for securities lent

Name	Currency	Nominal value	Currency fund	Value in Currency fund
FLEMISH 2009 3,875% 20/07/2016	EUR	450.000	EUR	503.422,20
GERMANY 2009 2,25% 11/04/14	EUR	5.000	EUR	5.219,02
OAT FRANCE 2005 3% 25/10/15	EUR	114.000	EUR	124.050,47
			Total	632.691,69

For the valuation of the collateral received, indicative prices have been used in this detail list by the Collateral Management Division of KBC Bank.

TABLE OF CONTENTS

- 2. Information on KBC Equity Fund New Shares
 - 2.1. Management report
 - 2.1.1. Launch date and subscription price
 - 2.1.2. Stock exchange listing
 - 2.1.3. Aim and distinctive features of the investment policy
 - 2.1.4. Financial portfolio management
 - 2.1.5. Distributors
 - 2.1.6. Index and benchmark
 - 2.1.7. Policy conducted during the financial year
 - 2.1.8. Future policy
 - 2.1.9. Synthetic risk and reward indicator (SRRI)
 - 2.2. Balance sheet
 - 2.3. Profit and loss account
 - 2.4. Composition of the assets and key figures
 - 2.4.1. Composition of the assets
 - 2.4.2. Change in the composition of the assets
 - 2.4.3. Value of commitments in respect of financial derivatives positions
 - 2.4.4. Evolution of the number of subscriptions, repayments and the net asset value
 - 2.4.5. Return figures
 - 2.4.6. Expenses
 - 2.4.7. Notes to the financial statements and other data

2 INFORMATION ON KBC EQUITY FUND NEW SHARES

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Launch date: 1 April 1999
Initial subscription price: 500 EUR
Currency: EUR

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

The main objective of this sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. To this end, the assets are invested, either directly or indirectly via correlated financial instruments, primarily in shares.

SUB-FUND'S INVESTMENT POLICY:

PERMITTED ASSET CLASSES:

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the sub-fund's object.

The sub-fund shall invest no more than 10% of its assets in units of other undertakings for collective investment.

RESTRICTIONS OF THE INVESTMENT POLICY:

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

PERMITTED DERIVATIVES TRANSACTIONS:

Derivates may be used either for hedging purposes or to achieve investment objectives.

Changes will be made to the investments at regular intervals to comply with the sub-fund's investment strategy. **In addition, listed and unlisted derivates may be used to achieve the objectives:** these may be forward contracts, options or swaps on securities, indices, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions. **Such derivatives may also be used to hedge the assets against exchange-rate fluctuations.** Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions.

STRATEGY SELECTED

At least 75% of the assets are invested in shares that have been admitted for listing on a regulated market, where conditions are such as to allow accelerated economic growth in the short or medium term.

RISK CONCENTRATION

Recently listed shares.

LENDING FINANCIAL INSTRUMENTS:

The sub-fund may lend financial instruments within the limits set by law and regulations.

This lending does not affect the sub-fund's risk profile since:

- it takes place within the framework of a securities lending system managed by a principal. In addition, the sub-fund has a relationship only with the principal of the securities lending system which acts as counterparty and to which title of the loaned securities is transferred. The choice of principal is subject to strict selection criteria. The return of securities similar to the securities that have been lent is guaranteed by the principal.
- through a margin management system, the sub-fund is always guaranteed financial security, the actual value of which always exceeds the actual value of the securities that have been lent, in case the principal does not return similar securities.

The return of securities similar to the securities that have been lent can be requested at any time, which means that the lending of securities does not affect the management of the sub-fund's assets. By lending securities, the sub-fund can generate an additional return. The principal pays a fee to the management company. After deducting the fee for the margin management and clearing services of KBC Bank, most of this fee is paid to the sub-fund.

The relationship with the counterparty or counterparties is governed by standard international agreements.

More information is provided on the terms and conditions governing securities lending in the annual or half-yearly report for the sub-fund.

VOLATILITY OF THE NET ASSET VALUE:

The volatility of the net asset value may be high due to the composition of the portfolio.

GENERAL STRATEGY FOR HEDGING THE EXCHANGE RATE RISK:

In order to protect its assets against exchange rate fluctuations and within the limitations laid down in the articles of association, the sub-fund may perform transactions relating to the sale of forward currency contracts, as well as the sale of call options and the purchase of put options on currencies. The transactions in question may relate solely to contracts traded on a regulated market that operates regularly, is recognised and is open to the public or that are traded with a recognised, prime financial institution specialising in such transactions and dealing in the over-the-counter (OTC) market in options. With the same objective, the sub-fund may also sell currencies forward or exchange them in private transactions with prime financial institutions specialising in such transactions. The hedging objective of the aforementioned transactions suggests that there is a direct link between these transactions and the assets to be hedged, which implies that the transactions carried out in a particular currency may in principle not exceed, in terms of volume, either the valuation value of all the assets in the same currency or the holding period of those assets.

SOCIAL, ETHICAL AND ENVIRONMENTAL ASPECTS:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

THE EUROPEAN SAVINGS DIRECTIVE AND TAX ON DEBT CLAIM RETURNS OBTAINED THROUGH THE REDEMPTION OF OWN UNITS OR IN THE EVENT OF FULL OR PARTIAL DISTRIBUTION OF EQUITY CAPITAL.

The following information is of a general character and is not intended to cover all aspects of an investment in a UCITS. In certain cases entirely different rules might even apply. Moreover, both tax law and the interpretation of it can change. Investors who wish to have more information about the tax implications – in both Belgium and abroad – of acquiring, holding and transferring units should seek the advice of their usual financial and tax advisers.

This UCITS shall invest a maximum of 15% of its assets directly or indirectly in debt instruments as intended by the European Savings Directive.

A. European Savings Directive (Directive 2003/48/EC)

The European Savings Directive has been implemented in Belgium through:

- The Law of 17 May 2004 transposing into Belgian law Directive 2003/48/EC of 3 June 2003 of the Council of the European Union on taxation of savings income in the form of interest payments and amending Income Tax Code 1992 on withholding tax;
- The Royal Decree of 27 September 2009 implementing Article 338bis § 2 of Income Tax Code 1992;
- The Royal Decree of 27 September 2009 concerning the entry into effect of Article 338bis § 2, paragraphs one to three, of Income Tax Code 1992;

Since this UCITS invests a maximum of 15% of its assets directly or indirectly in debt claims as intended by the European Savings Directive, the income of this UCITS does not fall within the scope of this directive.

B. Tax on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital (Article 19bis Income Tax Code 1992).

The income from this UCITS is not subject to the tax on debt instrument returns as intended by Article 19bis, Income Tax Code 1992.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company has delegated the intellectual management, to KBC Fund Management Limited, Joshua Dawson House, Dawson Street, Dublin 2, IRELAND..

2.1.5 DISTRIBUTORS

KBC Asset Management S.A., 5, Place de la Gare, L-1616 Luxembourg.

2.1.6 INDEX AND BENCHMARK

See 'Sub-fund's investment policy'.

2.1.7 POLICY PERSUED DURING THE FINANCIAL YEAR

KBC Equity Fund New Shares invests in new equity offerings. During the first 6 months of 2012, the fund gained about 9.8% of its value, outperforming the broad market MSCI World All Countries by ~1.7%.

The first six months of the year were quite turbulent for equity markets. The changing situation in Europe was the primary concern for investors over the period, however there was also negative news concerns with regard to growth in China. Throughout the first quarter, the situation in Europe continued to evolve. Towards the beginning of the year, there was positive news from Greece as the country secured acceptance of their debt swap offer. The ECB continued to extend liquidity to European banks through the LTRO. In Russia, despite some unrest, Putin won the Russian presidential election. Markets were largely strong over this period, with both emerging and developed markets rising and with Emerging Asia outperforming.

Moving into the second quarter, the situation in Europe worsened. In May, French socialist, Francois Hollande won the French presidential election. Following parliamentary elections in Greece, it was not possible to form a government. Anti-austerity parties gained seats in this election, causing growing fears that the country would not remain in the euro. A second election was called for mid-June with the uncertainty continuing in the meantime. At this stage, concern spread to the situation in Spain, with growth disappointing further and banks coming under more pressure. Despite initially stating that the country did not need a bailout, by the end of June, Spain had requested assistance from Europe and the IMF. In June, the second Greek election took place, with the New Democracy winning narrowly and forming a government. Throughout this period of uncertainty, markets were very weak, with most regions reversing most of the gains achieved in Q1. On the final day of the quarter, EU leaders agreed that Europe would support troubled banks directly, without the need for local governments to add to their debt levels. This saw a significant rally on the final day of the first half.

While the volatility globally continued, Asian investors were also concerned about weakening growth in China. Growth was slower than most expected, with the official growth target being lowered to 7.5%. Most domestic activity metrics were weak – industrial production, investment and retail sales. On the positive side, inflation continued to fall, leaving room for policy makers to make changes if needed. While there was some slowdown in employment growth, there was no mass unemployment as was seen in 2008/2009. Following this slowdown, Chinese authorities began to take steps to boost growth. Initially the focus was on increasing investment, with particular focus on water and other environmental areas, utilities, railways and social housing. However at the beginning of June, the People's Bank of China took the decision to lower lending and deposit rates by 25bps. They also took steps to liberalise the interest rate regime, seen as a significant positive.

In terms of the IPO market, global IPO volumes in the first half of 2012 were down more than 50% in comparison to the first half of 2011. APAC volumes were up year on year, but EMEA issuance was just 15% of the first half total with only two deals of note pricing, namely DKSH and Ziggo in March, both of which the New Shares fund participated in. Ziggo, a Dutch cable network operator, raised EUR800m making it the largest European IPO in about a year and the biggest in the Netherlands since 2009. There was a lot of interest in this IPO which was reported to having been as much as 15 times oversubscribed. Ziggo's share price is 38% above its IPO price at the time of writing. Interest in the IPO of DKSH was also very high. DKSH is a Zurich-based firm which helps companies market and distribute goods in Asia. DKSH's share price is 7% above its initial listing price, as at the time of writing. Looking to the US, volumes were skewed by the Facebook IPO which accounted for almost 50% of the overall issuance in the region over the period. Facebook raised USD16bn through its listing on the Nasdaq in May. The IPO failed to live up to expectations and at the time of writing its current share price is 19% below its listing price.

In terms of performance attribution, regional allocation contributed positively over the first half of 2012, albeit that our overweight position in Asia detracted somewhat from performance. Our underweight position in North America was the most significant positive contributor to performance. Stock selection within the Healthcare and Industrials sectors were the key drivers of outperformance over the period under review. HCA Holdings rallied strongly at the end of the period after the Supreme Court upheld a U.S. health-care law which gives the government the power to tax those without health insurance. HCA deals in areas with a high concentration of uninsured patients making it a huge potential winner of this development. HCA's share price appreciated by >50% in EUR terms in the first half of 2012. Within Industrials, outperformance was driven largely by RailAmerica. RailAmerica reported Q1 results well above analysts' forecasts driven primarily by cost controls measures. Also during the first quarter of the year RailAmerica completed a refinancing exercise which provided the company additional financial flexibility. RailAmerica appreciated by more than 65% in EUR terms over the period under review. The worst performing sector over the period was the Consumer Discretionary sector. Within the sector Cho Tai Fook, a Hong Kong jewelry retailer, was the worst performer. The company was hit by concerns of slowing economic growth in China together with falling gold prices. The company's share price fell 38% in EUR terms over the first half of the year, however it was not enough to mitigate positive performance. KBC Equity Fund New Shares outperformed its official benchmark by approximately 1.7% in 1H 2012.

2.1.8 FUTURE POLICY

Overall, the markets were very volatile during the first half of 2012 and while some concerns eased towards the end of the period, the volatility is likely to continue going forward. Globally, while recent moves by policy makers have been positive, we still expect turbulence in markets going forward. Europe has clearly made some steps forward, however the problems are not yet resolved and the growth outlook continues to be a concern. Budgetary cuts to control spending across the region have negative implications on demand in the context of international trade. This is a concern for Asia, where has is driven by both domestic and international factors.

We do continue to believe however, that the global economic picture is stronger than currently perceived. Falling inflation (triggered by another significant drop in the oil price) and very accommodating monetary policies: the first rate cut in China, ECB likely to cut further, and the Fed announced continuation of "Operation Twist" and additional measures if needed, should jump start the global economy in the coming months. Our stance on the Euro crisis remains unchanged: all actions needed to safeguard the union will be taken because the costs and political risks of a break-up are immense.

Emerging markets - especially Asia - remain our focus for growth in the equities portfolio. The MSCI Emerging Asia index is cheaper than traditional bourses. Given the region's better economic fundamentals (higher growth, healthy public finances, no credit problems, high savings surpluses, balance-of-payments surpluses in most cases, and no dependence on foreign funding), Asia would now actually merit a higher P/E.

Given the limited number of deals done in the first half of the year, there remains a substantial backlog across all regions, although it is the larger more liquid names which will likely attract most attention immediately after the summer break. We continue to research the market for new offerings.

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

6 on a scale of 1 (lowest risk) to 7 (highest risk).

The value of a share can decrease or increase and the investor may not get back the amount invested.

In accordance with Commission Regulation (EU) No. 583/2010, a synthetic risk and reward indicator has been calculated. This indicator provides a quantitative measure of the sub-fund's potential return and the risk involved, calculated in the currency in which the sub-fund is denominated. It is given as a figure between 1 and 7. The higher the figure, the greater the potential return, but also the more difficult it is to predict this return. Losses are possible too. The lowest figure does not mean that the investment is entirely free of risk. However, it does indicate that, compared with the higher figures, this product will generally provide a lower, but more predictable return.

The synthetic risk and reward indicator is assessed regularly and can therefore go up or down based on data from the past. Data from the past is not always a reliable indicator of future risk and return.

The most recent indicator can be found under the 'Risk and reward profile' heading in the 'Key Investor Information' document.

2.2 BALANCE SHEET

Balance sheet layout	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
TOTAL NET ASSETS	17.168.210,74	18.719.039,97
II. Securities, money market instruments, UCIs and derivatives		
A. Bonds and other debt instruments		
a) Bonds	80.274,60	
a) Collateral received in the form of bonds	1.344.804,55	355.909,03
C. Shares and similar instruments		
a) Shares	16.923.772,74	18.188.524,25
Of which securities lent	817.044,79	337.874,63
b) Closed-end undertakings for collective investment		409.000,00
D. Other securities	13,69	23.252,39
F. Derivative financial instruments		
j) Foreign exchange		
Futures and forward contracts (+/-)	-1.267,13	
m) Financial indices		
Futures and forward contracts (+/-)	4.432,27	
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable	834,62	1.436,05
b) Tax assets		1.565,04
B. Payables		
a) Accounts payable (-)	-44.857,50	-31.403,18
c) Borrowings (-)		-26.692,90
d) Collateral (-)	-1.344.804,55	-355.909,03
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	145.112,77	73.502,52
VI. Accruals and deferrals		
A. Expense to be carried forward	7.054,23	9.278,44
B. Accrued income	61.866,22	80.411,98
C. Accrued expense (-)	-9.025,77	-9.834,62
TOTAL SHAREHOLDERS' EQUITY	17.168.210,74	18.719.039,97
A. Capital	15.550.015,44	19.738.976,85
B. Income equalization	-1.109,40	5.540,63
D. Result for the period	1.619.304,70	-1.025.477,51

Off-balance-sheet headings

I	Collateral (+/-)		
I.A	Collateral (+/-)		
I.A.A	Securities/market instruments	1.344.804,55	355.909,03
III	Notional amounts of futures and forward contracts		
III.A	Purchased futures and forward contracts	204.987,79	
IX	Financial instruments lent	817.044,79	337.874,63

2.3 PROFIT AND LOSS ACCOUNT

Income Statement	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
I. Net gains(losses) on investments		
A. Bonds and other debt instruments		
a) Bonds	-8.744,40	
C. Shares and similar instruments		
a) Shares	165.693,64	2.264.775,89
b) Closed-end undertakings for collective investment	9.000,00	5.000,00
D. Other securities	4.955,89	53.685,89
F. Derivative financial instruments		
l) Financial indices		
Futures and forward contracts	8.775,70	
G. Receivables, deposits, cash at bank and in hand and payables	0,01	
H. Foreign exchange positions and transactions		
a) Derivative financial instruments		
Futures and forward contracts	-1.719,89	
b) Other foreign exchange positions and transactions	1.371.819,57	-3.332.873,60
II. Investment income and expenses		
A. Dividends	202.767,46	148.682,58
B. Interests		
a) Securities and money market instruments	16.698,21	4.765,74
b) Cash at bank and in hand and deposits	1.212,29	953,33
C. Interest on borrowings (-)	-423,34	-1.108,48
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-8.084,83	-3.193,00
B. Financial expenses (-)	-194,55	-1.195,08
C. Custodian's fee (-)	-6.626,76	-7.859,81
D. Manager's fee (-)		
a) Financial management	-116.987,15	-135.885,64
b) Administration and accounting management	-8.262,55	-9.850,33
E. Administrative expenses (-)	-59,34	
F. Formation and organisation expenses (-)	-1.153,96	-802,57
G. Remuneration, social security charges and pension		-3,67
H. Services and sundry goods (-)	-2.544,78	-1.707,07
J. Taxes	-6.114,06	-6.967,95
K. Other expenses (-)	-702,46	-1.893,74
Income and expenditure for the period		
Subtotal II + III + IV	69.524,18	-16.065,69
V. Profit (loss) on ordinary activities before tax	1.619.304,70	-1.025.477,51
VII. Result for the period	1.619.304,70	-1.025.477,51

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC EQUITY FUND NEW SHARES

Name	Quantity on 30/06/2012	Currency	Price in currency	Evaluation (in the currency of the sub-fund)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
Bonds							
Corporate bonds							
<u>Ireland</u>							
D-STAR FINANCE PLC SUB 14/05/13	126.000,00	EUR	63,710	80.274,60		0,47	0,47
Total bonds				80.274,60		0,47	0,47
Shares							
Exchange-listed shares							
<u>Belgium</u>							
DEVGEN STRIP-VVPR	33.300,00	EUR	0,000	3,33			
EXMAR NV VVPR - STRIP	11.514,00	EUR	0,002	23,03			
NYRSTAR -	43.665,00	EUR	4,478	195.531,87		1,15	1,14
NYRSTAR STRIP VVPR	26.894,00	EUR	0,001	26,89			
TELENET STRP-VVPR	101.775,00	EUR	0,001	101,78		0,00	0,00
THROMBOGENICS NV -	8.860,00	EUR	21,300	188.718,00		1,11	1,10
THROMBOGENICS NV STRIP-VVPR	150.269,00	EUR	0,007	1.051,88		0,01	0,01
4ENERGY INVEST SA -	26.929,00	EUR	0,930	25.043,97		0,15	0,15
4ENERGY INVEST SA STRIP	28.035,00	EUR	0,001	28,04			
<u>Brazil</u>							
BANCO SANTANDER BRASIL SA -	40.000,00	BRL	15,400	240.484,09		1,41	1,40
<u>Canada</u>							
AIR CANADA -A-	48.000,00	CAD	1,000	37.101,45		0,22	0,22
MITEL NETWORKS CORP -	33.333,00	USD	4,420	116.091,61		0,68	0,68
<u>Chile</u>							
DUOYUAN GLOBAL WATER INC -	1.902,00	USD	0,270	404,65		0,00	0,00
<u>China</u>							
CHINA CITIC BANK CHINA CITIC BANK	650,00	HKD	3,950	260,82		0,00	0,00
CHINA CONSTRUCTION BANK -	646.030,00	HKD	5,290	347.172,71		2,04	2,02
CHONGQING RURAL COMMERCIAL BANK -	340.000,00	HKD	3,110	107.417,87		0,63	0,63
HAITONG SECURITIES CO LTD -	500.000,00	HKD	10,780	547.552,77		3,22	3,19
NEW CHINA LIFE INSURANCE CO -	115.000,00	HKD	29,550	345.217,29		2,03	2,01
<u>Denmark</u>							
CHRISTIAN HANSEN HOLDING A/S -	5.000,00	DKK	150,700	101.353,17		0,60	0,59
<u>France</u>							
EUTELSAT -	8.956,00	EUR	24,265	217.317,34		1,28	1,27
REXEL SA (PAR)	14.113,00	EUR	13,465	190.031,55		1,12	1,11
<u>Germany</u>							
HAMBURGER HAFEN UND LOGISTIK -	1.298,00	EUR	20,130	26.128,74		0,15	0,15
SFC ENERGY AG -	9.605,00	EUR	6,080	58.398,40		0,34	0,34
STROER OUT-OF-HOME MEDIA AG -	14.000,00	EUR	7,534	105.476,00		0,62	0,61

ZHONGDE WASTE TECHNOLOGY -	13.693,00	EUR	2,700	36.971,10		0,22	0,22
<u>Hong Kong</u>							
AIA GROUP LTD -	50.000,00	HKD	26,500	134.602,49		0,79	0,78
CHOW TAI FOOK JEWELLERY GROUP -	400.000,00	HKD	9,600	390.093,26		2,29	2,27
CNOOC LTD ADR	3.100,00	USD	201,250	491.588,53		2,89	2,86
<u>Italy</u>							
AICON SPA -	33.619,00	EUR	0,122	4.101,52		0,02	0,02
ENEL GREEN POWER SPA -	161.431,00	EUR	1,244	200.820,16		1,18	1,17
GEOX SPA -	14.408,00	EUR	1,740	25.069,92		0,15	0,15
PIAGGIO & C SPA -	72.040,00	EUR	1,971	141.990,84		0,84	0,83
<u>Japan</u>							
DAI-ICHI MUTUAL LIFE INSURANCE -	224,00	JPY	91.200,000	201.746,00		1,19	1,18
INPEX CORP -	123,00	JPY	444.500,000	539.931,86		3,18	3,15
SONY FINANCIAL HOLDINGS INC -	35.500,00	JPY	1.294,000	453.653,96		2,67	2,64
<u>Jersey/The Channel Islands</u>							
MEINL INTERNATIONAL POWER LT -	66.053,00	EUR	0,131	8.652,94		0,05	0,05
<u>Luxembourg</u>							
EASTPHARMA LTD GDR	52.829,00	USD	0,600	24.976,28		0,15	0,15
TERNIUM SA ADR	16.400,00	USD	19,570	252.894,18		1,49	1,47
<u>Netherlands</u>							
SNS REAAL -	13.451,00	EUR	1,065	14.325,32		0,08	0,08
TOMTOM NV -	20.287,00	EUR	3,186	64.634,38		0,38	0,38
X5 RETAIL GROUP NV -GDR-	3.479,00	USD	22,750	62.364,86		0,37	0,36
ZIGGO BV -	25.000,00	EUR	25,185	629.625,00		3,70	3,67
<u>Norway</u>							
STATOIL FUEL & RETAIL ASA -	35.000,00	NOK	51,000	236.618,15		1,39	1,38
<u>Poland</u>							
CYFROWY POLSAT SA -	19.211,00	PLN	14,600	66.226,06		0,39	0,39
POWSZECHNY BANK KREDYTOWY SA -	500,00	PLN	334,000	39.431,43		0,23	0,23
WARSAW STOCK EXCHANGE -	5.000,00	PLN	38,190	45.086,42		0,27	0,26
<u>Russia</u>							
MAIL.RU GROUP LTD -	4.576,00	USD	33,890	122.197,34		0,72	0,71
<u>South Africa</u>							
LIFE HEALTHCARE GROUP HOLDINGS -	200.000,00	ZAR	31,130	599.865,11		3,53	3,49
NAMAKWA DIAMONDS LTD -	424.555,00	GBP	0,042	22.038,45		0,13	0,13
<u>Spain</u>							
AMADEUS IT HOLDING SA -	19.737,00	EUR	16,700	329.607,90		1,94	1,92
IBERDROLA SA -	24.789,00	EUR	3,719	92.190,29		0,54	0,54
<u>Sweden</u>							
ALPCOT AGRO AB -	16.671,00	SEK	7,100	13.512,65		0,08	0,08
<u>Switzerland</u>							
DKSH HOLDING AG LTD	2.000,00	CHF	52,000	86.583,69		0,51	0,50
DUFY GROUP -	2.882,00	CHF	114,500	274.727,55		1,62	1,60
<u>Turkey</u>							
TAV HAVALIMANLARI HOLD -	24.013,00	TRY	9,720	101.684,39		0,60	0,59
<u>U.K.</u>							
AZ ELECTRONIC MATERIALS SA -	25.000,00	GBP	2,870	88.678,78		0,52	0,52
BETFAIR GROUP PLC -	15.000,00	GBP	7,480	138.672,60		0,82	0,81

CHARLEMAGNE CAPITAL LTD -	230.267,00	GBP	0,099	28.103,90		0,17	0,16
PROMETHEAN WORLD PLC -	200.000,00	GBP	0,220	54.381,41		0,32	0,32
<u>U.S.A.</u>							
ACCURIDE CORP -	237,00	USD	6,000	1.120,48		0,01	0,01
ADECOAGRO SA -	1.000,00	USD	9,170	7.225,59		0,04	0,04
AMERICAN WATER WORKS INC. -	18.054,00	USD	34,280	487.661,43		2,87	2,84
BUNGE LTD. -	14.400,00	USD	62,740	711.887,16		4,19	4,15
CLOUD PEAK ENERGY INC -	20.544,00	USD	16,910	273.736,54		1,61	1,59
CME GROUP INC -	1.000,00	USD	268,110	211.259,95		1,24	1,23
DOLLAR GENERAL CORPORATION -	20.000,00	USD	54,390	857.142,86		5,05	4,99
DOUGLAS EMMET INC -	9.600,00	USD	23,100	174.738,00		1,03	1,02
DRESSE-RAND GROUP INC -	12.350,00	USD	44,540	433.432,35		2,55	2,53
ENERGY RECOVERY INC -	30.035,00	USD	2,400	56.799,31		0,33	0,33
FACEBOOK INC -	6.320,00	USD	31,120	154.974,71		0,91	0,90
FINANCIAL ENGINES INC -	29.924,00	USD	21,450	505.767,71		2,97	2,95
FORTINET INC -	600,00	USD	23,220	10.977,86		0,07	0,06
GEN.MOTORS -	1.000,00	USD	19,720	15.538,57		0,09	0,09
HCA INC -	27.500,00	USD	30,430	659.384,60		3,88	3,84
LOGMEIN INC -	2.500,00	USD	30,520	60.121,35		0,35	0,35
MEAD JOHNSON NUTRITION CO -	11.500,00	USD	80,510	729.544,56		4,29	4,25
MISTRAS GROUP INC -	25.000,00	USD	26,280	517.689,70		3,04	3,02
QIHOO 360 TECHNOLOGY CO LTD -	3.000,00	USD	17,290	40.871,48		0,24	0,24
RAILAMERICA INC -	41.000,00	USD	24,200	781.813,88		4,60	4,55
REALD INC -	910,00	USD	14,960	10.726,97		0,06	0,06
SEALY CORPORATION -	28.800,00	USD	1,850	41.982,51		0,25	0,25
SUNSTONE HOTEL INVESTORS INC -	23.951,00	USD	10,990	207.408,00		1,22	1,21
VISA INC -	3.234,00	USD	123,630	315.041,70		1,85	1,84
VMWARE INC CLASS A -	4.416,00	USD	91,040	316.785,63		1,86	1,85
VYCON INC -	400.000,00	GBP	0,015	7.415,65		0,04	0,04
WINDSTREAM CORP -	60.977,00	USD	9,660	464.138,22		2,73	2,70
Total shares				16.923.772,74		99,51	98,58
Options and futures							
Exchange-listed futures							
<u>U.S.A.</u>							
STAND & POORS EMINI SEP 12	2,00	USD	1.356,500	106.886,77		0,63	0,62
Suspense accounts (futures)							
<u>U.S.A.</u>							
STAND & POORS SEP 12	-130.025,00	USD	1,000	-102.454,50		-0,60	-0,60
Total options and futures				4.432,27		0,03	0,03
Rights							
<u>South Africa</u>							
NAMAKWA DIAMONDS LTD CP 07/06/12	1.107.534,00	GBP	0,000	13,69			
Total rights				13,69			
Forward contracts		EUR		-1.267,13			-0,01
TOTAL SECURITIES PORTFOLIO				17.007.226,17		100,00	99,06
COLLATERAL RECEIVED							
<u>Belgium</u>							
KBC GROUP COLLATERAL EUR	1.344.804,55	EUR	1,000	1.344.804,55			7,83
TOTAL RECEIVED COLLATERAL				1.344.804,55			7,83

CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP AUD	4.842,03	AUD	1,000	3.911,01			0,02
KBC GROUP CAD	7.674,30	CAD	1,000	5.931,83			0,04
KBC GROUP CHF	4.189,60	CHF	1,000	3.487,99			0,02
KBC GROUP DKK	54.482,83	DKK	1,000	7.328,48			0,04
KBC GROUP EURO	49.358,52	EUR	1,000	49.358,52			0,29
KBC GROUP GBP	3.524,83	GBP	1,000	4.356,48			0,03
KBC GROUP HKD	66.066,73	HKD	1,000	6.711,51			0,04
KBC GROUP JPY	703.360,00	JPY	1,000	6.946,08			0,04
KBC GROUP MAD	51.110,81	MAD	1,000	4.618,72			0,03
KBC GROUP NOK	24.851,77	NOK	1,000	3.294,33			0,02
KBC GROUP PLN	15.925,04	PLN	1,000	3.760,16			0,02
KBC GROUP SEK	27.819,45	SEK	1,000	3.175,92			0,02
KBC GROUP SGD	1.430,28	SGD	1,000	889,64			0,01
KBC GROUP TRY	22.446,51	TRY	1,000	9.778,91			0,06
KBC GROUP USD	26.910,28	USD	1,000	21.204,22			0,12
KBC GROUP ZAR	122.247,91	ZAR	1,000	11.778,39			0,07
Total demand accounts				146.532,19			0,85
Managed futures accounts							
<u>Belgium</u>							
KBC GROUP USD FUT REK	-1.801,38	USD	1,000	-1.419,42			-0,01
Total managed futures accounts				-1.419,42			-0,01
TOTAL CASH AT BANK AND IN HAND				145.112,77			0,85
OTHER RECEIVABLES AND PAYABLES							
Receivables							
<u>Belgium</u>							
KBC GROUP EUR RECEIVABLE	834,62	EUR	1,000	834,62			0,01
Total receivables				834,62			0,01
Payables							
<u>Belgium</u>							
KBC GROUP COUNTERPART ENTRY COLLATERAL IN EUR	-1.344.804,55	EUR	1,000	-1.344.804,55			-7,83
KBC GROUP EUR PAYABLE	-44.857,50	EUR	1,000	-44.857,50			-0,26
Payables				-1.389.662,05			-8,09
TOTAL RECEIVABLES AND PAYABLES				-1.388.827,43			-8,09
OTHER							
Interest receivable		EUR		60.862,83			0,36
Accrued interest		EUR		1.003,39			0,01
Expenses payable		EUR		-9.025,77			-0,05
Expenses to be carried forward		EUR		7.054,23			0,04
TOTAL OTHER				59.894,68			0,35
TOTAL NET ASSETS				17.168.210,74			100,00

Geographic breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Austria	1,08	0,00	0,00	0,00
Belgium	7,12	7,26	5,31	2,41
Brazil	1,87	1,74	1,48	1,41
Canada	3,73	4,03	0,71	0,90
Switzerland	1,79	1,74	1,23	2,12
Chile	0,08	0,03	0,03	0,00
China	6,80	5,98	5,61	7,92
Germany	3,24	3,12	1,76	1,33
Denmark	0,35	0,44	0,50	0,60
Spain	2,41	2,86	2,20	2,48
France	4,95	3,82	2,73	2,40
U.K.	2,21	2,19	2,29	1,82
Hong Kong	3,48	3,99	6,53	5,98
Ireland	0,00	0,00	0,53	0,47
Italy	1,39	1,97	2,55	2,19
Jersey/The Channel Islands	0,07	0,06	0,06	0,05
Japan	5,39	5,18	7,01	7,03
Luxembourg	2,51	2,14	1,61	1,63
Netherlands	1,26	1,02	0,75	4,17
Norway	2,81	3,24	3,10	1,39
Poland	0,85	1,03	0,79	0,89
Russia	2,88	2,66	1,08	1,09
Sweden	0,52	0,00	0,00	0,08
Turkey	0,40	0,45	0,47	0,60
U.S.A.	40,55	42,11	49,07	47,38
South Africa	2,26	2,94	2,60	3,66
Total	100,00	100,00	100,00	100,00

Sector breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Cyclicals	25,40	28,65	21,92	18,25
Consum(cycl)	10,61	10,70	9,95	10,60
Cons.goods	15,93	16,74	20,26	20,13
Pharma	6,18	5,96	8,64	8,67
Financials	20,75	20,68	17,00	19,44
Technology	11,14	7,89	7,12	9,16
Telecomm.	3,08	3,59	7,09	7,71
Utilities	5,16	3,94	6,25	3,74
Real est.	1,75	1,85	1,77	2,30
Total	100,00	100,00	100,00	100,00

Currency breakdown (as a % of net assets)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
AUD	0,05	0,05	0,06	0,02
BRL	1,86	1,73	1,47	1,41
CAD	3,17	3,54	0,25	0,25
CHF	1,79	1,75	1,25	2,13
DKK	0,37	0,47	0,54	0,64
EUR	20,99	19,47	15,22	14,86
GBP	3,42	3,59	2,59	2,01
HKD	7,75	7,27	9,61	10,98
JPY	5,43	5,18	7,04	7,03
MAD	0,02	0,02	0,03	0,03
NOK	2,83	3,28	3,12	1,40
PLN	0,87	1,06	0,85	0,90
SEK	0,53	0,02	0,02	0,10
SGD	0,00	0,00	0,01	0,01
TRY	0,43	0,48	0,51	0,65
USD	48,89	50,15	55,01	54,00
ZAR	1,60	1,94	2,42	3,58
Total	100,00	100,00	100,00	100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC EQUITY FUND NEW SHARES (IN THE CURRENCY OF THE SUB-FUND)

	1st half of year	Year
Purchases	1.533.618,80	1.533.618,80
Sales	2.766.141,99	2.766.141,99
Total 1	4.299.760,79	4.299.760,79
Subscriptions	160.043,22	160.043,22
Redemptions	1.417.928,21	1.417.928,21
Total 2	1.577.971,43	1.577.971,43
Monthly average of total assets	17.416.279,08	17.416.279,08
Turnover rate	15,63 %	15,63 %

	1st half of year	Year
Purchases	1.533.618,80	1.533.618,80
Sales	2.766.141,99	2.766.141,99
Total 1	4.299.760,79	4.299.760,79
Subscriptions	160.043,22	160.043,22
Redemptions	1.417.928,21	1.417.928,21
Total 2	1.577.971,43	1.577.971,43
Monthly average of total assets	17.161.345,26	17.161.345,26
Corrected turnover rate	15,86 %	15,86 %

The table above shows the capital volume of portfolio transactions. This volume (adjusted to take account of total subscriptions and redemptions) is also compared to the average net assets at the beginning and end of the period.

A figure close to 0% implies that the transactions relating to the securities or transactions relating to the assets (excluding deposits and cash) in a given period only involve subscriptions and redemptions.

A negative percentage shows that subscriptions and redemptions entailed few, if any, transactions in the portfolio.

Active asset management may result in high turnover rates (monthly percentage >50%).

The detailed list of transactions is available for consultation free of charge at the registered office of the Bevek or fund at Havenlaan 2, 1080 Brussels.

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

NAME	Currency	Value in currency	In the currency of the sub-fund	Lot-size	Transaction date
KBC COLLATERAL EUR	EUR	1.344.804,55	1.344.804,55	N/A	29.06.2012
STPOORS EMINI SEP 12	USD	135.650,00	106.886,77	50,00	12.06.2012
KBC AK-VK USD-EUR 121214-120615 1.2552	USD	124.500,00	98.101,02	N/A	15.06.2012

2.4.4 CHANGES OF THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND THE NET ASSET VALUE

Period	Change in number of shares in circulation						
	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2010 - 06	2.134,80	66,77	8.420,04	1.198,00	32.987,44	7.085,77	40.073,21
2011 - 06	1.097,33	11,00	7.071,73	1.200,00	27.013,03	5.896,77	32.909,81
2012 - 06	453,25	15,00	3.893,32	889,00	23.572,96	5.022,77	28.595,73

Period	Amounts received and paid by the UCI (in the currency of the sub-fund)			
	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2010 - 06	1.029.913,64	29.622,31	3.853.655,71	517.730,60
2011 - 06	631.547,45	5.428,61	4.063.324,35	612.771,33
2012 - 06	261.027,93	8.138,25	2.228.264,49	454.201,47

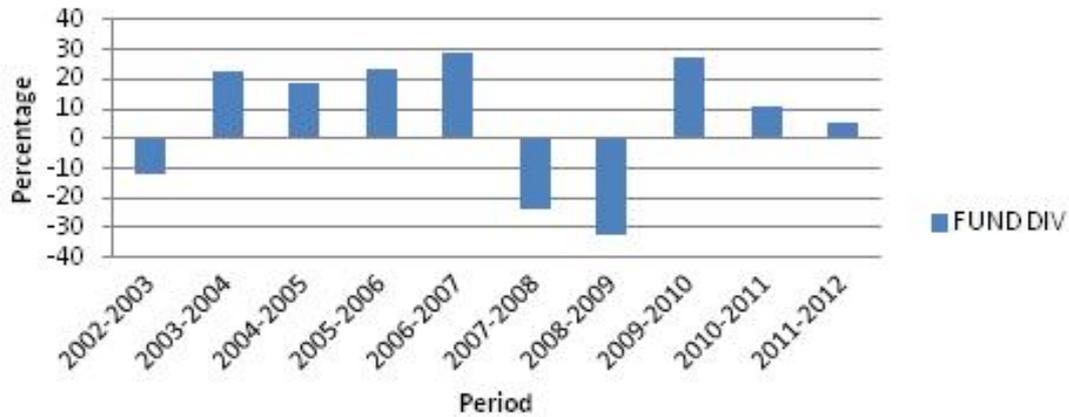
Period	Net asset value End of period (in the currency of the sub-fund)		
	Of the sub-fund	Of one share	
		Capitalization	Distribution
2010 - 06	20.627.695,49	525,67	463,90
2011 - 06	18.719.039,97	581,03	512,75
2012 - 06	17.168.210,74	613,44	539,09

2.4.5 PERFORMANCE FIGURES

BE0170532064

KBC Equity Fund - New Shares - DIV:

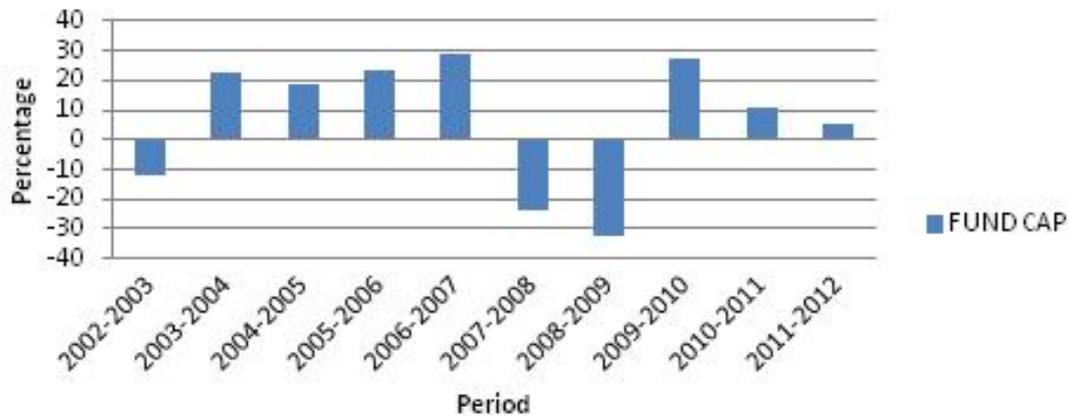
Annual performance on 30/06/2012 (in EUR)



BE0170533070

KBC Equity Fund - New Shares - CAP:

Annual performance on 30/06/2012 (in EUR)



Cap Div	ISIN code	Cur- rency	1 Year		3 Years*		5 Years*		10 Years*		Since launch*	
			Share classes	Bench mark	Launch Date	Share classes						
CAP	BE0170533070	EUR	5.58%		14.13%		-5.30%		4.51%		01/04/1999	1.56%
DIV	BE0170532064	EUR	5.57%		14.12%		-5.30%		4.51%		01/04/1999	1.55%

Risk warning: Past performance is not a guide to future performance.

* Return on annual basis.

- The bar chart shows the performance for full financial years.
- The figures do not take account of any restructuring.
- Calculated in EUR.
- the return is calculated as the change in the net asset value between two dates expressed as a percentage. In the case of units that pay dividends, the dividend is incorporated geometrically in the return.
- Calculation method for date D, where NAV stands for net asset value:
 - Capitalisation units (CAP)
 - Return on date D over a period of X years:

$$[\text{NAV}(D) / \text{NAV}(Y)]^{[1 / X]} - 1$$
 where $Y = D - X$
 - Return on date D since the start date S of the unit:

$$[\text{NAV}(D) / \text{NAV}(S)]^{[1 / F]} - 1$$
 where $F = 1$ if the unit has existed for less than one year on date D
 where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D
 - Distribution units (DIV)
 - Return on date D over a period of X years:

$$[C * \text{NAV}(D) / \text{NAV}(Y)]^{[1 / X]} - 1$$
 where $Y = D - X$
 - Return on date D since the start date S of the unit:

$$[C * \text{NAV}(D) / \text{NAV}(S)]^{[1 / F]} - 1$$
 where $F = 1$ if the unit has existed for less than one year on date D
 where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D
 where C is a factor that is determined for all N dividends between the calculation date D and the reference date.
 - For dividend i on date Di with value Wi:

$$C_i = [W_i / \text{NAV}(D_i)] + 1$$

$$i = 1 \dots N$$
 from which $C = C_0 * \dots * C_N$.
- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the n^{th} square root of 1 plus the total return of the unit.
- The return figures shown above do not take account of the fees and charges associated with the issue and redemption of units.
- These are the performance figures for capitalisation and distribution shares.

2.4.6 COSTS

Total expense ratio (TER): *

Distribution: 1.614%

Capitalization: 1.614%

Percentage calculated at the end of the financial year: 31 December

* The following costs have not been included in the TER:

- Transaction charges
- Interest payments on loans taken out
- Payments in respect of financial derivatives
- Fees and charges paid directly by the investor
- Any soft commissions

SOFT COMMISSIONS

The management company or the appointed manager, as the case may be, is the recipient of soft commissions.

The recipient has laid down an internal policy as regards accepting soft commissions and avoiding possible conflicts of interest in this respect, and has put appropriate internal controls in place to ensure this policy is observed.

For more information, please see the 'General' section of the annual report.

	Commission gross in EUR paid during the period: 1-01-12 -	CSA Credits in EUR accrued during the period: 1-01-12 -	
Broker	30-06-12	30-06-12	Percentage
CITI	261	163	62.50%
CSFBSAS	66	37	55.56%
JP MORGAN	643	357	55.56%
MERRILL	127	79	62.50%
MORGAN STANLEY	565	315	55.78%

FEE-SHARING AGREEMENTS AND REBATES:

The management company may share its fee with the distributor, and institutional and/or professional parties.

In principle, the percentage share amounts to between 35% and 60% if the distributor is an entity of KBC Group NV or to between 35% and 70% if the distributor is not an entity of KBC Group NV. However, in a small number of cases, the distributor's fee is less than 35%. Investors may, on request, obtain more information on these cases.

If the management company invests the assets of the undertaking for collective investment in units of undertakings for collective investment that are not managed by an entity of KBC Group NV, and receives a fee for doing so, it will pay this fee to the undertaking for collective investment.

Fee-sharing does not affect the amount of the management fee paid by the sub-fund to the management company. This management fee is subject to the limitations laid down in the articles of association. The limitations may only be amended after approval by the general meeting of shareholders.

The management company has concluded a distribution agreement with the distributor in order to facilitate the wider distribution of the sub-fund's units by using multiple distribution channels.

It is in the interests of the holders of units, the sub-fund and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund to be maximised in this way. In this respect, there is therefore no question of any conflict of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: 1.35% per annum calculated on the basis of the average total net assets of the sub-fund, excluding those assets invested in investment undertakings managed by a financial institution of the KBC group.

KBC Fund Management Limited receives a fee from the management company of max. 1.35% calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the average total net assets of the sub-fund.

Auditor's fee: 1 700 EUR per year. This fee is not including VAT and will be increased at the end of the 3-year mandate.

The custody fee is calculated on the value of the securities held in custody by the custodian on the final banking day of the preceding calendar year, except on those assets invested in investment undertakings managed by a financial institution of the KBC group. The custody fee is paid at the beginning of the calendar year.

Social, ethical and environmental aspects:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

Exercising voting rights

If necessary, relevant and in the interest of the shareholders, the management company will exercise the voting rights attached to the shares in the Bevek's portfolio.

The management company will adhere to the following criteria when determining how it stands relative to the items on the agenda that are put to the vote:

- Shareholder value may not be adversely affected.
- Corporate governance rules, especially with regard to the rights of minority shareholders, must be respected.
- The minimum standards with regard to sustainable business and corporate social responsibility must be met.

The list of companies for which voting rights are exercised is available at the registered office of the Bevek.

Financial derivatives on financial indices

The following financial indices were used as the underlying for financial derivatives:

The **S&P 500** is an equity index computed by Standard & Poor's that is made up of 500 shares. The dividend is not reinvested. The S&P 500 serves primarily as a continuous indicator of market trends on the US stock markets. The value of the S&P 500 index is calculated on the basis of the market value of the shares of 500 companies at a given point in time, compared to the market value of the shares of 500 similar companies during the reference period from 1941 to 1943. The index is published daily in L'Echo, De Tijd, The Financial Times and The Wall Street Journal Europe.

Standard & Poor's has all proprietary rights with respect to the index. In no way Standard & Poor's endorses, sponsors or is otherwise involved in the issue and offering of the shares of this undertaking for collective investment. Standard & Poor's disclaims any liability for the issue and offering of the shares of this undertaking for collective investment.

The value and, if available for distribution, the composition of the aforementioned financial indices may be obtained from the branches providing the financial service.

Securities lending

In accordance with the Royal Decree of 7 March 2006 concerning securities lending, the undertaking for collective investment has taken out securities loans with a principal to whom the full title of the loaned securities was transferred, without recording this transfer of ownership in the accounts.

For the period from 1 January 2012 to 30 June 2012, the fee for securities lent comes to 4,014.42 EUR. KBC Asset Management NV receives 50% of the net fee received for securities lent.

The detailed list of securities lending transactions carried out can be obtained from the registered office of the collective investment undertaking at 2 Havenlaan, 1080 Brussels.

Overview of securities lent as at 30/06/2012

Name	Currency	Quantity	Price	Value in currency of the portfolio
CHONGQING RURAL COMMERCIAL BANK -H	HKD	134.000	3,110	42.335,28
CHOW TAI FOOK JEWELLERY GROUP	HKD	399.999	9,600	390.092,28
NEW CHINA LIFE INSURANCE CO LTD -H-	HKD	114.999	29,550	345.214,29
POWSZECHNY ZAKLAD UBEZPIECZEN SA	PLN	499	334,000	39.352,57
ZIGGO NV	EUR	2	25,185	50,37
Total				817.044,79

Details of collateral received for securities lent

Name	Currency	Nominal value	Currency fund	Value in Currency fund
OESTERREICH 2007 4.3% 15/09/17	EUR	515.000	EUR	605.123,46
FLEMISH 2009 3,875% 20/07/2016	EUR	450.000	EUR	503.422,20
BUNDESREPUB.DTL. 2011 2.25% 04/09/21	EUR	11.000	EUR	12.025,39
OAT FRANCE 2003 4% 25/04/14	EUR	59.000	EUR	63.293,49
FRANCE 2007 4,50% 12/07/2012	EUR	154.000	EUR	160.940,01
Total				1.344.804,55

For the valuation of the collateral received, indicative prices have been used in this detail list by the Collateral Management Division of KBC Bank.

TABLE OF CONTENTS

- 2. Information on KBC Equity Fund High Dividend Eurozone
 - 2.1. Management report
 - 2.1.1. Launch date and subscription price
 - 2.1.2. Stock exchange listing
 - 2.1.3. Aim and distinctive features of the investment policy
 - 2.1.4. Financial portfolio management
 - 2.1.5. Distributors
 - 2.1.6. Index and benchmark
 - 2.1.7. Policy conducted during the financial year
 - 2.1.8. Future policy
 - 2.1.9. Synthetic risk and reward indicator (SRRI)
 - 2.2. Balance sheet
 - 2.3. Profit and loss account
 - 2.4. Composition of the assets and key figures
 - 2.4.1. Composition of the assets
 - 2.4.2. Change in the composition of the assets
 - 2.4.3. Value of commitments in respect of financial derivatives positions
 - 2.4.4. Evolution of the number of subscriptions, repayments and the net asset value
 - 2.4.5. Return figures
 - 2.4.6. Expenses
 - 2.4.7. Notes to the financial statements and other data

2 INFORMATION ON KBC EQUITY FUND HIGH DIVIDEND EUROZONE

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Classic Shares :

Launch date: 27 July 2007

Initial subscription price: 500 EUR

Currency: EUR

Institutional B Shares :

Launch date: 24 November 2011

Initial subscription price: 266.02 EUR

Currency: EUR

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

The main objective of this sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. To this end, the assets are invested, either directly or indirectly via correlated financial instruments, primarily in shares.

SUB-FUND'S INVESTMENT POLICY:

PERMITTED ASSET CLASSES:

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the sub-fund's object.

The sub-fund shall invest no more than 10% of its assets in units of other undertakings for collective investment.

RESTRICTIONS OF THE INVESTMENT POLICY:

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

PERMITTED DERIVATIVES TRANSACTIONS:

Derivates may be used either for hedging purposes or to achieve investment objectives.

Changes will be made to the investments at regular intervals to comply with the sub-fund's investment strategy. **In addition, listed and unlisted derivates may be used to achieve the objectives:** these may be forward contracts, options or swaps on securities, indices, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions. **Such derivatives may also be used to hedge the assets against exchange-rate fluctuations.** Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions.

To the extent that derivatives are used, it concerns liquid and readily negotiable instruments. They do not, therefore, affect the liquidity risk.

To the extent that derivatives are used, they are used to carry out the investment policy and within the limits of the investment strategy. They do not affect the market, performance and concentration risks or the risks associated with external factors or any kind.

Strategy selected

This fund invests at least 75% of its assets in euro-area shares with a high dividend yield.

LENDING FINANCIAL INSTRUMENTS:

The sub-fund may lend financial instruments within the limits set by law and regulations.

This lending does not affect the sub-fund's risk profile since:

- it takes place within the framework of a securities lending system managed by a principal. In addition, the sub-fund has a relationship only with the principal of the securities lending system which acts as counterparty and to which title of the loaned securities is transferred. The choice of principal is subject to strict selection criteria. The return of securities similar to the securities that have been lent is guaranteed by the principal.
- through a margin management system, the sub-fund is always guaranteed financial security, the actual value of which always exceeds the actual value of the securities that have been lent, in case the principal does not return similar securities.

The return of securities similar to the securities that have been lent can be requested at any time, which means that the lending of securities does not affect the management of the sub-fund's assets. By lending securities, the sub-fund can generate an additional return. The principal pays a fee to the management company. After deducting the fee for the margin management and clearing services of KBC Bank, most of this fee is paid to the sub-fund.

The relationship with the counterparty or counterparties is governed by standard international agreements.

More information is provided on the terms and conditions governing securities lending in the annual or half-yearly report for the sub-fund.

VOLATILITY OF THE NET ASSET VALUE:

The volatility of the net asset value may be high due to the composition of the portfolio.

GENERAL STRATEGY FOR HEDGING THE EXCHANGE RATE RISK:

In order to protect its assets against exchange rate fluctuations and within the limitations laid down in the articles of association, the sub-fund may perform transactions relating to the sale of forward currency contracts, as well as the sale of call options and the purchase of put options on currencies. The transactions in question may relate solely to contracts traded on a regulated market that operates regularly, is recognised and is open to the public or that are traded with a recognised, prime financial institution specialising in such transactions and dealing in the over-the-counter (OTC) market in options. With the same objective, the sub-fund may also sell currencies forward or exchange them in private transactions with prime financial institutions specialising in such transactions. The hedging objective of the aforementioned transactions suggests that there is a direct link between these transactions and the assets to be hedged, which implies that the transactions carried out in a particular currency may in principle not exceed, in terms of volume, either the valuation value of all the assets in the same currency or the holding period of those assets.

SOCIAL, ETHICAL AND ENVIRONMENTAL ASPECTS:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

THE EUROPEAN SAVINGS DIRECTIVE AND TAX ON DEBT CLAIM RETURNS OBTAINED THROUGH THE REDEMPTION OF OWN UNITS OR IN THE EVENT OF FULL OR PARTIAL DISTRIBUTION OF EQUITY CAPITAL.

The following information is of a general character and is not intended to cover all aspects of an investment in a UCITS. In certain cases entirely different rules might even apply. Moreover, both tax law and the interpretation of it can change. Investors who wish to have more information about the tax implications – in both Belgium and abroad – of acquiring, holding and transferring units should seek the advice of their usual financial and tax advisers.

This UCITS shall invest a maximum of 15% of its assets directly or indirectly in debt instruments as intended by the European Savings Directive.

A. European Savings Directive (Directive 2003/48/EC)

The European Savings Directive has been implemented in Belgium through:

- The Law of 17 May 2004 transposing into Belgian law Directive 2003/48/EC of 3 June 2003 of the Council of the European Union on taxation of savings income in the form of interest payments and amending Income Tax Code 1992 on withholding tax;
- The Royal Decree of 27 September 2009 implementing Article 338bis § 2 of Income Tax Code 1992;
- The Royal Decree of 27 September 2009 concerning the entry into effect of Article 338bis § 2, paragraphs one to three, of Income Tax Code 1992;

Since this UCITS invests a maximum of 15% of its assets directly or indirectly in debt claims as intended by the European Savings Directive, the income of this UCITS does not fall within the scope of this directive.

B. Tax on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital (Article 19bis Income Tax Code 1992).

The income from this UCITS is not subject to the tax on debt instrument returns as intended by Article 19bis, Income Tax Code 1992.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company has delegated the intellectual management, to KBC Fund Management Limited, Joshua Dawson House, Dawson Street, Dublin 2, IRELAND..

KBC Fund Management Limited has delegated the intellectual management, to Kleinwort Benson Investors Dublin Ltd, Joshua Dawson House Dawson Street, Dublin 2, IRELAND.

2.1.5 DISTRIBUTORS

KBC Asset Management S.A., 5, Place de la Gare, L-1616 Luxembourg.

2.1.6 INDEX AND BENCHMARK

See 'Sub-fund's investment policy'.

2.1.7 POLICY PERSUED DURING THE FINANCIAL YEAR

The KBC Equity Fund High Dividend Eurozone Fund invests primarily in shares that achieve a higher-than-average dividend yield within their industry. Dividend yield is not only an important valuation criterion for shares; it also provides a basic return. The fund avoids classic style exposure through industry group neutrality.

Focussing on the high dividend theme, we aim to achieve a neutral industry group allocation. This means that we look for shares with higher-than-average dividend yields and equity scores in every sector. Consequently, there are also shares in the portfolio that appear at first sight to have a low dividend yield.

During the first six months of 2012 eurozone equity markets were volatile and dominated by the familiar themes of the last 12 months. The MSCI EMU equity index rose by 3.8% in the first six months, and the eurozone bond index rose 5.2%. The dominant theme driving volatility during the first half of the year was the eurozone debt crisis. Equity markets had a good first quarter helped by the announcement of the ECB's LTRO financing operation for eurozone banks, but many of the gains were eroded during the second quarter following the move by Spanish banks to seek emergency funding. Yet another EU crisis summit on the last day of the quarter produced some positive announcements to deal with the crisis, and led to a solid rally in asset markets.

The theme of high dividend investing had a very mixed first six months in 2012. During Q1 2012 it was one of the worst performing styles in all regions. High dividend stocks suffered badly for the three months as the best performers in 2011 were out of favour at the start of the year. The reasons behind the poor performance of the theme were twofold. Generally, when markets are trending upwards like we witnessed in Q1 and growth styles begin to outperform, high dividend, defensive strategies struggle to rise in tandem. Due to the strong performance of defensive industries in 2011, we witnessed a declining preference for these types of assets in Q1.

Q2 2012 saw a complete reversal of the theme performance witnessed in Q1 of the year. Q2 saw much more nervous markets with muted returns mainly caused by political and economic risks associated with Greece, France and Spain. This type of environment was suitable for the theme of high dividend investing as investors looked for defensive plays and the safety of income. The best performing industry groups during the quarter were telecoms, real estate, pharmaceuticals and food, beverage & tobacco – all of which are traditional high dividend industries.

However the industry group neutral approach to constructing the theme that the fund adopts helped enormously during the first half of the year. More traditional high dividend approaches would have been heavily overweight Utilities, Telecoms, Energy and Pharmaceuticals – these being those industries punished most in Q1. For example the fund out-performed the MSCI EMU High Yield Index by more than 3.5% during those first six months of the year.

One of the most integral parts of the investment process for the fund is to focus on sustainability of dividends. The focus is to buy quality names with strong balance sheets and an ability to sustain and potentially grow that dividend. This added solid value as massive uncertainty across the globe made investors focus on more reliable, low volatility stock names with high sustainable dividends.

2.1.8 FUTURE POLICY

There continues to be two key issues for the financial markets, i.e. the eurozone fiscal crisis and the risk of a Chinese “hard landing”. The EU summit meeting at the end of June did – to everyone’s surprise – produce some new and potentially very significant ideas to tackle the crisis, but many crucial details remain to be agreed and it is far from clear whether the summit marked a genuine turning point. We maintain our strong view that the eurozone will survive (with the ECB at the centre of any eventual solution). In China, economic growth has clearly slowed, but it’s important to note that this was the result of government policies designed to slow down inflation. That objective has now been achieved and we expect growth to stabilise around current levels. While near term global market direction will continue to be dictated by a strong focus on such global macro developments, companies continue to deliver robust earnings and dividend growth at attractive valuations.

Within the high dividend portfolios there is a continued emphasis on quality and financial strength. With less earnings growth available in the coming quarters, dividend yield and dividend growth will continue to grow in importance and we believe will prove to be a winning strategy. Whilst the policies of governments and central banks have been the dominant drivers of market direction to date, we believe that the actions of the corporate sector will possibly be the major story for the medium term from here. The Fund obviously continues to focus on the high dividend theme and avoids classic style exposure by aiming at regional and industry group neutrality across the portfolio. The Fund looks for shares with higher-than-average dividend yields compared to their true peers. The dividend yield for the portfolio (market capitalisation weighted) is now 5.6%, compared to 4.6% for the MSCI EMU Index.

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

Classic Shares: 7 on a scale of 1 (lowest risk) to 7 (highest risk).

Institutional B Shares: 7 on a scale of 1 (lowest risk) to 7 (highest risk).

The value of a share can decrease or increase and the investor may not get back the amount invested.

In accordance with Commission Regulation (EU) No. 583/2010, a synthetic risk and reward indicator has been calculated. This indicator provides a quantitative measure of the sub-fund's potential return and the risk involved, calculated in the currency in which the sub-fund is denominated. It is given as a figure between 1 and 7. The higher the figure, the greater the potential return, but also the more difficult it is to predict this return. Losses are possible too. The lowest figure does not mean that the investment is entirely free of risk. However, it does indicate that, compared with the higher figures, this product will generally provide a lower, but more predictable return.

The synthetic risk and reward indicator is assessed regularly and can therefore go up or down based on data from the past. Data from the past is not always a reliable indicator of future risk and return.

The most recent indicator can be found under the 'Risk and reward profile' heading in the 'Key Investor Information' document.

2.2 BALANCE SHEET

Balance sheet layout	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
TOTAL NET ASSETS	34.627.213,42	44.587.415,50
II. Securities, money market instruments, UCIs and derivatives		
A. Bonds and other debt instruments		
a) Bonds		
a) Collateral received in the form of bonds	704.682,59	1.938.456,22
C. Shares and similar instruments		
a) Shares	33.797.899,12	44.541.422,57
Of which securities lent	691.573,10	1.904.657,77
D. Other securities		17.854,85
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable	24.538,69	21.884,72
b) Tax assets	55.100,79	53.396,28
B. Payables		
a) Accounts payable (-)	-41.281,78	-12.506,87
c) Borrowings (-)		-52.734,23
d) Collateral (-)	-704.682,59	-1.938.456,22
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	767.502,69	13.800,58
VI. Accruals and deferrals		
A. Expense to be carried forward	8.178,51	22.231,79
B. Accrued income	38.525,09	15.188,68
C. Accrued expense (-)	-23.249,69	-33.122,87
TOTAL SHAREHOLDERS' EQUITY	34.627.213,42	44.587.415,50
A. Capital	35.291.401,48	42.813.983,54
B. Income equalization	-58.201,65	-47.337,26
D. Result for the period	-605.986,41	1.820.769,22

Off-balance-sheet headings

I Collateral (+/-)		
I.A Collateral (+/-)		
I.A.A Securities/market instruments	704.682,59	1.938.456,22
IX Financial instruments lent	691.573,10	1.904.657,77

2.3 PROFIT AND LOSS ACCOUNT

Income Statement	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
I. Net gains(losses) on investments		
C. Shares and similar instruments		
a) Shares	-1.771.575,19	943.459,15
D. Other securities	-3.097,76	-2.978,65
F. Derivative financial instruments		
l) Financial indices		
Futures and forward contracts	171.487,49	
H. Foreign exchange positions and transactions		
b) Other foreign exchange positions and transactions	12,63	-16,36
II. Investment income and expenses		
A. Dividends	1.277.740,86	1.349.103,19
B. Interests		
a) Securities and money market instruments	3.417,83	20.630,63
b) Cash at bank and in hand and deposits	245,18	573,33
C. Interest on borrowings (-)	-228,25	-443,13
III. Other income		
A. Income received to cover the acquisition and realization of assets, to discourage withdrawals and for delivery charges	59.200,78	
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-62.206,13	-72.572,42
B. Financial expenses (-)	-223,69	-1.465,19
C. Custodian's fee (-)	-7.944,38	-18.198,80
D. Manager's fee (-)		
a) Financial management		
Classic Shares	-61.270,43	-335.028,90
Institutional B Shares	-169.193,06	
b) Administration and accounting management	-16.811,01	-21.860,22
E. Administrative expenses (-)	-224,97	-211,82
F. Formation and organisation expenses (-)	-1.847,23	-2.057,46
G. Remuneration, social security charges and pension	-2,67	-8,16
H. Services and sundry goods (-)	-4.099,48	-4.519,97
J. Taxes		
Classic Shares	-3.245,42	-17.766,37
Institutional B Shares	-1.363,44	
K. Other expenses (-)	-14.758,07	-15.869,63
Income and expenditure for the period		
Subtotal II + III + IV	997.186,42	880.305,08
V. Profit (loss) on ordinary activities before tax	-605.986,41	1.820.769,22
VII. Result for the period	-605.986,41	1.820.769,22

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC EQUITY FUND HIGH DIVIDEND EUROZONE

Name	Quantity on 30/06/2012	Currency	Price in currency	Evaluation (in the currency of the sub-fund)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
Shares							
Exchange-listed shares							
<u>Austria</u>							
RAIFFEISEN BANK INTL -	27.417,00	EUR	25,750	705.987,75		2,09	2,04
<u>Belgium</u>							
AGEAS NV (BRU) B STRIP-VVPR	825,00	EUR	0,001	0,83			
BELGACOM -	57.609,00	EUR	22,455	1.293.610,10		3,83	3,74
<u>Finland</u>							
METSO OYJ (HEL)	23.497,00	EUR	27,110	637.003,67		1,89	1,84
POHJOLA BANK PLC -	81.047,00	EUR	9,190	744.821,93		2,20	2,15
SAMPO OYJ "A"	17.194,00	EUR	20,420	351.101,48		1,04	1,01
UPM-KYMMENE CORP -	68.636,00	EUR	8,900	610.860,40		1,81	1,76
<u>France</u>							
BIC (PAR)	2.765,00	EUR	81,400	225.071,00		0,67	0,65
BOUYGUES -	75.180,00	EUR	21,200	1.593.816,00		4,72	4,60
CAP GEMINI SOGETI -	9.614,00	EUR	29,000	278.806,00		0,83	0,81
CHRISTIAN DIOR -	8.642,00	EUR	108,250	935.496,50		2,77	2,70
CNP ASSURANCE (PAR)	42.148,00	EUR	9,630	405.885,24		1,20	1,17
DANONE -	9.264,00	EUR	49,015	454.074,96		1,34	1,31
FONCIERE DES REGIONS -	3.527,00	EUR	56,640	199.769,28		0,59	0,58
GDF SUEZ STRIP VVPR	40,00	EUR	0,001	0,04			
GECINA REG	3.707,00	EUR	70,250	260.416,75		0,77	0,75
KLEPIERRE (CIE FONCIERE) -	1.837,00	EUR	25,900	47.578,30		0,14	0,14
L'OREAL -	4.021,00	EUR	92,240	370.897,04		1,10	1,07
NATIXIS (PAR)	148.253,00	EUR	2,118	313.999,85		0,93	0,91
PINAULT-PRINTEMPS-REDOUTE -	554,00	EUR	112,250	62.186,50		0,18	0,18
RENAULT (PAR)	17.500,00	EUR	31,440	550.200,00		1,63	1,59
SANOFI -	29.915,00	EUR	59,740	1.787.122,10		5,29	5,16
SCOR REGROUPE (PAR)	19.079,00	EUR	19,110	364.599,69		1,08	1,05
TELEVISION FRANCAISE (TF1) (PAR)	34.158,00	EUR	6,290	214.853,82		0,64	0,62
TOTAL -	68.899,00	EUR	35,500	2.445.914,50		7,24	7,07
VIVENDI -	49.617,00	EUR	14,630	725.896,71		2,15	2,10
<u>Germany</u>							
ALLIANZ AG REG	7.805,00	EUR	79,110	617.453,55		1,83	1,78
BASF SE -	40.441,00	EUR	54,700	2.212.122,70		6,55	6,39
BAYER AG -	14.704,00	EUR	56,780	834.893,12		2,47	2,41
BAYERISCHE MOTOREN WERKE AG -	775,00	EUR	56,930	44.120,75		0,13	0,13
CELESIO AG (FRA)	4.451,00	EUR	12,895	57.395,65		0,17	0,17
DAIMLER AG -	6.532,00	EUR	35,345	230.873,54		0,68	0,67
DEUTSCHE POST AG -	21.124,00	EUR	13,940	294.468,56		0,87	0,85
E.ON AG -	12.641,00	EUR	17,000	214.897,00		0,64	0,62
MUNCHENER RUCKVERSICHERUNG AG REG	4.301,00	EUR	111,150	478.056,15		1,41	1,38
PROSIEBEN SAT.1 MEDIA AG PREF	40.865,00	EUR	17,620	720.041,30		2,13	2,08

SIEMENS AG REG	3.996,00	EUR	66,140	264.295,44		0,78	0,76
SUDZUCKER AG (FRA)	25.973,00	EUR	27,940	725.685,62		2,15	2,10
VOLKSWAGEN AG PREF	10.288,00	EUR	124,600	1.281.884,80		3,79	3,70
<u>Italy</u>							
E.N.E.I. -	367.313,00	EUR	2,542	933.709,65		2,76	2,70
ENI -	36.904,00	EUR	16,780	619.249,12		1,83	1,79
MEDIOBANCA (MIL)	164.395,00	EUR	3,474	571.108,23		1,69	1,65
<u>Luxembourg</u>							
ARCELORMITTAL -	8.668,00	EUR	12,110	104.969,48		0,31	0,30
<u>Netherlands</u>							
BOSKALIS WESTMINSTER (AMS)	52.406,00	EUR	25,970	1.360.983,82		4,03	3,93
CORIO N.V. -	1.032,00	EUR	34,630	35.738,16		0,11	0,10
KON. AHOLD -	61.185,00	EUR	9,774	598.022,19		1,77	1,73
KONINKLIJKE D.S.M. NV (AMS)	11.602,00	EUR	38,800	450.157,60		1,33	1,30
RANDSTAD HOLDING (AMS)	13.634,00	EUR	23,175	315.967,95		0,94	0,91
UNILEVER CVA	45.237,00	EUR	26,385	1.193.578,25		3,53	3,45
<u>Portugal</u>							
ENERGIAS DE PORTUGAL SA -	318.146,00	EUR	1,864	593.024,14		1,76	1,71
<u>Spain</u>							
AMADEUS IT HOLDING SA -	28.351,00	EUR	16,700	473.461,70		1,40	1,37
BANCO BILBAO VIZCAYA ARGENTARIA -	179.005,00	EUR	5,629	1.007.619,15		2,98	2,91
BANCO SANTANDER CENTRAL HISPANO SA -	182.957,00	EUR	5,221	955.218,50		2,83	2,76
ENAGAS -	31.556,00	EUR	14,370	453.459,72		1,34	1,31
RED ELECTRICA DE ESPANA -	16.724,00	EUR	34,410	575.472,84		1,70	1,66
Total shares				33.797.899,12		100,00	97,61
TOTAL SECURITIES PORTFOLIO				33.797.899,12		100,00	97,61
COLLATERAL RECEIVED							
<u>Belgium</u>							
KBC GROUP COLLATERAL EUR	704.682,59	EUR	1,000	704.682,59			2,04
TOTAL RECEIVED COLLATERAL				704.682,59			2,04
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP EURO	767.096,50	EUR	1,000	767.096,50			2,22
KBC GROUP GBP	320,89	GBP	1,000	396,60			0,00
Total demand accounts				767.493,10			2,22
Managed futures accounts							
<u>Belgium</u>							
KBC GROUP EURO FUT REK	9,59	EUR	1,000	9,59			
Total managed futures accounts				9,59			
TOTAL CASH AT BANK AND IN HAND				767.502,69			2,22
OTHER RECEIVABLES AND PAYABLES							
Receivables							
<u>Belgium</u>							
KBC GROUP EUR RECEIVABLE	24.538,69	EUR	1,000	24.538,69			0,07

KBC GROUP WHT TO BE RECOVERED EUR	55.100,79	EUR	1,000	55.100,79			0,16
Total receivables				79.639,48			0,23
Payables							
<u>Belgium</u>							
KBC GROUP COUNTERPART ENTRY COLLATERAL IN EUR	-704.682,59	EUR	1,000	-704.682,59			-2,04
KBC GROUP EUR PAYABLE	-41.281,78	EUR	1,000	-41.281,78			-0,12
Payables				-745.964,37			-2,15
TOTAL RECEIVABLES AND PAYABLES				-666.324,89			-1,92
OTHER							
Interest receivable		EUR		22.299,08			0,07
Accrued interest		EUR		16.226,01			0,05
Expenses payable		EUR		-23.249,69			-0,07
Expenses to be carried forward		EUR		8.178,51			0,02
TOTAL OTHER				23.453,91			0,07
TOTAL NET ASSETS				34.627.213,42			100,00

Geographic breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Austria	0,94	0,81	0,43	2,09
Belgium	4,05	2,65	4,06	3,83
Cyprus	0,00	0,00	0,08	0,00
Germany	21,75	18,10	25,35	23,60
Spain	10,25	18,81	13,08	10,25
Finland	5,52	6,56	5,44	6,93
France	36,27	29,70	32,74	33,26
Greece	0,74	1,92	0,52	0,00
Italy	9,77	9,29	6,20	6,28
Luxembourg	0,27	0,00	0,16	0,31
Netherlands	8,02	8,72	9,56	11,70
Portugal	2,42	3,44	2,38	1,75
Total	100,00	100,00	100,00	100,00

Sector breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Cyclicals	26,25	23,49	25,40	28,21
Consum(cycl)	14,31	12,66	15,69	17,49
Cons.goods	6,87	5,74	8,70	8,98
Pharma	5,95	6,85	7,57	5,46
Financials	23,87	24,20	16,78	19,28
Technology	3,40	4,00	4,86	2,23
Telecomm.	8,32	11,38	9,99	8,54
Utilities	9,00	9,35	8,78	8,20
Real est.	2,03	2,33	2,06	1,61
Governm.	0,00	0,00	0,08	0,00
Various	0,00	0,00	0,09	0,00
Total	100,00	100,00	100,00	100,00

Currency breakdown (as a % of net assets)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
EUR	100,00	100,00	100,00	100,00
Total	100,00	100,00	100,00	100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC EQUITY FUND HIGH DIVIDEND EUROZONE (IN THE CURRENCY OF THE SUB-FUND)

	1st half of year	Year
Purchases	42.795.894,24	42.795.894,24
Sales	25.196.783,22	25.196.783,22
Total 1	67.992.677,46	67.992.677,46
Subscriptions	33.570.458,89	33.570.458,89
Redemptions	16.089.660,61	16.089.660,61
Total 2	49.660.119,50	49.660.119,50
Monthly average of total assets	34.224.240,24	34.224.240,24
Turnover rate	53,57 %	53,57 %

	1st half of year	Year
Purchases	42.795.894,24	42.795.894,24
Sales	25.196.783,22	25.196.783,22
Total 1	67.992.677,46	67.992.677,46
Subscriptions	33.570.458,89	33.570.458,89
Redemptions	16.089.660,61	16.089.660,61
Total 2	49.660.119,50	49.660.119,50
Monthly average of total assets	31.422.035,15	31.422.035,15
Corrected turnover rate	58,34 %	58,34 %

The table above shows the capital volume of portfolio transactions. This volume (adjusted to take account of total subscriptions and redemptions) is also compared to the average net assets at the beginning and end of the period.

A figure close to 0% implies that the transactions relating to the securities or transactions relating to the assets (excluding deposits and cash) in a given period only involve subscriptions and redemptions.

A negative percentage shows that subscriptions and redemptions entailed few, if any, transactions in the portfolio.

Active asset management may result in high turnover rates (monthly percentage >50%).

The detailed list of transactions is available for consultation free of charge at the registered office of the Bevek or fund at Havenlaan 2, 1080 Brussels.

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

NAME	Currency	Value in currency	In the currency of the sub-fund	Lot-size	Transaction date
KBC COLLATERAL EUR	EUR	704.682,59	704.682,59	N/A	29.06.2012

2.4.4 CHANGES OF THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND THE NET ASSET VALUE

Classic Shares

Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2010 - 06	197.421,76	3.718,00	170.885,53	1.294,00	82.271,35	6.553,00	88.824,35
2011 - 06	223.094,89	2.042,00	185.129,05	1.939,00	120.237,18	6.656,00	126.893,18
2012 - 06	45.583,54	4.230,95	146.965,65	803,00	18.855,07	10.083,95	28.939,02

Period	Amounts received and paid by the UCI (in the currency of the class)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2010 - 06	64.786.877,84	1.154.602,68	54.276.399,81	395.890,54
2011 - 06	75.529.408,34	659.246,85	62.812.667,76	640.652,43
2012 - 06	13.939.369,17	1.124.034,41	41.616.609,32	218.623,10

Period	Net asset value End of period (in the currency of the class)		
Year	Of the class	Of one share	
		Capitalization	Distribution
2010 - 06	27.146.074,45	306,97	288,62
2011 - 06	44.587.415,50	352,88	324,26
2012 - 06	8.363.172,61	300,25	267,95

Institutional B Shares

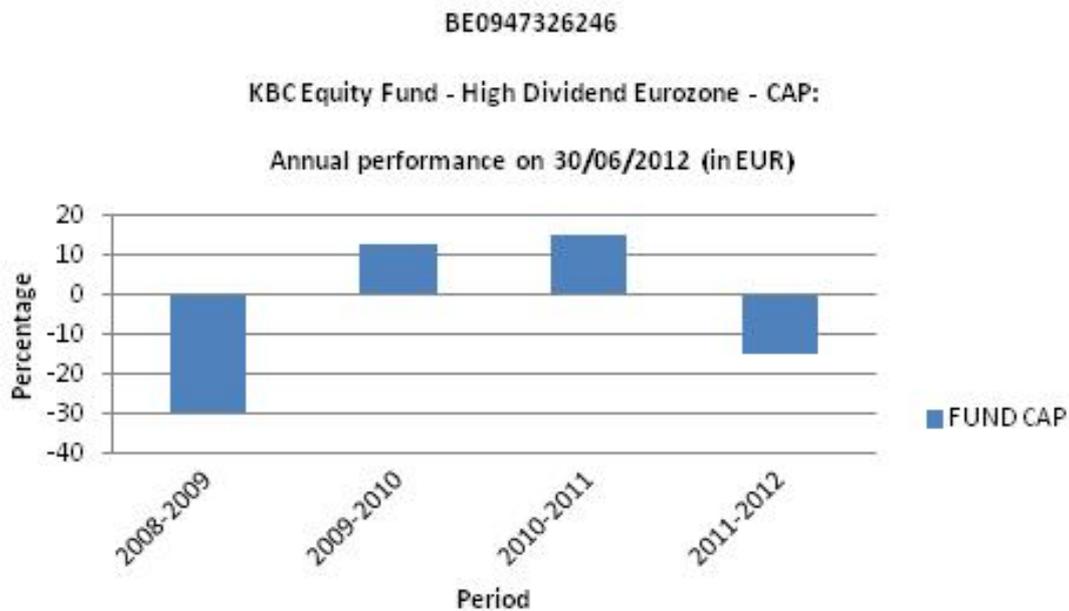
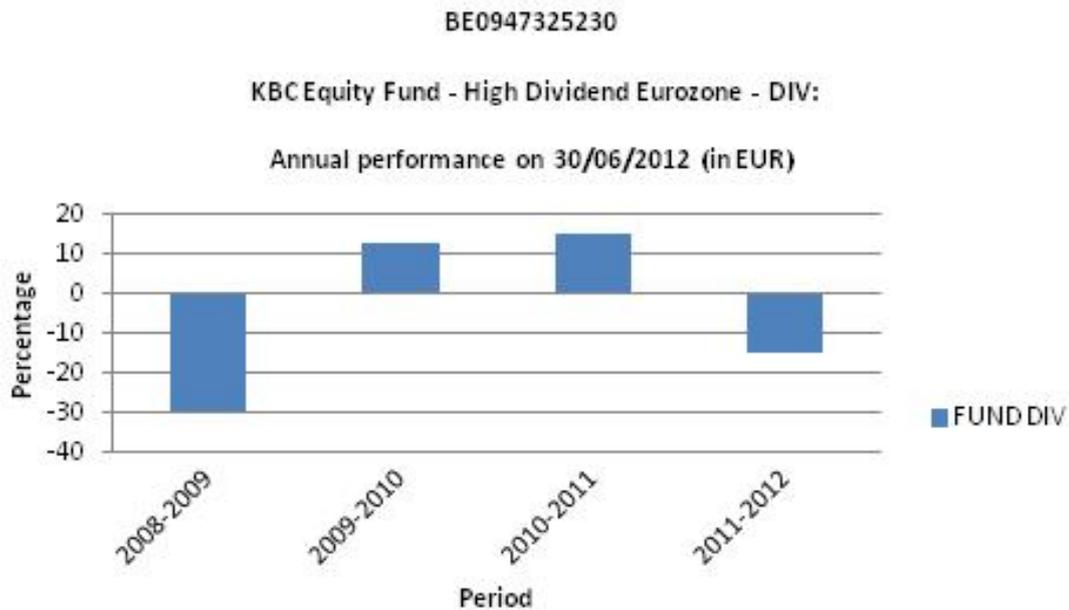
Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2012 - 06	133.142,00		45.579,00		87.563,00		87.563,00

Period	Amounts received and paid by the UCI (in the currency of the class)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2012 - 06	40.581.580,32		13.846.580,54	

Period	Net asset value End of period (in the currency of the class)		
Year	Of the class	Of one share	
		Capitalization	Distribution
2012 - 06	26.264.040,81	299,94	

2.4.5 PERFORMANCE FIGURES

Classic Shares



Cap Div	ISIN code	Cur- rency	1 Year		3 Years*		5 Years*		10 Years*		Since launch*	
			Share classes	Bench mark	Launch Date	Share classes						
CAP	BE0947326246	EUR	-14.91%		3.29%						27/07/2007	-9.83%
DIV	BE0947325230	EUR	-15.08%		3.24%						27/07/2007	-9.86%

Risk warning: Past performance is not a guide to future performance.

* Return on annual basis.

Institutional B Shares

The cumulative returns are shown where they relate to a period of at least one year.

Classic Shares

- The bar chart shows the performance for full financial years.
- The figures do not take account of any restructuring.
- Calculated in EUR.
- The return is calculated as the change in the net asset value between two dates expressed as a percentage. In the case of units that pay dividends, the dividend is incorporated geometrically in the return.
- Calculation method for date D, where NAV stands for net asset value:

Capitalisation units (CAP)

Return on date D over a period of X years:

$$[\text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where $Y = D - X$

Return on date D since the start date S of the unit:

$$[\text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where $F = 1$ if the unit has existed for less than one year on date D

where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D

Distribution units (DIV)

Return on date D over a period of X years:

$$[C * \text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where $Y = D - X$

Return on date D since the start date S of the unit:

$$[C * \text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where $F = 1$ if the unit has existed for less than one year on date D

where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D

where C is a factor that is determined for all N dividends between the calculation date D and the reference date.

For dividend i on date Di with value Wi:

$$C_i = [W_i / \text{NIW}(D_i)] + 1$$

$i = 1 \dots N$

from which $C = C_0 * \dots * C_N$.

- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the n^{th} square root of 1 plus the total return of the unit.
- The return figures shown above do not take account of the fees and charges associated with the issue and redemption of units.

These are the performance figures for capitalisation and distribution shares.

2.4.6 COSTS

Total expense ratio (TER): *

Classic Shares Distribution: 1.591%
Classic Shares Capitalization: 1.591%
Institutional B Shares Capitalization: Not applicable

Percentage calculated at the end of the financial year: 31 December

* The following costs have not been included in the TER:

- Transaction charges
- Interest payments on loans taken out
- Payments in respect of financial derivatives
- Fees and charges paid directly by the investor
- Any soft commissions

SOFT COMMISSIONS

The management company or the appointed manager, as the case may be, is the recipient of soft commissions.

The recipient has laid down an internal policy as regards accepting soft commissions and avoiding possible conflicts of interest in this respect, and has put appropriate internal controls in place to ensure this policy is observed.

For more information, please see the 'General' section of the annual report.

Broker	Commission gross in EUR paid during the period: 1-01-12 - 30-06-12	CSA Credits in EUR accrued during the period: 1-01-12 - 30-06-12	Percentage
CSFBSAS	11,043	6,902	62.50%
DEUTSCHE	9,498	5,936	62.50%
MERRILL	4,401	2,751	62.50%
MORGAN STANLEY	10,795	6,747	62.50%
NOMURA	8,304	5,190	62.50%
SOCGEN	40	20	50.00%
UBSWDR	9,137	5,711	62.50%

FEE-SHARING AGREEMENTS AND REBATES:

The management company may share its fee with the distributor, and institutional and/or professional parties.

In principle, the percentage share amounts to between 35% and 60% if the distributor is an entity of KBC Group NV or to between 35% and 70% if the distributor is not an entity of KBC Group NV. However, in a small number of cases, the distributor's fee is less than 35%. Investors may, on request, obtain more information on these cases.

If the management company invests the assets of the undertaking for collective investment in units of undertakings for collective investment that are not managed by an entity of KBC Group NV, and receives a fee for doing so, it will pay this fee to the undertaking for collective investment.

Fee-sharing does not affect the amount of the management fee paid by the sub-fund to the management company. This management fee is subject to the limitations laid down in the articles of association. The limitations may only be amended after approval by the general meeting of shareholders.

The management company has concluded a distribution agreement with the distributor in order to facilitate the wider distribution of the sub-fund's units by using multiple distribution channels. It is in the interests of the holders of units, the sub-fund and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund to be maximised in this way. In this respect, there is therefore no question of any conflict of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: 1.35% per annum calculated on the basis of the average total net assets of the sub-fund, excluding those assets invested in investment undertakings managed by a financial institution of the KBC group.

KBC Fund Management Limited receives a fee from the management company of max. 1.35% calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.

Kleinwort Benson Investors Dublin Ltd receives a fee of max. 0.5% from KBC Fund Management Limited calculated on that part of the portfolio that it manages, without the total management fee received by KBC Fund Management Limited being exceeded.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the average total net assets of the sub-fund.

Auditor's fee: 1 700 EUR per year. This fee is not including VAT and will be increased at the end of the 3-year mandate.

The custody fee is calculated on the value of the securities held in custody by the custodian on the final banking day of the preceding calendar year, except on those assets invested in investment undertakings managed by a financial institution of the KBC group. The custody fee is paid at the beginning of the calendar year.

Social, ethical and environmental aspects:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

Exercising voting rights

If necessary, relevant and in the interest of the shareholders, the management company will exercise the voting rights attached to the shares in the Bevek's portfolio.

The management company will adhere to the following criteria when determining how it stands relative to the items on the agenda that are put to the vote:

- Shareholder value may not be adversely affected.
- Corporate governance rules, especially with regard to the rights of minority shareholders, must be respected.
- The minimum standards with regard to sustainable business and corporate social responsibility must be met.

The list of companies for which voting rights are exercised is available at the registered office of the Bevek.

Securities lending

In accordance with the Royal Decree of 7 March 2006 concerning securities lending, the undertaking for collective investment has taken out securities loans with a principal to whom the full title of the loaned securities was transferred, without recording this transfer of ownership in the accounts.

For the period from 1 January 2012 to 30 June 2012, the fee for securities lent comes to - 11,378.80 EUR. KBC Asset Management NV receives 50% of the net fee received for securities lent. The detailed list of securities lending transactions carried out can be obtained from the registered office of the collective investment undertaking at 2 Havenlaan, 1080 Brussels.

Overview of securities lent as at 30/06/2012

Name	Currency	Quantity	Price	Value in currency of the portfolio
BOUYGUES	EUR	2.438	21,200	51.685,60
RAIFFEISEN BANK INTL	EUR	24.850	25,750	639.887,50
			Total	691.573,10

Details of collateral received for securities lent

Name	Currency	Nominal value	Currency fund	Value in Currency fund
GERMANY 2009 2,25% 11/04/14	EUR	66.000	EUR	68.891,00
OAT FRANCE 2003 4% 25/10/13	EUR	183.000	EUR	196.999,32
FRANCE 2007 4,50% 12/07/2012	EUR	92.000	EUR	96.145,98
BTAN FRANCE 2008 4 1/2% 12/07/13	EUR	315.000	EUR	342.646,29
			Total	704.682,59

For the valuation of the collateral received, indicative prices have been used in this detail list by the Collateral Management Division of KBC Bank.

TABLE OF CONTENTS

- 2. Information on KBC Equity Fund High Dividend New Markets
 - 2.1. Management report
 - 2.1.1. Launch date and subscription price
 - 2.1.2. Stock exchange listing
 - 2.1.3. Aim and distinctive features of the investment policy
 - 2.1.4. Financial portfolio management
 - 2.1.5. Distributors
 - 2.1.6. Index and benchmark
 - 2.1.7. Policy conducted during the financial year
 - 2.1.8. Future policy
 - 2.1.9. Synthetic risk and reward indicator (SRRI)
 - 2.2. Balance sheet
 - 2.3. Profit and loss account
 - 2.4. Composition of the assets and key figures
 - 2.4.1. Composition of the assets
 - 2.4.2. Change in the composition of the assets
 - 2.4.3. Value of commitments in respect of financial derivatives positions
 - 2.4.4. Evolution of the number of subscriptions, repayments and the net asset value
 - 2.4.5. Return figures
 - 2.4.6. Expenses
 - 2.4.7. Notes to the financial statements and other data

2 INFORMATION ON KBC EQUITY FUND HIGH DIVIDEND NEW MARKETS

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Classic Shares :

Launch date: 28 September 2007

Initial subscription price: 500 EUR

Currency: EUR

Institutional B Shares :

Launch date: 24 November 2011

Initial subscription price: 370.52 EUR

Currency: EUR

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

The main objective of this sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. To this end, the assets are invested, either directly or indirectly via correlated financial instruments, primarily in shares.

SUB-FUND'S INVESTMENT POLICY:

PERMITTED ASSET CLASSES:

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the sub-fund's object.

The sub-fund shall invest no more than 10% of its assets in units of other undertakings for collective investment.

RESTRICTIONS OF THE INVESTMENT POLICY:

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

PERMITTED DERIVATIVES TRANSACTIONS:

Derivates may be used either for hedging purposes or to achieve investment objectives.

Changes will be made to the investments at regular intervals to comply with the sub-fund's investment strategy. **In addition, listed and unlisted derivates may be used to achieve the objectives:** these may be forward contracts, options or swaps on securities, indices, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions. **Such derivatives may also be used to hedge the assets against exchange-rate fluctuations.** Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions.

Derivatives may be used to partially hedge the open exchange risk in relation to the reference currency (euro). Where appropriate, they may therefore limit the foreign exchange risk expressed in euros, and hence the market risk and performance risk too.

To the extent that derivatives are used, it concerns liquid and readily negotiable instruments. They do not, therefore, affect the liquidity risk.

To the extent that derivatives are used, they are used to carry out the investment policy and within the limits of the investment strategy. They do not affect the market, performance and concentration risks or the risks associated with external factors or of any kind.

Strategy selected

The assets are invested primarily in shares with a high dividend yield of companies in countries where conditions are such as to ensure accelerated economic growth in the short or medium term, more specifically countries in Asia, Latin America, Central Europe and Eastern Europe.

Risk concentration

Emerging market shares.

LENDING FINANCIAL INSTRUMENTS:

The sub-fund may lend financial instruments within the limits set by law and regulations.

This lending does not affect the sub-fund's risk profile since:

- it takes place within the framework of a securities lending system managed by a principal. In addition, the sub-fund has a relationship only with the principal of the securities lending system which acts as counterparty and to which title of the loaned securities is transferred. The choice of principal is subject to strict selection criteria. The return of securities similar to the securities that have been lent is guaranteed by the principal.
- through a margin management system, the sub-fund is always guaranteed financial security, the actual value of which always exceeds the actual value of the securities that have been lent, in case the principal does not return similar securities.

The return of securities similar to the securities that have been lent can be requested at any time, which means that the lending of securities does not affect the management of the sub-fund's assets.

By lending securities, the sub-fund can generate an additional return. The principal pays a fee to the management company. After deducting the fee for the margin management and clearing services of KBC Bank, most of this fee is paid to the sub-fund.

The relationship with the counterparty or counterparties is governed by standard international agreements.

More information is provided on the terms and conditions governing securities lending in the annual or half-yearly report for the sub-fund.

VOLATILITY OF THE NET ASSET VALUE:

The volatility of the net asset value may be high due to the composition of the portfolio.

GENERAL STRATEGY FOR HEDGING THE EXCHANGE RATE RISK:

In order to protect its assets against exchange rate fluctuations and within the limitations laid down in the articles of association, the sub-fund may perform transactions relating to the sale of forward currency contracts, as well as the sale of call options and the purchase of put options on currencies. The transactions in question may relate solely to contracts traded on a regulated market that operates regularly, is recognised and is open to the public or that are traded with a recognised, prime financial institution specialising in such transactions and dealing in the over-the-counter (OTC) market in options. With the same objective, the sub-fund may also sell currencies forward or exchange them in private transactions with prime financial institutions specialising in such transactions. The hedging objective of the aforementioned transactions suggests that there is a direct link between these transactions and the assets to be hedged, which implies that the transactions carried out in a particular currency may in principle not exceed, in terms of volume, either the valuation value of all the assets in the same currency or the holding period of those assets.

SOCIAL, ETHICAL AND ENVIRONMENTAL ASPECTS:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

THE EUROPEAN SAVINGS DIRECTIVE AND TAX ON DEBT CLAIM RETURNS OBTAINED THROUGH THE REDEMPTION OF OWN UNITS OR IN THE EVENT OF FULL OR PARTIAL DISTRIBUTION OF EQUITY CAPITAL.

The following information is of a general character and is not intended to cover all aspects of an investment in a UCITS. In certain cases entirely different rules might even apply. Moreover, both tax law and the interpretation of it can change. Investors who wish to have more information about the tax implications – in both Belgium and abroad – of acquiring, holding and transferring units should seek the advice of their usual financial and tax advisers.

This UCITS shall invest a maximum of 15% of its assets directly or indirectly in debt instruments as intended by the European Savings Directive.

A. European Savings Directive (Directive 2003/48/EC)

The European Savings Directive has been implemented in Belgium through:

- The Law of 17 May 2004 transposing into Belgian law Directive 2003/48/EC of 3 June 2003 of the Council of the European Union on taxation of savings income in the form of interest payments and amending Income Tax Code 1992 on withholding tax;
- The Royal Decree of 27 September 2009 implementing Article 338bis § 2 of Income Tax Code 1992;
- The Royal Decree of 27 September 2009 concerning the entry into effect of Article 338bis § 2, paragraphs one to three, of Income Tax Code 1992;

Since this UCITS invests a maximum of 15% of its assets directly or indirectly in debt claims as intended by the European Savings Directive, the income of this UCITS does not fall within the scope of this directive.

B. Tax on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital (Article 19bis Income Tax Code 1992).

The income from this UCITS is not subject to the tax on debt instrument returns as intended by Article 19bis, Income Tax Code 1992.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company has delegated the intellectual management, to KBC Fund Management Limited, Joshua Dawson House, Dawson Street, Dublin 2, IRELAND..

KBC Fund Management Limited has delegated the intellectual management, to Kleinwort Benson Investors Dublin Ltd, Joshua Dawson House Dawson Street, Dublin 2, IRELAND.

2.1.5 DISTRIBUTORS

KBC Asset Management S.A., 5, Place de la Gare, L-1616 Luxembourg.

2.1.6 INDEX AND BENCHMARK

See 'Sub-fund's investment policy'.

2.1.7 POLICY PERSUED DURING THE FINANCIAL YEAR

The KBC Equity Fund High Dividend New Markets Fund invests primarily in shares that achieve a higher-than-average dividend yield within their industry and region. Dividend yield is not only an important valuation criterion for shares; it also provides a basic return. The fund avoids classic style exposure through industry group and regional neutrality.

Focussing on the high dividend theme, the fund aims to achieve a neutral industry group allocation. This means that the fund looks for shares with higher-than-average dividend yields and equity scores in every sector. Consequently, there are also shares in the portfolio that appear at first sight to have a low dividend yield.

The fund divides the MSCI Emerging Markets Index into three regions, namely:

- Latin America
- Emerging Europe, Africa & Middle East
- New Asia

During the first six months of 2012 global equity markets were volatile and dominated by the familiar themes of the last 12 months. The MSCI Emerging Markets equity index rose by 6.5% in euro terms for the first six months. The dominant theme driving volatility during the first half of the year was the eurozone debt crisis. Equity markets had a good first quarter helped by the announcement of the ECB's LTRO financing operation for eurozone banks, but many of the gains were eroded during the second quarter following the move by Spanish banks to seek emergency funding. Yet another EU crisis summit on the last day of the quarter produced some positive announcements to deal with the crisis, and led to a solid rally in asset markets.

The theme of high dividend investing had a very mixed first six months in 2012. During Q1 2012 it was one of the worst performing styles in all regions. High dividend stocks suffered badly for the three months as the best performers in 2011 were out of favour at the start of the year. The reasons behind the poor performance of the theme were twofold. Generally, when markets are trending upwards like we witnessed in Q1 and growth styles begin to outperform, high dividend, defensive strategies struggle to rise in tandem. Due to the strong performance of defensive industries in 2011, we witnessed a declining preference for these types of assets in Q1.

Q2 2012 saw a complete reversal of the theme performance witnessed in Q1 of the year. Q2 saw much more nervous markets with muted returns mainly caused by political and economic risks associated with Greece, France and Spain. This type of environment was suitable for the theme of high dividend investing as investors looked for defensive plays and the safety of income. The best performing industry groups during the quarter were telecoms, real estate, pharmaceuticals and food, beverage & tobacco – all of which are traditional high dividend industries. However as you moved away from these industries, higher dividend stocks did not perform as well. Therefore our regional and industry group neutral version of the theme added little value to the performance of the fund.

However stock picking in the fund was very strong. On a regional level the Latin American region was the best contributor to performance by far. The fund avoided many of the big losers especially in Brazil.

2.1.8 FUTURE POLICY

There continues to be two key issues for the financial markets, i.e. the eurozone fiscal crisis and the risk of a Chinese "hard landing". The EU summit meeting at the end of June did – to everyone's surprise – produce some new and potentially very significant ideas to tackle the crisis, but many crucial details remain to be agreed and it is far from clear whether the summit marked a genuine turning point. We maintain our strong view that the eurozone will survive (with the ECB at the centre of any eventual solution). In China, economic growth has clearly slowed, but it's important to note that this was the result of government policies designed to slow down inflation. That objective has now been achieved and we expect growth to stabilise around current levels. While near term global market direction will continue to be dictated by a strong focus on such global macro developments, companies continue to deliver robust earnings and dividend growth at attractive valuations.

Within the high dividend portfolios there is a continued emphasis on quality and financial strength. With less earnings growth available in the coming quarters, dividend yield and dividend growth will continue to grow in importance and we believe will prove to be a winning strategy. Whilst the policies of governments and central banks have been the dominant drivers of market direction to date, we believe that the actions of the corporate sector will possibly be the major story for the medium term from here. The Fund obviously continues to focus on the high dividend theme and avoids classic style exposure by aiming at regional and industry group neutrality across the portfolio. The Fund looks for shares with higher-than-average dividend yields compared to their true peers. The dividend yield for the portfolio (market capitalisation weighted) is now 4.5%, compared to 3.0% for the MSCI Emerging Markets Index.

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

Classic Shares: 7 on a scale of 1 (lowest risk) to 7 (highest risk).

Institutional B Shares: 6 on a scale of 1 (lowest risk) to 7 (highest risk).

The value of a share can decrease or increase and the investor may not get back the amount invested.

In accordance with Commission Regulation (EU) No. 583/2010, a synthetic risk and reward indicator has been calculated. This indicator provides a quantitative measure of the sub-fund's potential return and the risk involved, calculated in the currency in which the sub-fund is denominated. It is given as a figure between 1 and 7. The higher the figure, the greater the potential return, but also the more difficult it is to predict this return. Losses are possible too. The lowest figure does not mean that the investment is entirely free of risk. However, it does indicate that, compared with the higher figures, this product will generally provide a lower, but more predictable return.

The synthetic risk and reward indicator is assessed regularly and can therefore go up or down based on data from the past. Data from the past is not always a reliable indicator of future risk and return.

The most recent indicator can be found under the 'Risk and reward profile' heading in the 'Key Investor Information' document.

2.2 BALANCE SHEET

Balance sheet layout	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
TOTAL NET ASSETS	163.483.161,41	163.585.171,51
II. Securities, money market instruments, UCIs and derivatives		
A. Bonds and other debt instruments		
a) Bonds		
a) Collateral received in the form of bonds	8.715.995,70	5.742.675,47
C. Shares and similar instruments		
a) Shares	158.698.173,31	152.172.929,88
Of which securities lent	7.933.024,77	5.290.089,19
D. Other securities	708,02	13.658,84
E. Open-end undertakings for collective investment	5.468.070,96	12.104.059,49
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable	1.422.819,21	3.439.752,62
B. Payables		
a) Accounts payable (-)	-951.795,27	-1.301.343,70
c) Borrowings (-)	-3.482.024,56	-7.759.718,84
d) Collateral (-)	-8.715.995,70	-5.742.675,47
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	1.339.692,68	4.351.538,09
VI. Accruals and deferrals		
A. Expense to be carried forward	41.601,19	85.630,12
B. Accrued income	1.039.263,37	601.637,80
C. Accrued expense (-)	-93.347,50	-122.972,79
TOTAL SHAREHOLDERS' EQUITY	163.483.161,41	163.585.171,51
A. Capital	161.257.110,47	179.875.900,48
B. Income equalization	-138.877,07	-138.764,36
D. Result for the period	2.364.928,01	-16.151.964,61

Off-balance-sheet headings

I Collateral (+/-)		
I.A Collateral (+/-)		
I.A.A Securities/market instruments	8.715.995,70	5.742.675,47
IX Financial instruments lent	7.933.024,77	5.290.089,19

2.3 PROFIT AND LOSS ACCOUNT

Income Statement	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
I. Net gains(losses) on investments		
C. Shares and similar instruments		
a) Shares	-2.170.972,24	-7.479.853,75
D. Other securities	35,15	-15.476,73
E. Open-end undertakings for collective investment	-121.527,05	1.171.215,70
G. Receivables, deposits, cash at bank and in hand and payables	-0,06	
H. Foreign exchange positions and transactions		
b) Other foreign exchange positions and transactions	2.144.925,19	-11.519.131,55
II. Investment income and expenses		
A. Dividends	3.908.126,17	3.636.964,93
B. Interests		
a) Securities and money market instruments	23.528,76	1.930,71
b) Cash at bank and in hand and deposits	10.817,97	4.077,50
C. Interest on borrowings (-)	-15.057,52	-5.269,32
III. Other income		
A. Income received to cover the acquisition and realization of assets, to discourage withdrawals and for delivery charges	416.901,21	
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-394.621,48	-363.881,44
B. Financial expenses (-)	-985,67	-2.562,65
C. Custodian's fee (-)	-39.212,13	-69.921,81
D. Manager's fee (-)		
a) Financial management		
Classic Shares	-166.419,83	-1.297.514,31
Institutional B Shares	-1.053.577,33	
b) Administration and accounting management	-81.481,09	-84.735,60
E. Administrative expenses (-)	-404,30	-227,65
F. Formation and organisation expenses (-)	-8.045,07	-7.394,17
G. Remuneration, social security charges and pension	-13,77	-34,21
H. Services and sundry goods (-)	-15.067,58	-15.144,27
J. Taxes		
Classic Shares	-7.200,62	-60.504,30
Institutional B Shares	-6.607,40	
K. Other expenses (-)	-58.213,30	-44.501,69
Income and expenditure for the period		
Subtotal II + III + IV	2.512.467,02	1.691.281,72
V. Profit (loss) on ordinary activities before tax	2.364.928,01	-16.151.964,61
VII. Result for the period	2.364.928,01	-16.151.964,61

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC EQUITY FUND HIGH DIVIDEND NEW MARKETS

Name	Quantity on 30/06/2012	Currency	Price in currency	Evaluation (in the currency of the sub-fund)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
Investment funds							
Open-end funds							
UCITS registered with the FSMA							
<u>Belgium</u>							
HORIZON ACCESS INDIA FD KAP	7.558,00	USD	918,170	5.468.070,96	4,88	3,33	3,35
Total investment funds				5.468.070,96		3,33	3,35
Shares							
Exchange-listed shares							
<u>Brazil</u>							
AMBEV-CIA DE BEBIDAS DAS AMERICAS PREF	94.200,00	BRL	77,300	2.842.732,77		1,73	1,74
BANCO DO BRASIL SA -	174.376,00	BRL	19,530	1.329.519,14		0,81	0,81
BANRISUL -	109.600,00	BRL	14,200	607.581,50		0,37	0,37
BRADSPAR S.A. PREF	174.800,00	BRL	32,940	2.247.867,27		1,37	1,38
CIA BRAS DISTRIB GRUPO PAO DE ACUCAR PREF B	36.319,00	BRL	80,000	1.134.304,12		0,69	0,69
CIA DE CONCESSOES RODOVIARIAS -	187.700,00	BRL	16,330	1.196.619,56		0,73	0,73
COMPANHIA BRASILEIRA DE MEIOS -	18.975,00	BRL	59,080	437.650,99		0,27	0,27
CSN-CIA SIDERURGICA NACIONAL S.A. -	308.676,00	BRL	11,380	1.371.357,75		0,84	0,84
ENERGIAS DO BRASIL SA -	401.200,00	BRL	12,890	2.018.921,73		1,23	1,24
LOJAS RENNEN SA -	58.200,00	BRL	56,350	1.280.331,84		0,78	0,78
TELEF BRASIL PREF	35,00	BRL	49,980	682,92			
TIM PARTICIPACOES SA -	280.003,00	BRL	11,160	1.219.923,28		0,74	0,75
ULTRAPAR PARTICIPACOES SA -	27.000,00	BRL	45,200	476.439,59		0,29	0,29
<u>Cayman Islands</u>							
CHINA INFRASTRUCTURE MACHINERY HLD -	2.868.000,00	HKD	1,840	536.085,66		0,33	0,33
SOHO CHINA LTD -	897.500,00	HKD	5,900	537.927,43		0,33	0,33
TENCENT HOLDINGS -	59.800,00	HKD	226,000	1.372.925,09		0,84	0,84
<u>Chile</u>							
BANCO SANTANDER CHILE ADR	51.900,00	USD	77,490	3.168.963,04		1,93	1,94
ENDESA CHILE ADR	20.000,00	USD	51,030	804.191,95		0,49	0,49
LAN AIRLINES SA -ADR	14.482,00	USD	26,100	297.833,27		0,18	0,18
<u>China</u>							
ANTA SPORTS PRODUCTS LTD -	2.614.000,00	HKD	4,680	1.242.763,97		0,76	0,76
BANK OF CHINA LTD - H -	8.815.195,00	HKD	2,940	2.632.791,53		1,60	1,61
CHINA MINSHENG BANKING CORP LT -	892.500,00	HKD	6,870	622.876,84		0,38	0,38
DONGYUE GROUP -	5.116.000,00	HKD	3,590	1.865.787,60		1,14	1,14
GOME ELECTRICAL APPLIANCES HLD -	478,00	HKD	1,020	49,53			
GREAT WALL MOTOR CO LTD -	625.093,00	HKD	15,380	976.648,28		0,60	0,60
GUANGZHOU R&F PROPERTIES -	741.200,00	HKD	10,180	766.514,56		0,47	0,47
IND & COMM BK OF CHINA -	8.202.000,00	HKD	4,290	3.574.491,56		2,18	2,19
JIANGSU EXPRESSWAY COMP LTD -	2.204.000,00	HKD	7,240	1.621.016,27		0,99	0,99
PETROCHINA COMPANY LIMITID -	2.783.339,00	HKD	9,950	2.813.367,10		1,71	1,72

SINOPEC-CHINA PETROL & CHEM CORP. "A"	2.812.564,00	HKD	6,880	1.965.749,03		1,20	1,20
YANZHOU COAL MINING CO LTD -	214.000,00	HKD	11,980	260.440,07		0,16	0,16
ZHEJIANG EXPRESSWAY CO. -	1.564.000,00	HKD	5,110	811.885,65		0,50	0,50
<u>Colombia</u>							
ECOPETROL SA -	109.993,00	USD	55,790	4.835.323,83		2,95	2,96
<u>Czech Republic</u>							
CEZ A.S. -	48.460,00	CZK	696,900	1.322.671,60		0,81	0,81
KOMERCNI BANKA -	4.500,00	CZK	3.500,000	616.848,78		0,38	0,38
<u>Hong Kong</u>							
CHINA MOBILE LTD. -	511.500,00	HKD	84,750	4.403.749,06		2,68	2,69
CNOOC LTD -	2.539.020,00	HKD	15,400	3.972.135,56		2,42	2,43
GUANGDONG INVESTMENT -	1.058.000,00	HKD	5,580	599.731,81		0,37	0,37
<u>Indonesia</u>							
PERUSAHAAN GAS NEGARA PT -	2.921.354,00	IDR	3.525,000	863.936,11		0,53	0,53
PT ASTRA INTL REG	6.198.790,00	IDR	6.850,000	3.562.343,66		2,17	2,18
VALE INDONESIA TBK -	2.168.000,00	IDR	2.675,000	486.543,17		0,30	0,30
<u>Malaysia</u>							
ALLIANCE FINANCIAL GROUP BHD -	1.119.900,00	MYR	4,160	1.156.054,49		0,70	0,71
AMBANK HOLDINGS BERHAD -	900.000,00	MYR	6,290	1.404.749,50		0,86	0,86
LAFARGE MALAYAN CEMENT BHD -	1.003.500,00	MYR	7,300	1.817.799,45		1,11	1,11
MALAYAN BANKING BHD -	780.400,00	MYR	8,700	1.684.776,30		1,03	1,03
PARKSON HOLDINGS BHD -	345.400,00	MYR	4,580	392.548,70		0,24	0,24
PETRONAS GAS BHD -	138.700,00	MYR	18,000	619.519,09		0,38	0,38
UNITED MOTOR WORKS HLDG -	586.300,00	MYR	9,130	1.328.300,70		0,81	0,81
<u>Mexico</u>							
COMPARTAMOS SAB DE CV -	1.211.207,00	MXN	15,720	1.117.499,15		0,68	0,68
GRUPO CARSO SA SER A1	211.200,00	MXN	43,310	536.856,71		0,33	0,33
GRUPO FIN.INBURSA 'O'	734.100,00	MXN	30,330	1.306.784,34		0,80	0,80
GRUPO MODELA "C"	261.100,00	MXN	117,960	1.807.664,89		1,10	1,11
GRUPOMEXICO SA -B-	716.938,00	MXN	39,590	1.665.878,76		1,02	1,02
KIMBERLY "A"	521.500,00	MXN	26,210	802.227,64		0,49	0,49
WAL-MART DE MEXICO SA DE CV "V"	426.200,00	MXN	35,750	894.264,07		0,55	0,55
<u>Peru</u>							
SOUTHERN COPPER CORP (NYSE)	101.671,00	USD	31,510	2.524.350,49		1,54	1,54
<u>Philippines</u>							
ABOITIZ EQUITY VENTURES INC -	1.960.700,00	PHP	48,950	1.794.905,04		1,09	1,10
AYALA CORP PREFERRED	13.327,00	PHP	469,200	116.941,33		0,07	0,07
BANK OF THE PHILIPPINE ISLAND -	606.370,00	PHP	74,600	845.968,45		0,52	0,52
<u>Poland</u>							
ASSECO POLAND SA -	33.917,00	PLN	48,800	390.807,90		0,24	0,24
POWOSZECHNA KASA OSZCZEDNOSCI BANK -	291.099,00	PLN	34,600	2.378.169,96		1,45	1,46
<u>Russia</u>							
GAZPROM ADR NEW	460.142,00	USD	9,430	3.419.067,89		2,08	2,09
JSC MMC NORILSK NICKEL ADR NEW	22.574,00	USD	16,520	293.847,99		0,18	0,18
LUKOIL -	47.429,00	USD	55,750	2.083.497,56		1,27	1,27
MOBILE TELESYSTEMS ADR	48.167,00	USD	17,200	652.803,09		0,40	0,40
SBERBANK OF RUSSIA ADR	41.246,00	USD	10,820	351.652,13		0,21	0,22
SURGUTNEFTEGAZ OIL ADR NEW	3,00	USD	8,270	19,55			
URALKALI -	8.635,00	USD	38,280	260.458,44		0,16	0,16
<u>South Africa</u>							
ABSA GROUP LTD -	20.229,00	ZAR	141,200	275.203,28		0,17	0,17

AFRICAN BANK INVESTMENTS LIMITED -	275.847,00	ZAR	36,310	965.025,97		0,59	0,59
GOLD FIELDS LTD -	20.962,00	ZAR	103,850	209.741,18		0,13	0,13
IMPALA PLATINUM HOLDINGS LTD. -	29.087,00	ZAR	135,250	379.036,20		0,23	0,23
KUMBA RESOURCES LTD -	68.397,00	ZAR	548,580	3.615.109,96		2,20	2,21
MTN GROUP LTD. -	107.781,00	ZAR	140,920	1.463.387,47		0,89	0,90
NASPERS LTD N	19.004,00	ZAR	434,990	796.468,83		0,49	0,49
NETWORK HEALTCARE HOLD TLD -	151.902,00	ZAR	16,000	234.168,22		0,14	0,14
REUNERT LTD -	183.288,00	ZAR	68,000	1.200.846,32		0,73	0,74
SASOL LTD -	46.995,00	ZAR	342,400	1.550.350,52		0,94	0,95
STANDARD BANK GROUP LTD -	118.689,00	ZAR	110,540	1.264.079,59		0,77	0,77
THE SPAR GROUP LTD -	77.286,00	ZAR	113,640	846.206,86		0,52	0,52
TIGER BRANDS LTD. -	6.651,00	ZAR	244,990	156.992,82		0,10	0,10
TRUWORTHS INTERNATIONAL LTD -	107.220,00	ZAR	89,520	924.784,12		0,56	0,57
<u>South Korea</u>							
DONGBU INSURANCE CO LTD -	70.282,00	KRW	41.950,000	2.028.420,79		1,24	1,24
HYUNDAI SECURITIES -	197.187,00	KRW	8.490,000	1.151.775,79		0,70	0,71
KANGWON LAND INC -	70.740,00	KRW	24.350,000	1.185.075,44		0,72	0,73
KT CORPORATION -	48.077,00	KRW	30.350,000	1.003.871,28		0,61	0,61
KT&G CORPORATION -	53.710,00	KRW	81.200,000	3.000.496,73		1,83	1,84
SAMSUNG FIRE & MARINE INSURANCE CO -	7.243,00	KRW	226.000,000	1.126.182,83		0,69	0,69
SAMSUNG HEAVY INDUSTRIES CO, LTD -	94.920,00	KRW	37.300,000	2.435.838,76		1,48	1,49
SK TELECOM CO LTD -	31.347,00	KRW	125.000,000	2.695.801,89		1,64	1,65
S1 CORP -	17.509,00	KRW	57.500,000	692.645,73		0,42	0,42
<u>Taiwan</u>							
CHENG SHIN RUBBER IND CO LTD -	350,00	TWD	75,000	692,14			
CHICONY ELECTRONICS CO LTD -	971.582,00	TWD	54,800	1.403.872,15		0,86	0,86
CHINA TRUST FINANCIAL HOLDING -	3.717.000,00	TWD	17,000	1.666.130,53		1,02	1,02
COMPAL ELECTRONICS -	2.188.451,00	TWD	27,350	1.578.198,76		0,96	0,97
DELTA ELECTRONIC INDUSTRIAL -	216,00	TWD	90,900	517,71			
FARGLORY LAND DEVELOPMENT CO LTD -	1.067.000,00	TWD	52,600	1.479.850,02		0,90	0,91
FORMOSA PLASTICS -	186.000,00	TWD	79,800	391.366,25		0,24	0,24
HIGHWEALTH CONSTRUCTION CORP -	288.000,00	TWD	46,600	353.871,79		0,22	0,22
HTC CORPORATION -	243.187,00	TWD	389,500	2.497.556,70		1,52	1,53
KGI SECURITIES CO LTD -	3.206.000,00	TWD	13,050	1.103.167,78		0,67	0,68
LITE-ON TECHNOLOGY CORP -	822.209,00	TWD	37,300	808.646,29		0,49	0,50
MSTAR SEMICONDUCTOR INC -	502.000,00	TWD	199,000	2.634.051,93		1,60	1,61
NOVATEK MICROELECTRONICS CORP -	438.000,00	TWD	91,400	1.055.571,96		0,64	0,65
POWERTECH TECHNOLOGY INC -	800,00	TWD	57,700	1.217,12		0,00	0,00
PRESIDENT CHAIN STORE CORP -	306.000,00	TWD	158,500	1.278.845,95		0,78	0,78
QUANTA COMPUTER INC -	152.000,00	TWD	79,400	318.223,05		0,19	0,20
RICHTEK TECHNOLOGY CORP -	182.550,00	TWD	175,000	842.340,00		0,51	0,52
TAIWAN CEMENT CORP -	596.000,00	TWD	35,350	555.524,50		0,34	0,34
TAIWAN SEMICONDUCTOR -	3.209.000,00	TWD	81,300	6.879.039,49		4,19	4,21
TECO ELECTRIC AND MACHINERY CO -	1.569.000,00	TWD	19,300	798.450,12		0,49	0,49
TSRC CORP -	838.700,00	TWD	73,300	1.620.981,87		0,99	0,99
WINSTRON CORPORATION -	911,00	TWD	36,500	876,76		0,00	0,00
WPG HOLDINGS CO LTD -	8.370,00	TWD	34,850	7.691,23		0,01	0,01
<u>Thailand</u>							
BANGKOK BANK PUBLIC FOREIGN	147.700,00	THB	207,000	758.561,57		0,46	0,46
CHAROEN POKHAND FOODS PCL -	301.600,00	THB	38,500	288.092,57		0,18	0,18
KRUNG THAI BANK PCL FOREIGN	700.000,00	THB	16,100	279.617,22		0,17	0,17
PTT PLC -FOR-	69.900,00	THB	323,000	560.169,80		0,34	0,34
SIAM COMM. BK. PUBL. CO. FOREIGN	375.900,00	THB	147,000	1.370.975,39		0,84	0,84
<u>Turkey</u>							
ARCELIC AS -	175.639,00	TRY	9,140	699.372,86		0,43	0,43

FORD OTOMOTIV SANAYI AS -	55.626,00	TRY	16,400	397.432,43		0,24	0,24
TUPRAS-TURKIYE PETROL RAF. A.S. -	62.397,00	TRY	38,700	1.052.001,35		0,64	0,64
TURK TELEKOMUNIKASYON AS -	488.952,00	TRY	7,380	1.572.042,24		0,96	0,96
<u>Zaire</u>							
GROWTHPOINT PROPERTIES LTD -	403.777,00	ZAR	23,000	894.775,12		0,55	0,55
Total shares				158.698.173,31		96,67	97,07
Warrants							
<u>Singapore</u>							
GOLDEN AGRI-RESOURCES LTD 23/07/12	4.692,00	SGD	0,125	364,81			
Total Warrants				364,81			
Rights							
<u>Brazil</u>							
AMBEV-CIA DE BEBIDAS DAS AMERICAS CP 30/04/12	12,00	BRL	73,260	343,21			
Total rights				343,21			
TOTAL SECURITIES PORTFOLIO				164.166.952,29		100,00	100,42
COLLATERAL RECEIVED							
<u>Belgium</u>							
KBC GROUP COLLATERAL EUR	8.715.995,70	EUR	1,000	8.715.995,70			5,33
TOTAL RECEIVED COLLATERAL				8.715.995,70			5,33
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP CZK	5.512.614,90	CZK	1,000	215.901,57			0,13
KBC GROUP EURO	-3.288.538,98	EUR	1,000	-3.288.538,98			-2,01
KBC GROUP HKD	7.323.290,55	HKD	1,000	743.949,55			0,46
KBC GROUP HUF	4.638,46	HUF	1,000	16,23			
KBC GROUP MXN	1.408.854,46	MXN	1,000	82.687,99			0,05
KBC GROUP PLN	77.165,62	PLN	1,000	18.220,07			0,01
KBC GROUP TRY	247.751,82	TRY	1,000	107.934,05			0,07
KBC GROUP USD	-245.552,55	USD	1,000	-193.485,58			-0,12
KBC GROUP ZAR	1.774.634,89	ZAR	1,000	170.983,22			0,11
Total demand accounts				-2.142.331,88			-1,31
TOTAL CASH AT BANK AND IN HAND				-2.142.331,88			-1,31
OTHER RECEIVABLES AND PAYABLES							
Receivables							
<u>Belgium</u>							
KBC GROUP BRL RECEIVABLE	1.769.148,85	BRL	1,000	690.669,08			0,42
KBC GROUP EUR RECEIVABLE	24.977,24	EUR	1,000	24.977,24			0,02
KBC GROUP IDR RECEIVABLE	581.814.571,00	IDR	1,000	48.811,59			0,03
KBC GROUP MYR RECEIVABLE	274.369,80	MYR	1,000	68.083,53			0,04
KBC GROUP PHP TE ONTVANGEN	2.081.436,84	PHP	1,000	38.926,10			0,02
KBC GROUP TWD TE ONTVANGEN	20.910.343,00	TWD	1,000	551.351,67			0,34
Total receivables				1.422.819,21			0,87
Payables							
<u>Belgium</u>							
KBC GROUP COUNTERPART ENTRY COLLATERAL	-8.715.995,70	EUR	1,000	-8.715.995,70			-5,33

IN EUR						
KBC GROUP EUR PAYABLE	-273.230,26	EUR	1,000	-273.230,26		-0,17
KBC GROUP MYR TE BETALEN	-2.734.549,13	MYR	1,000	-678.565,01		-0,42
Payables				-9.667.790,97		-5,91
TOTAL RECEIVABLES AND PAYABLES				-8.244.971,76		-5,04
OTHER						
Interest receivable		EUR		1.037.109,59		0,63
Accrued interest		EUR		2.153,78		0,00
Expenses payable		EUR		-93.347,50		-0,06
Expenses to be carried forward		EUR		41.601,19		0,03
TOTAL OTHER				987.517,06		0,60
TOTAL NET ASSETS				163.483.161,41		100,00

Geographic breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Belgium	0,00	-0,01	0,01	0,01
Brazil	15,69	15,87	12,52	9,85
Chile	0,00	0,00	1,44	2,60
China	11,79	11,97	10,76	11,67
Colombia	0,00	0,00	3,76	2,95
Czech Republic	1,31	2,12	2,27	1,18
Cayman Islands	0,81	0,80	1,30	1,49
Hong Kong	3,48	2,46	2,93	5,47
India	0,16	9,15	4,47	3,60
Indonesia	2,13	1,99	2,68	2,71
South Korea	12,90	12,71	12,41	9,33
Mexico	4,99	4,53	2,98	4,95
Malaysia	2,38	3,49	4,95	5,12
Peru	0,00	0,00	1,90	1,54
Philippines	0,48	0,54	1,23	1,68
Poland	2,18	1,34	1,00	1,69
Russia	5,31	2,99	4,93	4,30
Thailand	1,54	1,20	1,62	1,98
Turkey	2,31	2,96	1,65	2,27
Taiwan	13,09	13,43	17,07	16,60
U.S.A.	10,19	2,33	0,00	0,00
South Africa	9,26	9,69	7,65	8,46
Congo	0,00	0,44	0,47	0,55
Total	100,00	100,00	100,00	100,00

Sector breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Cyclicals	33,78	35,75	33,79	29,50
Consum(cycl)	3,94	5,09	6,65	7,17
Cons.goods	7,42	7,47	8,58	10,70
Pharma	0,27	0,32	0,14	0,32
Financials	31,38	25,68	23,64	24,11
Technology	10,74	12,25	13,12	13,32
Telecomm.	6,84	7,43	8,16	8,00
Utilities	2,37	3,46	3,54	4,39
Real est.	3,26	2,55	2,38	2,49
Total	100,00	100,00	100,00	100,00

Currency breakdown (as a % of net assets)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
BRC	3,89	0,00	0,00	0,00
BRL	11,73	16,06	12,57	10,37
CZK	1,31	2,14	2,28	1,33
EUR	4,41	-4,32	-0,51	-2,18
HKD	15,95	15,47	15,05	19,28
IDR	2,28	4,04	4,57	3,05
INR	0,00	7,44	2,62	3,36
KRW	12,84	12,91	12,46	9,43
MXN	4,96	4,56	3,01	5,05
MYR	2,37	3,61	4,97	4,80
PHP	0,45	0,55	1,23	1,72
PLN	2,17	1,35	1,01	1,72
SGD	0,01	0,00	0,00	0,00
THB	1,53	1,22	1,63	2,00
TRY	2,30	3,01	1,65	2,36
TWD	12,43	14,46	17,14	17,13
USD	12,25	7,28	12,15	11,38
ZAR	9,12	10,22	8,17	9,20
Total	100,00	100,00	100,00	100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC EQUITY FUND HIGH DIVIDEND NEW MARKETS (IN THE CURRENCY OF THE SUB-FUND)

	1st half of year	Year
Purchases	141.609.659,56	141.609.659,56
Sales	71.229.279,97	71.229.279,97
Total 1	212.838.939,53	212.838.939,53
Subscriptions	130.204.501,25	130.204.501,25
Redemptions	62.131.097,33	62.131.097,33
Total 2	192.335.598,58	192.335.598,58
Monthly average of total assets	165.726.530,68	165.726.530,68
Turnover rate	12,37 %	12,37 %

	1st half of year	Year
Purchases	141.609.659,56	141.609.659,56
Sales	71.229.279,97	71.229.279,97
Total 1	212.838.939,53	212.838.939,53
Subscriptions	130.204.501,25	130.204.501,25
Redemptions	62.131.097,33	62.131.097,33
Total 2	192.335.598,58	192.335.598,58
Monthly average of total assets	173.243.269,56	173.243.269,56
Corrected turnover rate	11,84 %	11,84 %

The table above shows the capital volume of portfolio transactions. This volume (adjusted to take account of total subscriptions and redemptions) is also compared to the average net assets at the beginning and end of the period.

A figure close to 0% implies that the transactions relating to the securities or transactions relating to the assets (excluding deposits and cash) in a given period only involve subscriptions and redemptions.

A negative percentage shows that subscriptions and redemptions entailed few, if any, transactions in the portfolio.

Active asset management may result in high turnover rates (monthly percentage >50%).

The detailed list of transactions is available for consultation free of charge at the registered office of the Bevek or fund at Havenlaan 2, 1080 Brussels.

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

NAME	Currency	Value in currency	In the currency of the sub-fund	Lot-size	Transaction date
KBC COLLATERAL EUR	EUR	8.715.995,70	8.715.995,70	N/A	29.06.2012

2.4.4 CHANGES OF THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND THE NET ASSET VALUE

Classic Shares

Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2010 - 06	329.732,22	3.538,43	189.238,55	1.437,00	187.146,81	6.123,43	193.270,24
2011 - 06	562.274,78	9.649,03	388.402,52	1.812,00	361.019,07	13.960,46	374.979,53
2012 - 06	109.355,76	1.156,95	431.210,14	4.149,35	39.164,69	10.968,06	50.132,75

Period	Amounts received and paid by the UCI (in the currency of the class)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2010 - 06	126.176.254,49	1.241.743,49	73.710.459,88	519.431,69
2011 - 06	248.653.074,39	4.193.246,34	169.879.581,42	772.333,17
2012 - 06	44.784.929,17	445.373,10	163.226.714,89	1.618.811,58

Period	Net asset value End of period (in the currency of the class)		
Year	Of the class	Of one share	
		Capitalization	Distribution
2010 - 06	79.056.829,80	409,39	398,69
2011 - 06	163.585.171,50	436,84	421,08
2012 - 06	20.965.577,76	423,34	399,85

Institutional B Shares

Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2012 - 06	505.467,00		169.143,00		336.324,00		336.324,00

Period	Amounts received and paid by the UCI (in the currency of the class)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2012 - 06	207.394.122,58		71.272.570,57	

Period	Net asset value End of period (in the currency of the class)		
Year	Of the class	Of one share	
		Capitalization	Distribution
2012 - 06	142.517.583,65	423,75	

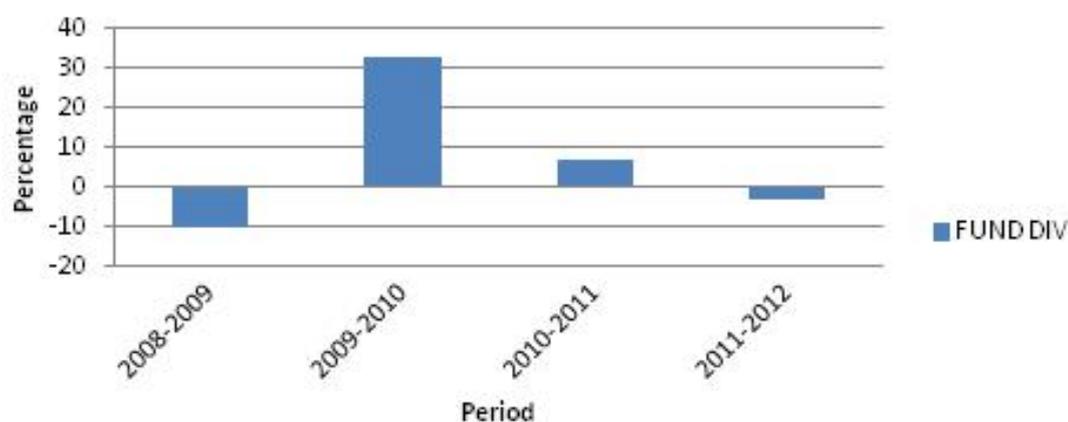
2.4.5 PERFORMANCE FIGURES

Classic Shares

BE0947466679

KBC Equity Fund - High Dividend New Markets - DIV:

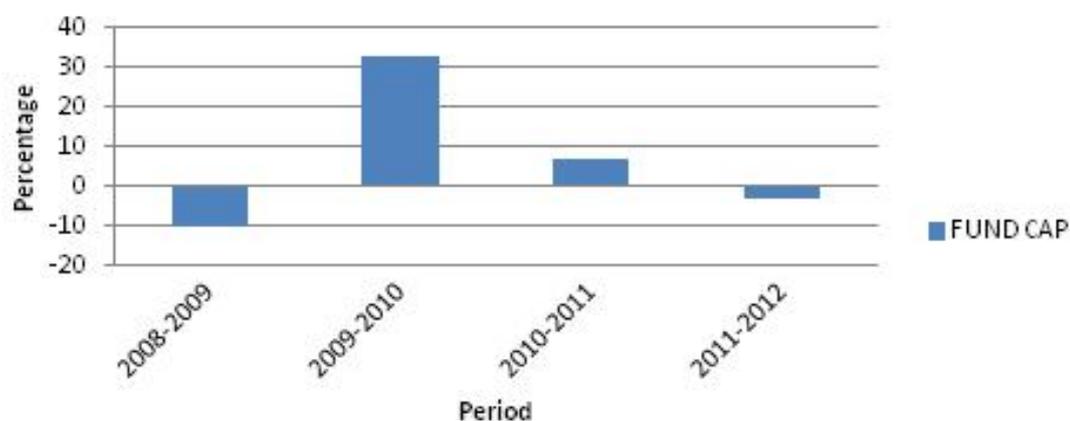
Annual performance on 30/06/2012 (in EUR)



BE0947467685

KBC Equity Fund - High Dividend New Markets - CAP:

Annual performance on 30/06/2012 (in EUR)



Cap Div	ISIN code	Currency	1 Year		3 Years*		5 Years*		10 Years*		Since launch*	
			Share classes	Bench mark	Launch Date	Share classes						
CAP	BE0947467685	EUR	-3.09%		11.22%						28/09/2007	-3.44%
DIV	BE0947466679	EUR	-3.03%		11.25%						28/09/2007	-3.43%

Risk warning: Past performance is not a guide to future performance.

* Return on annual basis.

Institutional B Shares

The cumulative returns are shown where they relate to a period of at least one year.

Classic Shares

- The bar chart shows the performance for full financial years.
- The figures do not take account of any restructuring.
- Calculated in EUR.
- The return is calculated as the change in the net asset value between two dates expressed as a percentage. In the case of units that pay dividends, the dividend is incorporated geometrically in the return.
- Calculation method for date D, where NAV stands for net asset value:

Capitalisation units (CAP)

Return on date D over a period of X years:

$$[\text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where $Y = D - X$

Return on date D since the start date S of the unit:

$$[\text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where $F = 1$ if the unit has existed for less than one year on date D

where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D

Distribution units (DIV)

Return on date D over a period of X years:

$$[C * \text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where $Y = D - X$

Return on date D since the start date S of the unit:

$$[C * \text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where $F = 1$ if the unit has existed for less than one year on date D

where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D

where C is a factor that is determined for all N dividends between the calculation date D and the reference date.

For dividend i on date Di with value Wi:

$$C_i = [W_i / \text{NIW}(D_i)] + 1$$

$i = 1 \dots N$

from which $C = C_0 * \dots * C_N$.

- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the n^{th} square root of 1 plus the total return of the unit.
- The return figures shown above do not take account of the fees and charges associated with the issue and redemption of units.

These are the performance figures for capitalisation and distribution shares.

2.4.6 COSTS

Total expense ratio (TER): *

Classic Shares Distribution: 1.76%
Classic Shares Capitalization: 1.76%
Institutional B Shares Capitalization: Not applicable

Percentage calculated at the end of the financial year: 31 December

* The following costs have not been included in the TER:

- Transaction charges
- Interest payments on loans taken out
- Payments in respect of financial derivatives
- Fees and charges paid directly by the investor
- Any soft commissions

SOFT COMMISSIONS

The management company or the appointed manager, as the case may be, is the recipient of soft commissions.

The recipient has laid down an internal policy as regards accepting soft commissions and avoiding possible conflicts of interest in this respect, and has put appropriate internal controls in place to ensure this policy is observed.

For more information, please see the 'General' section of the annual report.

Broker	Commission gross in EUR paid during the period: 1-01-12 - 30-06-12	CSA Credits in EUR accrued during the period: 1-01-12 - 30-06-12	Percentage
CITI	24,148	15,093	62.50%
CSFBSAS	13,753	8,380	60.93%
DEUTSCHE	1,740	838	48.13%
EQ CSA MACQUARIE	1,211	757	62.50%
HSBC	464	116	25.00%
MERRILL	7,281	4,551	62.50%
MORGAN STANLEY	6,852	2,808	40.98%
NOMURA	91,102	56,414	61.92%
UBSWDR	9,161	5,646	61.63%
WOOD	596	149	25.00%

FEE-SHARING AGREEMENTS AND REBATES:

The management company may share its fee with the distributor, and institutional and/or professional parties.

In principle, the percentage share amounts to between 35% and 60% if the distributor is an entity of KBC Group NV or to between 35% and 70% if the distributor is not an entity of KBC Group NV. However, in a small number of cases, the distributor's fee is less than 35%. Investors may, on request, obtain more information on these cases.

If the management company invests the assets of the undertaking for collective investment in units of undertakings for collective investment that are not managed by an entity of KBC Group NV, and receives a fee for doing so, it will pay this fee to the undertaking for collective investment.

Fee-sharing does not affect the amount of the management fee paid by the sub-fund to the management company. This management fee is subject to the limitations laid down in the articles of association. The limitations may only be amended after approval by the general meeting of shareholders.

The management company has concluded a distribution agreement with the distributor in order to facilitate the wider distribution of the sub-fund's units by using multiple distribution channels. It is in the interests of the holders of units, the sub-fund and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund to be maximised in this way. In this respect, there is therefore no question of any conflict of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: 1.5% per annum calculated on the basis of the average total net assets of the sub-fund, excluding those assets invested in investment undertakings managed by a financial institution of the KBC group.

KBC Fund Management Limited receives a fee from the management company of max. 1.5% calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.

Kleinwort Benson Investors Dublin Ltd receives a fee of max. 0.5% from KBC Fund Management Limited calculated on that part of the portfolio that it manages, without the total management fee received by KBC Fund Management Limited being exceeded.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the average total net assets of the sub-fund.

Auditor's fee: 1 700 EUR per year. This fee is not including VAT and will be increased at the end of the 3-year mandate.

The custody fee is calculated on the value of the securities held in custody by the custodian on the final banking day of the preceding calendar year, except on those assets invested in investment undertakings managed by a financial institution of the KBC group. The custody fee is paid at the beginning of the calendar year.

Social, ethical and environmental aspects:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

Exercising voting rights

If necessary, relevant and in the interest of the shareholders, the management company will exercise the voting rights attached to the shares in the Bevek's portfolio.

The management company will adhere to the following criteria when determining how it stands relative to the items on the agenda that are put to the vote:

- Shareholder value may not be adversely affected.
- Corporate governance rules, especially with regard to the rights of minority shareholders, must be respected.
- The minimum standards with regard to sustainable business and corporate social responsibility must be met.

The list of companies for which voting rights are exercised is available at the registered office of the Bevek.

Name	Maximum management fee
Horizon-Access India Fund-Classic Shares	1,50
KBC Equity Fund-High Dividend New Markets-Classic Shares	1,50
KBC Equity Fund-High Dividend New Markets-Institutional B Shares	1,50

Securities lending

In accordance with the Royal Decree of 7 March 2006 concerning securities lending, the undertaking for collective investment has taken out securities loans with a principal to whom the full title of the loaned securities was transferred, without recording this transfer of ownership in the accounts.

For the period from 1 January 2012 to 30 June 2012, the fee for securities lent comes to 21,374.98 EUR. KBC Asset Management NV receives 50% of the net fee received for securities lent. The detailed list of securities lending transactions carried out can be obtained from the registered office of the collective investment undertaking at 2 Havenlaan, 1080 Brussels.

Overview of securities lent as at 30/06/2012

Name	Currency	Quantity	Price	Value in currency of the portfolio
CHINA MINSHENG BANKING-H	HKD	892.499	6,870	622.876,14
GREAT WALL MOTOR CO LTD -H-	HKD	505.004	15,380	789.020,65
GUANGZHOU R&F PROPERTIES COMP.LTD	HKD	307.989	10,180	318.507,90
KUMBA IRON ORE LTD	ZAR	69.388	548,580	3.667.489,07
POWSZECHNA KASA OSZC	PLN	291.098	34,600	2.378.161,79
TIGER BRANDS LTD	ZAR	6.650	244,990	156.969,22
Total				7.933.024,77

Details of collateral received for securities lent

Name	Currency	Nominal value	Currency fund	Value in Currency fund
OESTERREICH 2007 4.3% 15/09/17	EUR	398.000	EUR	467.648,81
FLEMISH 2009 3,875% 20/07/2016	EUR	2.400.000	EUR	2.684.918,40
GERMANY 2009 2,25% 11/04/14	EUR	632.000	EUR	659.683,50
FRANCE 2001 3% 25/07/2012	EUR	43.000	EUR	54.980,62
OAT FRANCE 2005 3% 25/10/15	EUR	691.000	EUR	751.919,94
FRANCE 2010 3,50% 25/04/2026	EUR	878.000	EUR	917.652,24
FRANCE 2007 4,50% 12/07/2012	EUR	299.000	EUR	312.474,44
BTAN FRANCE 2011 2,25% 25/02/2016	EUR	1.591.000	EUR	1.670.454,54
BTF FRANCE 2012 T-BILL 07/02/13	EUR	312.000	EUR	311.789,40
NETHERLANDS 2008 4% 15/07/2018	EUR	744.000	EUR	880.893,77
NEDERLAND 2009 4.00% 15/07/19	EUR	3.000	EUR	3.580,04
Total				8.715.995,70

For the valuation of the collateral received, indicative prices have been used in this detail list by the Collateral Management Division of KBC Bank.

TABLE OF CONTENTS

- 2. Information on KBC Equity Fund Euro Non Cyclical
 - 2.1. Management report
 - 2.1.1. Launch date and subscription price
 - 2.1.2. Stock exchange listing
 - 2.1.3. Aim and distinctive features of the investment policy
 - 2.1.4. Financial portfolio management
 - 2.1.5. Distributors
 - 2.1.6. Index and benchmark
 - 2.1.7. Policy conducted during the financial year
 - 2.1.8. Future policy
 - 2.1.9. Synthetic risk and reward indicator (SRRI)
 - 2.2. Balance sheet
 - 2.3. Profit and loss account
 - 2.4. Composition of the assets and key figures
 - 2.4.1. Composition of the assets
 - 2.4.2. Change in the composition of the assets
 - 2.4.3. Value of commitments in respect of financial derivatives positions
 - 2.4.4. Evolution of the number of subscriptions, repayments and the net asset value
 - 2.4.5. Return figures
 - 2.4.6. Expenses
 - 2.4.7. Notes to the financial statements and other data

2 INFORMATION ON KBC EQUITY FUND EURO NON CYCLICALS

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Classic Shares :

Launch date: 4 February 2011

Initial subscription price: 200 EUR

Currency: EUR

Institutional B Shares :

Launch date: 24 November 2011

Initial subscription price: 188.43 EUR

Currency: EUR

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

The main objective of this sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. To this end, the assets are invested, either directly or indirectly via correlated financial instruments, primarily in shares. Correlated financial instruments refer to certificates representing securities, such as American Depository Receipts (ADRs), Global Depository Receipts (GDRs) or futures on equity indices.

The sub-fund was set up with a view to the merger through takeover of the Euro Distribution sub-fund of KBC Multi Track, the public open-ended investment company under Belgian law opting for investments that do not comply with the terms of Directive 2009/65/EC, by the Euro Non Cyclical sub-fund. This merger, which is subject to the approval of the relevant General Meetings of Shareholders, will involve costs and could have a negative impact on the sub-fund's net asset value.

SUB-FUND'S INVESTMENT POLICY:

PERMITTED ASSET CLASSES:

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the sub-fund's object.

The sub-fund shall invest no more than 10% of its assets in units of other undertakings for collective investment.

RESTRICTIONS OF THE INVESTMENT POLICY:

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

PERMITTED DERIVATIVES TRANSACTIONS:

Derivates may be used either for hedging purposes or to achieve investment objectives.

Changes will be made to the investments at regular intervals to comply with the sub-fund's investment strategy. **In addition, listed and unlisted derivates may be used to achieve the objectives:** these may be forward contracts, options or swaps on securities, indices, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions. **Such derivatives may also be used to hedge the assets against exchange-rate fluctuations.** Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions.

Strategy selected

The sub-fund will invest at least 75% of its assets in European shares in defensive sectors that are less sensitive to the economic cycle, such as the food industry, utility companies and the healthcare sector. The sub-fund is actively managed, which means that the manager is responsible for the stock picking and is not bound by a specific benchmark index.

LENDING FINANCIAL INSTRUMENTS:

The sub-fund may lend financial instruments within the limits set by law and regulations.

This lending does not affect the sub-fund's risk profile since:

- it takes place within the framework of a securities lending system managed by a principal. In addition, the sub-fund has a relationship only with the principal of the securities lending system which acts as counterparty and to which title of the loaned securities is transferred. The choice of principal is subject to strict selection criteria. The return of securities similar to the securities that have been lent is guaranteed by the principal.
- through a margin management system, the sub-fund is always guaranteed financial security, the actual value of which always exceeds the actual value of the securities that have been lent, in case the principal does not return similar securities.

The return of securities similar to the securities that have been lent can be requested at any time, which means that the lending of securities does not affect the management of the sub-fund's assets. By lending securities, the sub-fund can generate an additional return. The principal pays a fee to the management company. After deducting the fee for the margin management and clearing services of KBC Bank, most of this fee is paid to the sub-fund.

The relationship with the counterparty or counterparties is governed by standard international agreements.

More information is provided on the terms and conditions governing securities lending in the annual or half-yearly report for the sub-fund.

VOLATILITY OF THE NET ASSET VALUE:

The volatility of the net asset value may be high due to the composition of the portfolio.

GENERAL STRATEGY FOR HEDGING THE EXCHANGE RATE RISK:

In order to protect its assets against exchange rate fluctuations and within the limitations laid down in the articles of association, the sub-fund may perform transactions relating to the sale of forward currency contracts, as well as the sale of call options and the purchase of put options on currencies. The transactions in question may relate solely to contracts traded on a regulated market that operates regularly, is recognised and is open to the public or that are traded with a recognised, prime financial institution specialising in such transactions and dealing in the over-the-counter (OTC) market in options. With the same objective, the sub-fund may also sell currencies forward or exchange them in private transactions with prime financial institutions specialising in such transactions. The hedging objective of the aforementioned transactions suggests that there is a direct link between these transactions and the assets to be hedged, which implies that the transactions carried out in a particular currency may in principle not exceed, in terms of volume, either the valuation value of all the assets in the same currency or the holding period of those assets.

SOCIAL, ETHICAL AND ENVIRONMENTAL ASPECTS:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

THE EUROPEAN SAVINGS DIRECTIVE AND TAX ON DEBT CLAIM RETURNS OBTAINED THROUGH THE REDEMPTION OF OWN UNITS OR IN THE EVENT OF FULL OR PARTIAL DISTRIBUTION OF EQUITY CAPITAL.

The following information is of a general character and is not intended to cover all aspects of an investment in a UCITS. In certain cases entirely different rules might even apply. Moreover, both tax law and the interpretation of it can change. Investors who wish to have more information about the tax implications – in both Belgium and abroad – of acquiring, holding and transferring units should seek the advice of their usual financial and tax advisers.

This UCITS shall invest a maximum of 15% of its assets directly or indirectly in debt instruments as intended by the European Savings Directive.

A. European Savings Directive (Directive 2003/48/EC)

The European Savings Directive has been implemented in Belgium through:

- The Law of 17 May 2004 transposing into Belgian law Directive 2003/48/EC of 3 June 2003 of the Council of the European Union on taxation of savings income in the form of interest payments and amending Income Tax Code 1992 on withholding tax;
- The Royal Decree of 27 September 2009 implementing Article 338bis § 2 of Income Tax Code 1992;
- The Royal Decree of 27 September 2009 concerning the entry into effect of Article 338bis § 2, paragraphs one to three, of Income Tax Code 1992;

Since this UCITS invests a maximum of 15% of its assets directly or indirectly in debt claims as intended by the European Savings Directive, the income of this UCITS does not fall within the scope of this directive.

B. Tax on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital (Article 19bis Income Tax Code 1992).

The income from this UCITS is not subject to the tax on debt instrument returns as intended by Article 19bis, Income Tax Code 1992.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

There is no delegation of the portfolio.

2.1.5 DISTRIBUTORS

KBC Asset Management S.A., 5, Place de la Gare, L-1616 Luxembourg.

2.1.6 INDEX AND BENCHMARK

See 'Sub-fund's investment policy'.

2.1.7 POLICY PERSUED DURING THE FINANCIAL YEAR

The global economy emerged from a deep recession in mid-2009, but the recovery was highly dependent on massive government budgetary and monetary stimuli. Doubts about the sustainability of the economic recovery continued to dominate the investment climate in the past period under review. In Europe the debt crisis continued to rage unabated. Five euro countries needed a bail-out from the European emergency fund. Greece reached agreements with its private sector creditors on restructuring the bond debt it owes them. The continued existence of the euro was even called into question. Fortunately, this was offset to some extent by the boom in Asia.

Although more jobs have been created than lost in the US since 2010, the rate of employment growth has remained on the low side. And wages increased very little: household purchasing power remained very modest and managed to support only scant growth. Economic growth (barely 1.6% year-on-year in the first half of 2012) was further hampered by the financial restructuring undertaken by states and local authorities and the increase in imports.

The euro is teetering on the brink of recession. The strong growth figures of 2010 and 2011 couldn't be sustained, and the euro crisis started taking its toll from the second half of 2011. Europe suffered under the strain of austerity measures and more restrictive lending policy of the banks. The reduction in the value of their sovereign bond portfolios threatened their solvency so that action had to be taken to compensate this. Greater divergence within Europe resulted in a further decline in unemployment in Germany and an alarmingly rapid rise in unemployment in countries such as Greece, Spain and Portugal. Belgium was closer to the strong core of the euro area than to the weak periphery.

The recession of the 2008-2009 period and the initial phase of the recovery have taught us much about the role of the emerging markets in the global economy. Exports to the Old World are still important, but that exclusive dependency is decreasing. Domestic demand (due to a rapidly growing middle class with a high consumption ratio) and inter-regional trade within Asia are playing an increasingly important role. The economic recovery in Asia since the second quarter of 2009 was just as pronounced as the slump. And that recovery has continued through 2010, 2011 and into 2012. As a result of pressure from rising oil and food prices, inflation increased sharply in 2011, and monetary policy was tightened in response to this. Higher interest rates have slowed growth somewhat since mid-2011.

The region is better armed to deal with financial crises than it was in the past. Public finances are healthy, the balance of payments is generally neutral (China actually has an astronomical surplus) and the domestic savings buffer is high. Asia's economic development no longer depends on fickle foreign capital.

The initial phase of the economic recovery went hand in hand with a fine stock-market rally, resulting in the S&P 500 being 75% higher at the end of April 2010 than its low point on 9 March 2009. Since then, the equity markets have struggled to find fresh impetus. The euro crisis and fear that the European banking sector would collapse naturally continued to cast a dark cloud over the market. On top of this, the stock markets were affected by changeable sentiment about the economic situation, and the same is true of 2012. Relative optimism about the economy caused the stock markets to improve in the first quarter, but they have since run out of steam. On 30 June 2012, the MSCI All Countries (the broadest global index) recorded a return of 8.7% in EUR over the past six months.

Of the traditional markets, the underperformance of Western Europe (MSCI Europe return index over the past six months: -5.2%) remained relatively limited. Nevertheless, the problems in the EMU kept stacking up: they include the Greek debt crisis, the threat of an extremist separatist party winning the Greek elections, the undercapitalisation of Spanish banks, the referendum in Ireland, and the financial collapse in Cyprus. Apparently the underperformance of European shares over many years has increased the valuation gap with US shares so much that fresh events in the euro crisis have less impact on the stock markets. In any event, the gap that had opened up in Europe in comparison with the US in recent years widened slightly during the reporting period. Wall Street closed the year under review up considerably (S&P 500: +8.6%, Dow Jones: +6.4%), while European investors also benefited from an increase in the value of the dollar (return MSCI USA in euros: +11.9%).

2.1.8 FUTURE POLICY

Business confidence indicators in the US and Europe hit new highs in spring 2011 and have dipped to more neutral levels over the past twelve months. Considerable divergence between the US and Europe has developed since September. At the moment, the US producer confidence index points to some optimism about the economy. In Europe confidence is continuing to slip and has entered the twilight zone of recession. We expect growth in the US to remain positive but modest (around 1.5-2% y-o-y in the next couple of quarters), given the dearth of new jobs, the downward pressure on pay increases and the absence of a recovery in the housing market. Budgetary plans will depress growth in Europe. However, the indicators do suggest that the fears of deflation and depression that are currently dominating the financial markets are unwarranted.

In 2010 and 2011 the foundations were laid for more sustainable growth in 2012 and 2013. US households have trimmed back their debt level significantly, the savings rate has already increased considerably and loan servicing (instalments and interest payments combined) now accounts for only 11% of household budgets (the lowest level in fifteen years – it was at 14% three years ago). Households are gradually moving towards a position where they can spend more of their money on consumption. The explosion in earnings growth in 2010 and 2011 bolstered companies' already substantial cash positions. During the crisis investments were scaled back heavily, with the foundations being laid for a catch-up process.

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

Classic Shares: 6 on a scale of 1 (lowest risk) to 7 (highest risk).

Institutional B Shares: 6 on a scale of 1 (lowest risk) to 7 (highest risk).

The value of a share can decrease or increase and the investor may not get back the amount invested.

In accordance with Commission Regulation (EU) No. 583/2010, a synthetic risk and reward indicator has been calculated. This indicator provides a quantitative measure of the sub-fund's potential return and the risk involved, calculated in the currency in which the sub-fund is denominated. It is given as a figure between 1 and 7. The higher the figure, the greater the potential return, but also the more difficult it is to predict this return. Losses are possible too. The lowest figure does not mean that the investment is entirely free of risk. However, it does indicate that, compared with the higher figures, this product will generally provide a lower, but more predictable return.

The synthetic risk and reward indicator is assessed regularly and can therefore go up or down based on data from the past. Data from the past is not always a reliable indicator of future risk and return.

The most recent indicator can be found under the 'Risk and reward profile' heading in the 'Key Investor Information' document.

2.2 BALANCE SHEET

Balance sheet layout	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
TOTAL NET ASSETS	3.380.726,51	3.528.438,72
II. Securities, money market instruments, UCIs and derivatives		
A. Bonds and other debt instruments		
a) Bonds		
a) Collateral received in the form of bonds	40.261,99	105.131,06
C. Shares and similar instruments		
a) Shares	3.409.201,89	3.586.463,38
Of which securities lent	39.602,20	100.762,56
IV. Receivables and payables within one year		
A. Receivables		
b) Tax assets	1.276,75	2.617,89
B. Payables		
a) Accounts payable (-)	-31.874,57	-8.423,19
c) Borrowings (-)	-6.347,86	-55.021,25
d) Collateral (-)	-40.261,99	-105.131,06
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	13.387,99	8.612,09
VI. Accruals and deferrals		
A. Expense to be carried forward	1.811,13	2.760,79
B. Accrued income	8.461,34	9.192,09
C. Accrued expense (-)	-15.190,16	-17.763,08
TOTAL SHAREHOLDERS' EQUITY	3.380.726,51	3.528.438,72
A. Capital	3.156.760,10	3.765.257,79
B. Income equalization	-3.360,26	3.296,01
D. Result for the period	227.326,67	-240.115,08

Off-balance-sheet headings

I Collateral (+/-)		
I.A Collateral (+/-)		
I.A.A Securities/market instruments	40.261,99	105.131,06
IX Financial instruments lent	39.602,20	100.762,56

2.3 PROFIT AND LOSS ACCOUNT

Income Statement	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
I. Net gains(losses) on investments		
C. Shares and similar instruments		
a) Shares	125.460,17	-209.558,32
D. Other securities	-270,46	-2,32
H. Foreign exchange positions and transactions		
b) Other foreign exchange positions and transactions	42.648,39	-6.058,75
II. Investment income and expenses		
A. Dividends	87.436,70	46.907,05
B. Interests		
a) Securities and money market instruments	906,90	6.653,50
b) Cash at bank and in hand and deposits	18,94	35,41
C. Interest on borrowings (-)	-252,37	-2.545,59
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-1.007,66	-23.249,47
B. Financial expenses (-)	-26,61	-1.049,48
C. Custodian's fee (-)	-1.683,65	-2.263,14
D. Manager's fee (-)		
a) Financial management		
Classic Shares	-22.330,98	-21.190,31
b) Administration and accounting management	-1.681,68	-2.689,33
F. Formation and organisation expenses (-)	-388,73	-21.222,74
H. Services and sundry goods (-)	-324,09	1.050,98
J. Taxes		
Classic Shares	-1.304,34	-2.086,38
K. Other expenses (-)	126,14	-2.846,19
Income and expenditure for the period		
Subtotal II + III + IV	59.488,57	-24.495,69
V. Profit (loss) on ordinary activities before tax	227.326,67	-240.115,08
VII. Result for the period	227.326,67	-240.115,08

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC EQUITY FUND EURO NON CYCLICALS

Name	Quantity on 30/06/2012	Currency	Price in currency	Evaluation (in the currency of the sub-fund)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
Shares							
Exchange-listed shares							
<u>Belgium</u>							
ANHEUSER-BUSCH INBEV NV -	1.843,00	EUR	61,300	112.975,90		3,31	3,34
DELHAIZE GROEP -	415,00	EUR	28,880	11.985,20		0,35	0,36
<u>Denmark</u>							
CARLSBERG A/S B	268,00	DKK	461,200	16.625,63		0,49	0,49
NOVO NORDISK A/S "B"	975,00	DKK	848,500	111.278,31		3,26	3,29
<u>Finland</u>							
FORTUM CORPORATION -	1.539,00	EUR	14,970	23.038,83		0,68	0,68
<u>France</u>							
CARREFOUR -	1.386,00	EUR	14,545	20.159,37		0,59	0,60
DANONE -	1.348,00	EUR	49,015	66.072,22		1,94	1,95
ESSILOR (PAR)	479,00	EUR	73,300	35.110,70		1,03	1,04
GDF SUEZ -	2.899,00	EUR	18,755	54.370,75		1,60	1,61
L'OREAL -	558,00	EUR	92,240	51.469,92		1,51	1,52
PERNOD-RICARD -	471,00	EUR	84,260	39.686,46		1,16	1,17
SANOFI -	2.616,00	EUR	59,740	156.279,84		4,58	4,62
VEOLIA ENVIRONNEMENT (PAR)	1.108,00	EUR	9,984	11.062,27		0,32	0,33
<u>Germany</u>							
BAYER AG -	1.876,00	EUR	56,780	106.519,28		3,12	3,15
BEIERSDORF AG -	265,00	EUR	51,150	13.554,75		0,40	0,40
E.ON AG -	4.096,00	EUR	17,000	69.632,00		2,04	2,06
FRESENIUS MEDICAL CARE AG & CO -	468,00	EUR	55,830	26.128,44		0,77	0,77
FRESENIUS SE & CO KGAA (FRA)	368,00	EUR	81,780	30.095,04		0,88	0,89
HENKEL KGAA PREF	609,00	EUR	52,370	31.893,33		0,94	0,94
MERCK KGAA -	214,00	EUR	78,720	16.846,08		0,49	0,50
METRO AG -	449,00	EUR	23,005	10.329,25		0,30	0,31
RWE AG -	1.201,00	EUR	32,175	38.642,18		1,13	1,14
<u>Greece</u>							
COCA-COLA HELLENIC BOTTLING CO -	644,00	EUR	14,000	9.016,00		0,26	0,27
<u>Ireland</u>							
ELAN CORPORATION PLC -	1.461,00	EUR	11,500	16.801,50		0,49	0,50
KERRY GROUP PLC -	458,00	EUR	34,600	15.846,80		0,47	0,47
<u>Italy</u>							
E.N.E.L. -	16.069,00	EUR	2,542	40.847,40		1,20	1,21
SNAM RETE GAS S.P.A. -	4.779,00	EUR	3,520	16.822,08		0,49	0,50
<u>Jersey/The Channel Islands</u>							
SHIRE LTD -	1.295,00	GBP	18,320	29.321,96		0,86	0,87

<u>Netherlands</u>							
HEINEKEN -	826,00	EUR	41,145	33.985,77		1,00	1,01
KON. AHOLD -	2.737,00	EUR	9,774	26.751,44		0,79	0,79
UNILEVER CVA	3.121,00	EUR	26,385	82.347,59		2,42	2,44
<u>Portugal</u>							
ENERGIAS DE PORTUGAL SA -	8.295,00	EUR	1,864	15.461,88		0,45	0,46
<u>Spain</u>							
DISTRIBUIDORA INTERNACIONAL DE ALIM -	1.780,00	EUR	3,710	6.603,80		0,19	0,20
GAS NATURAL SDG -	1.773,00	EUR	10,105	17.916,17		0,53	0,53
IBERDROLA SA -	9.655,00	EUR	3,719	35.906,95		1,05	1,06
<u>Sweden</u>							
SWEDISH MATCH AB -	611,00	SEK	278,700	19.440,12		0,57	0,58
<u>Switzerland</u>							
ACTELION LTD -	395,00	CHF	38,900	12.792,32		0,38	0,38
LINDT & SPRUENGLI AG -	1,00	CHF	34.795,000	28.968,07		0,85	0,86
NESTLE AG REG	6.611,00	CHF	56,550	311.245,10		9,13	9,21
NOVARTIS AG REG	5.004,00	CHF	52,900	220.381,80		6,46	6,52
PHONAK HOLDING -	194,00	CHF	91,450	14.770,26		0,43	0,44
ROCHE HOLDING GENOTS	1.509,00	CHF	163,600	205.530,03		6,03	6,08
<u>U.K.</u>							
ASSOCIATED BRITISH FOODS PLC -	1.218,00	GBP	12,820	19.298,92		0,57	0,57
ASTRAZENECA PLC -	2.717,00	GBP	28,530	95.805,23		2,81	2,83
BAT HOLDINS BV -	4.424,00	GBP	32,415	177.238,86		5,20	5,24
CENTRICA -	11.792,00	GBP	3,180	46.346,01		1,36	1,37
DIAGEO -	5.619,00	GBP	16,420	114.032,85		3,35	3,37
GLAXOSMITHKLINE PLC -	10.615,00	GBP	14,470	189.839,39		5,57	5,62
IMPERIAL TOBACCO GR PLC -	2.266,00	GBP	24,550	68.755,78		2,02	2,03
INTERNATIONAL POWER PLC -	4.670,00	GBP	4,175	24.097,45		0,71	0,71
MORRISON SUPERMARKETS -	7.215,00	GBP	2,661	23.728,98		0,70	0,70
NAT. GRID PLC -	8.054,00	GBP	6,755	67.241,10		1,97	1,99
RECKITT BENCKISER PLC -	1.378,00	GBP	33,650	57.310,22		1,68	1,70
SABMILLER PLC -	2.149,00	GBP	25,550	67.861,76		1,99	2,01
SCOTTISH & SOUTHERN ENERGY -	2.304,00	GBP	13,910	39.610,23		1,16	1,17
SMITH&NEPHEW PLC -	2.931,00	GBP	6,375	23.093,72		0,68	0,68
TESCO -	18.028,00	GBP	3,101	69.083,94		2,03	2,04
UNILEVER PLC -	2.871,00	GBP	21,440	76.077,42		2,23	2,25
UNITED UTILITIES WATER PLC -	2.128,00	GBP	6,750	17.753,06		0,52	0,53
<u>U.S.A.</u>							
JOHNSON & JOHNSON -	329,00	USD	67,560	17.514,18		0,51	0,52
Total shares				3.409.201,89		100,00	100,84
TOTAL SECURITIES PORTFOLIO				3.409.201,89		100,00	100,84
COLLATERAL RECEIVED							
<u>Belgium</u>							
KBC GROUP COLLATERAL EUR	40.261,99	EUR	1,000	40.261,99			1,19
TOTAL RECEIVED COLLATERAL				40.261,99			1,19
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP CHF	771,44	CHF	1,000	642,25			0,02

KBC GROUP DKK	13.726,33	DKK	1,000	1.846,33		0,06
KBC GROUP EURO	-6.347,86	EUR	1,000	-6.347,86		-0,19
KBC GROUP GBP	8.059,54	GBP	1,000	9.961,12		0,30
KBC GROUP SEK	4.863,72	SEK	1,000	555,25		0,02
KBC GROUP USD	486,12	USD	1,000	383,04		0,01
Total demand accounts				7.040,13		0,21
TOTAL CASH AT BANK AND IN HAND				7.040,13		0,21
OTHER RECEIVABLES AND PAYABLES						
Receivables						
<u>Belgium</u>						
KBC GROUP WHT TO BE RECOVERED EUR	1.276,75	EUR	1,000	1.276,75		0,04
Total receivables				1.276,75		0,04
Payables						
<u>Belgium</u>						
KBC GROUP COUNTERPART ENTRY COLLATERAL IN EUR	-40.261,99	EUR	1,000	-40.261,99		-1,19
KBC GROUP EUR PAYABLE	-31.874,57	EUR	1,000	-31.874,57		-0,94
Payables				-72.136,56		-2,13
TOTAL RECEIVABLES AND PAYABLES				-70.859,81		-2,10
OTHER						
Interest receivable		EUR		7.700,07		0,23
Accrued interest		EUR		761,27		0,02
Expenses payable		EUR		-15.190,16		-0,45
Expenses to be carried forward		EUR		1.811,13		0,05
TOTAL OTHER				-4.917,69		-0,15
TOTAL NET ASSETS				3.380.726,51		100,00

Geographic breakdown (as a % of securities portfolio)

	30/06/2011	31/12/2011	30/06/2012
Belgium	2,62	3,05	3,67
Switzerland	23,22	24,88	23,28
Germany	10,43	9,34	10,08
Denmark	3,26	3,03	3,75
Spain	2,55	2,30	1,77
Finland	0,86	0,62	0,68
France	14,74	12,63	12,74
U.K.	31,28	34,16	34,53
Greece	0,33	0,21	0,26
Ireland	0,47	0,70	0,96
Italy	3,34	2,19	1,69
Jersey/The Channel Islands	1,03	1,13	0,86
Netherlands	4,53	4,61	4,20
Portugal	0,71	0,49	0,45
Sweden	0,63	0,66	0,57
U.S.A.	0,00	0,00	0,51
Total	100,00	100,00	100,00

Sector breakdown (as a % of securities portfolio)

	30/06/2011	31/12/2011	30/06/2012
Cyclicals	4,26	3,75	4,06
Consum(cycl)	3,61	3,32	3,59
Cons.goods	39,14	41,57	41,88
Pharma	33,95	35,76	35,25
Utilities	19,04	15,60	15,22
Total	100,00	100,00	100,00

Currency breakdown (as a % of net assets)

	30/06/2011	31/12/2011	30/06/2012
CHF	23,57	24,99	23,46
DKK	3,31	3,04	3,83
EUR	39,45	35,81	35,66
GBP	32,97	35,48	35,93
SEK	0,66	0,68	0,59
USD	0,04	0,00	0,53
Total	100,00	100,00	100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC EQUITY FUND EURO NON CYCLICALS (IN THE CURRENCY OF THE SUB-FUND)

	1st half of year	Year
Purchases	35.247,19	35.247,19
Sales	874.499,44	874.499,44
Total 1	909.746,63	909.746,63
Subscriptions	42.755,62	42.755,62
Redemptions	937.864,13	937.864,13
Total 2	980.619,75	980.619,75
Monthly average of total assets	3.580.936,54	3.580.936,54
Turnover rate	-1,98 %	-1,98 %

	1st half of year	Year
Purchases	35.247,19	35.247,19
Sales	874.499,44	874.499,44
Total 1	909.746,63	909.746,63
Subscriptions	42.755,62	42.755,62
Redemptions	937.864,13	937.864,13
Total 2	980.619,75	980.619,75
Monthly average of total assets	3.225.904,55	3.225.904,55
Corrected turnover rate	-2,20 %	-2,20 %

The table above shows the capital volume of portfolio transactions. This volume (adjusted to take account of total subscriptions and redemptions) is also compared to the average net assets at the beginning and end of the period.

A figure close to 0% implies that the transactions relating to the securities or transactions relating to the assets (excluding deposits and cash) in a given period only involve subscriptions and redemptions.

A negative percentage shows that subscriptions and redemptions entailed few, if any, transactions in the portfolio.

Active asset management may result in high turnover rates (monthly percentage >50%).

The detailed list of transactions is available for consultation free of charge at the registered office of the Bevek or fund at Havenlaan 2, 1080 Brussels.

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

NAME	Currency	Value in currency	In the currency of the sub-fund	Lot-size	Transaction date
KBC COLLATERAL EUR	EUR	40.261,99	40.261,99	N/A	29.06.2012

2.4.4 CHANGES OF THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND THE NET ASSET VALUE

Classic Shares

Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2011 - 06	367.413,45	24.722,74	353.812,85	21.097,49	13.600,60	3.625,25	17.225,85
2012 - 06	232,09	3.200,00	2.048,41	3.481,87	11.784,28	3.343,38	15.127,66

Period	Amounts received and paid by the UCI (in the currency of the class)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2011 - 06	645.763,61	18.427,47	68.208.947,54	4.447.785,18
2012 - 06	49.429,67	585.184,00	424.280,01	736.664,54

Period	Net asset value End of period (in the currency of the class)		
Year	Of the class	Of one share	
		Capitalization	Distribution
2011 - 06	3.528.438,72	204,83	204,83
2012 - 06	3.380.726,51	223,48	223,47

Institutional B Shares

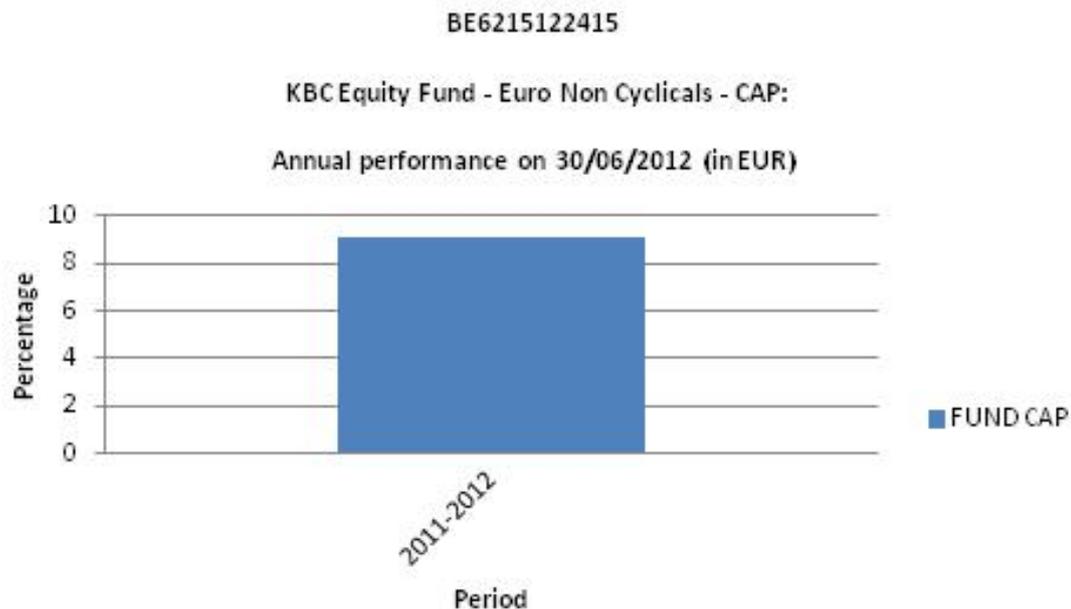
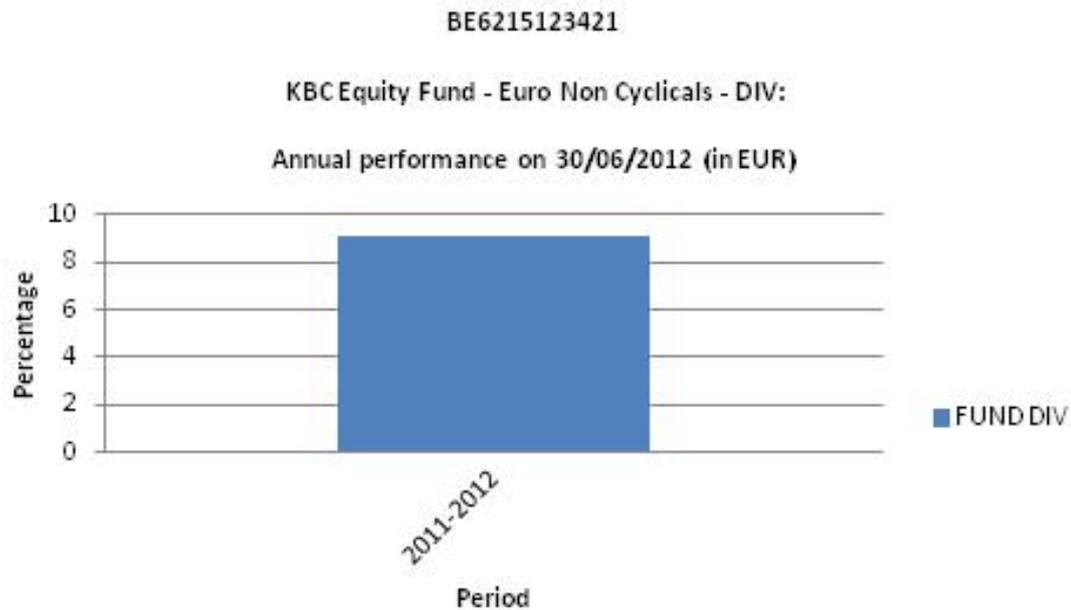
Change in number of shares in circulation: Nil

Amounts received and paid by the UCI: Nil

Net asset value: Nil

2.4.5 PERFORMANCE FIGURES

Classic Shares



Cap Div	ISIN code	Currency	1 Year		3 Years*		5 Years*		10 Years*		Since launch*	
			Share classes	Bench mark	Launch Date	Share classes						
CAP	BE6215122415	EUR	9.11%								04/02/2011	8.24%
DIV	BE6215123421	EUR	9.10%								04/02/2011	8.24%

Risk warning: Past performance is not a guide to future performance.

* Return on annual basis.

Institutional B Shares

The cumulative returns are shown where they relate to a period of at least one year.

Classic Shares

- The bar chart shows the performance for full financial years.
- The figures do not take account of any restructuring.
- Calculated in EUR.
- The return is calculated as the change in the net asset value between two dates expressed as a percentage. In the case of units that pay dividends, the dividend is incorporated geometrically in the return.
- Calculation method for date D, where NAV stands for net asset value:

Capitalisation units (CAP)

Return on date D over a period of X years:

$$[\text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where $Y = D - X$

Return on date D since the start date S of the unit:

$$[\text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where $F = 1$ if the unit has existed for less than one year on date D

where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D

Distribution units (DIV)

Return on date D over a period of X years:

$$[C * \text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where $Y = D - X$

Return on date D since the start date S of the unit:

$$[C * \text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where $F = 1$ if the unit has existed for less than one year on date D

where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D

where C is a factor that is determined for all N dividends between the calculation date D and the reference date.

For dividend i on date Di with value Wi:

$$C_i = [W_i / \text{NIW}(D_i)] + 1$$

$i = 1 \dots N$

from which $C = C_0 * \dots * C_N$.

- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the n^{th} square root of 1 plus the total return of the unit.
- The return figures shown above do not take account of the fees and charges associated with the issue and redemption of units.

These are the performance figures for capitalisation and distribution shares.

2.4.6 COSTS

Total expense ratio (TER): *

Classic Shares Distribution: Not applicable
Classic Shares Capitalization: Not applicable
Institutional B Shares Capitalization: Not applicable

Percentage calculated at the end of the financial year: 31 December

* The following costs have not been included in the TER:

- Transaction charges
- Interest payments on loans taken out
- Payments in respect of financial derivatives
- Fees and charges paid directly by the investor
- Any soft commissions

SOFT COMMISSIONS

The management company or the appointed manager, as the case may be, is the recipient of soft commissions.

The recipient has laid down an internal policy as regards accepting soft commissions and avoiding possible conflicts of interest in this respect, and has put appropriate internal controls in place to ensure this policy is observed.

For more information, please see the 'General' section of the annual report.

Broker	Commission gross in EUR paid during the period: 1-01-12 - 30-06-12	CSA Credits in EUR accrued during the period: 1-01-12 - 30-06-12	Percentage
MORGAN STANLEY	10	5	50.01%
NOMURA	26	13	50.00%
UBSWDR	48	25	52.98%

FEE-SHARING AGREEMENTS AND REBATES:

The management company may share its fee with the distributor, and institutional and/or professional parties.

In principle, the percentage share amounts to between 35% and 60% if the distributor is an entity of KBC Group NV or to between 35% and 70% if the distributor is not an entity of KBC Group NV. However, in a small number of cases, the distributor's fee is less than 35%. Investors may, on request, obtain more information on these cases.

If the management company invests the assets of the undertaking for collective investment in units of undertakings for collective investment that are not managed by an entity of KBC Group NV, and receives a fee for doing so, it will pay this fee to the undertaking for collective investment.

Fee-sharing does not affect the amount of the management fee paid by the sub-fund to the management company. This management fee is subject to the limitations laid down in the articles of association. The limitations may only be amended after approval by the general meeting of shareholders.

The management company has concluded a distribution agreement with the distributor in order to facilitate the wider distribution of the sub-fund's units by using multiple distribution channels.

It is in the interests of the holders of units, the sub-fund and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund to be maximised in this way. In this respect, there is therefore no question of any conflict of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: 1.25% per annum calculated on the basis of the average total net assets of the sub-fund, excluding those assets invested in investment undertakings managed by a financial institution of the KBC group.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the average total net assets of the sub-fund.

Auditor's fee: 1 700 EUR per year. This fee is not including VAT and will be increased at the end of the 3-year mandate.

The custody fee is calculated on the value of the securities held in custody by the custodian on the final banking day of the preceding calendar year, except on those assets invested in investment undertakings managed by a financial institution of the KBC group. The custody fee is paid at the beginning of the calendar year.

Social, ethical and environmental aspects:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

Exercising voting rights

If necessary, relevant and in the interest of the shareholders, the management company will exercise the voting rights attached to the shares in the Bevek's portfolio.

The management company will adhere to the following criteria when determining how it stands relative to the items on the agenda that are put to the vote:

- Shareholder value may not be adversely affected.
- Corporate governance rules, especially with regard to the rights of minority shareholders, must be respected.
- The minimum standards with regard to sustainable business and corporate social responsibility must be met.

The list of companies for which voting rights are exercised is available at the registered office of the Bevek.

Securities lending

In accordance with the Royal Decree of 7 March 2006 concerning securities lending, the undertaking for collective investment has taken out securities loans with a principal to whom the full title of the loaned securities was transferred, without recording this transfer of ownership in the accounts.

For the period from 1 January 2012 to 30 June 2012, the fee for securities lent comes to 145.37 EUR. KBC Asset Management NV receives 50% of the net fee received for securities lent.

The detailed list of securities lending transactions carried out can be obtained from the registered office of the collective investment undertaking at 2 Havenlaan, 1080 Brussels.

Overview of securities lent as at 30/06/2012

Name	Currency	Quantity	Price	Value in currency of the portfolio
PERNOD-RICARD	EUR	470	84,260	39.602,20
			Total	39.602,20

Details of collateral received for securities lent

Name	Currency	Nominal value	Currency fund	Value in Currency fund
OAT FRANCE 2005 3% 25/10/15	EUR	37.000	EUR	40.261,99
			Total	40.261,99

For the valuation of the collateral received, indicative prices have been used in this detail list by the Collateral Management Division of KBC Bank.

TABLE OF CONTENTS

- 2. Information on KBC Equity Fund America
 - 2.1. Management report
 - 2.1.1. Launch date and subscription price
 - 2.1.2. Stock exchange listing
 - 2.1.3. Aim and distinctive features of the investment policy
 - 2.1.4. Financial portfolio management
 - 2.1.5. Distributors
 - 2.1.6. Index and benchmark
 - 2.1.7. Policy conducted during the financial year
 - 2.1.8. Future policy
 - 2.1.9. Synthetic risk and reward indicator (SRRI)
 - 2.2. Balance sheet
 - 2.3. Profit and loss account
 - 2.4. Composition of the assets and key figures
 - 2.4.1. Composition of the assets
 - 2.4.2. Change in the composition of the assets
 - 2.4.3. Value of commitments in respect of financial derivatives positions
 - 2.4.4. Evolution of the number of subscriptions, repayments and the net asset value
 - 2.4.5. Return figures
 - 2.4.6. Expenses
 - 2.4.7. Notes to the financial statements and other data

2 INFORMATION ON KBC EQUITY FUND AMERICA

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Classic Shares :

Launch date: 17 April 1991

Initial subscription price: 500 USD

Currency: USD

Institutional B Shares :

Launch date: 25 November 2011

Initial subscription price: 1230.35 USD

Currency: USD

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

The main objective of this sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. To this end, the assets are invested, either directly or indirectly via correlated financial instruments, primarily in shares.

SUB-FUND'S INVESTMENT POLICY:

PERMITTED ASSET CLASSES:

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the sub-fund's object.

The sub-fund shall invest no more than 10% of its assets in units of other undertakings for collective investment.

RESTRICTIONS OF THE INVESTMENT POLICY:

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

PERMITTED DERIVATIVES TRANSACTIONS:

Derivates may be used either for hedging purposes or to achieve investment objectives.

Changes will be made to the investments at regular intervals to comply with the sub-fund's investment strategy. **In addition, listed and unlisted derivates may be used to achieve the objectives:** these may be forward contracts, options or swaps on securities, indices, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions. **Such derivatives may also be used to hedge the assets against exchange-rate fluctuations.** Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions.

STRATEGY SELECTED

At least 75% of these assets are invested in shares of American and Canadian companies.

LENDING FINANCIAL INSTRUMENTS:

The sub-fund may lend financial instruments within the limits set by law and regulations.

This lending does not affect the sub-fund's risk profile since:

- it takes place within the framework of a securities lending system managed by a principal. In addition, the sub-fund has a relationship only with the principal of the securities lending system which acts as counterparty and to which title of the loaned securities is transferred. The choice of principal is subject to strict selection criteria. The return of securities similar to the securities that have been lent is guaranteed by the principal.
- through a margin management system, the sub-fund is always guaranteed financial security, the actual value of which always exceeds the actual value of the securities that have been lent, in case the principal does not return similar securities.

The return of securities similar to the securities that have been lent can be requested at any time, which means that the lending of securities does not affect the management of the sub-fund's assets.

By lending securities, the sub-fund can generate an additional return. The principal pays a fee to the management company. After deducting the fee for the margin management and clearing services of KBC Bank, most of this fee is paid to the sub-fund.

The relationship with the counterparty or counterparties is governed by standard international agreements.

More information is provided on the terms and conditions governing securities lending in the annual or half-yearly report for the sub-fund.

VOLATILITY OF THE NET ASSET VALUE:

The volatility of the net asset value may be high due to the composition of the portfolio.

GENERAL STRATEGY FOR HEDGING THE EXCHANGE RATE RISK:

In order to protect its assets against exchange rate fluctuations and within the limitations laid down in the articles of association, the sub-fund may perform transactions relating to the sale of forward currency contracts, as well as the sale of call options and the purchase of put options on currencies. The transactions in question may relate solely to contracts traded on a regulated market that operates regularly, is recognised and is open to the public or that are traded with a recognised, prime financial institution specialising in such transactions and dealing in the over-the-counter (OTC) market in options. With the same objective, the sub-fund may also sell currencies forward or exchange them in private transactions with prime financial institutions specialising in such transactions. The hedging objective of the aforementioned transactions suggests that there is a direct link between these transactions and the assets to be hedged, which implies that the transactions carried out in a particular currency may in principle not exceed, in terms of volume, either the valuation value of all the assets in the same currency or the holding period of those assets.

SOCIAL, ETHICAL AND ENVIRONMENTAL ASPECTS:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

THE EUROPEAN SAVINGS DIRECTIVE AND TAX ON DEBT CLAIM RETURNS OBTAINED THROUGH THE REDEMPTION OF OWN UNITS OR IN THE EVENT OF FULL OR PARTIAL DISTRIBUTION OF EQUITY CAPITAL.

The following information is of a general character and is not intended to cover all aspects of an investment in a UCITS. In certain cases entirely different rules might even apply. Moreover, both tax law and the interpretation of it can change. Investors who wish to have more information about the tax implications – in both Belgium and abroad – of acquiring, holding and transferring units should seek the advice of their usual financial and tax advisers.

This UCITS shall invest a maximum of 15% of its assets directly or indirectly in debt instruments as intended by the European Savings Directive.

A. European Savings Directive (Directive 2003/48/EC)

The European Savings Directive has been implemented in Belgium through:

- The Law of 17 May 2004 transposing into Belgian law Directive 2003/48/EC of 3 June 2003 of the Council of the European Union on taxation of savings income in the form of interest payments and amending Income Tax Code 1992 on withholding tax;
- The Royal Decree of 27 September 2009 implementing Article 338bis § 2 of Income Tax Code 1992;
- The Royal Decree of 27 September 2009 concerning the entry into effect of Article 338bis § 2, paragraphs one to three, of Income Tax Code 1992;

Since this UCITS invests a maximum of 15% of its assets directly or indirectly in debt claims as intended by the European Savings Directive, the income of this UCITS does not fall within the scope of this directive.

B. Tax on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital (Article 19bis Income Tax Code 1992).

The income from this UCITS is not subject to the tax on debt instrument returns as intended by Article 19bis, Income Tax Code 1992.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

There is no delegation of the portfolio.

2.1.5 DISTRIBUTORS

KBC Asset Management S.A., 5, Place de la Gare, L-1616 Luxembourg.

2.1.6 INDEX AND BENCHMARK

See 'Sub-fund's investment policy'.

2.1.7 POLICY PERSUED DURING THE FINANCIAL YEAR

The world economy emerged from a deep recession in mid-2009, but the recovery was highly dependent on massive government budgetary and monetary stimuli. Doubts about the sustainability of the economic recovery continued to dominate the investment climate in the past period under review. In Europe, the debt crisis continued to rage unabated. Five euro countries needed a bail-out from the European emergency fund. Greece reached agreement with its private sector creditors on restructuring the bond debt it owes them. The continued existence of the euro was even called into question. Fortunately, this was offset to some extent by the boom in Asia.

More jobs were created than lost in the US since 2010, but the rate of employment growth remained on the low side. In addition, wages increased very little: household purchasing power remained extremely modest and managed to support only scant growth. Economic growth (barely +1.6% year-on-year in the first six months of 2012) was further hampered by the financial restructuring undertaken by states and local authorities and the increase in imports.

The recovery in corporate earnings as from the fourth quarter of 2009 was just as impressive as the decline in earnings during the recession. So, although the economic recovery in the West may be modest, the same was certainly not true of corporate earnings. After going from negative to positive in the last quarter of 2009, earnings per share of the S&P 500 companies as a whole rose by an average 48% in 2010, by 14% in 2011 and by 9.4% in the first quarter of 2012. That robust recovery was not attributable to exceptional or one-off events, but was evident in almost all sectors. The economic downturn in the West did not prevent turnover from rising sharply (the year-on-year increase came to an average 8.5% in 2011). The emerging economies, which are booming, are becoming an increasingly significant market outlet for Western companies. However, the improved earnings were due more to a sharp reduction in (wage) cost pressure than to increased turnover.

The initial phase of the economic recovery went hand in hand with a fine stock-market rally, resulting in the S&P 500 being 75% higher at the end of April 2010 than its low point on 9 March 2009. Since then, the equity markets have struggled to find fresh impetus. The euro crisis and fear that the European banking sector would collapse naturally continued to cast a dark cloud over the market. On top of this, the stock markets were affected by changeable sentiment about the economic situation, and the same is true of 2012. Relative optimism about the economy caused the stock markets to improve in the first quarter, but they have since run out of steam. On 30 June 2012, the MSCI All Countries (the broadest global index) recorded a return of 8.7% in EUR over the past six months.

Of the traditional markets, the underperformance by Western Europe (MSCI Europe return index over the past six months, -5.2%) was fairly limited. Nevertheless, the problems in the EMU kept stacking up: they include the Greek debt crisis, the threat of an extremist separatist party winning the Greek elections, the undercapitalisation of Spanish banks, the referendum in Ireland, and the financial collapse in Cyprus. Apparently, the underperformance of European shares over many years has widened the valuation gap with US shares so much that fresh events in the euro crisis have less impact on the stock markets. In any event, the gap that had opened up in Europe in comparison with the US in recent years widened slightly during the reporting period. Wall Street closed the year under review considerably up (S&P 500: +8.6%, Dow Jones: +6.4%), while European investors also benefited from an increase in the value of the dollar (return MSCI USA in euros: +11.9%).

2.1.8 FUTURE POLICY

Business confidence indicators in the US and Europe hit new highs in the spring of 2011, but have dropped back to more neutral levels over the past twelve months. Considerable divergence between the US and Europe has developed since September. At the moment, the US producer confidence index points to some optimism about the economy. In Europe, confidence is continuing to slip and has entered the twilight zone of recession. We expect growth in the US to remain positive but modest (around 1.5-2% year-on-year in the next couple of quarters), given the lack of new jobs, the downward pressure on pay increases and the absence of a recovery in the housing market. Budgetary plans will depress growth in Europe. However, the indicators do suggest that the fears of deflation and depression currently dominating the financial markets are unwarranted.

In 2010 and 2011, the foundations were laid for more sustainable growth in 2012 and 2013. US households have trimmed back their debt level significantly, the savings rate has already increased considerably and loan servicing (instalments and interest payments combined) now accounts for only 11% of household budgets (the lowest level in fifteen years – it was at 14% three years ago). Households are gradually moving towards a position where they can spend more of their money on consumption. The explosion in earnings growth in 2010 and 2011 bolstered companies' already substantial cash positions. During the crisis, investments were scaled back heavily, with the foundations being laid for a catch-up process.

US budgetary policy is set to become restrictive now that a number of stimulus measures introduced in 2003, 2008 and 2010 (tax cuts, subsidies to states and higher social security benefits, all limited in time) will simultaneously cease at the end of this year and in the absence of political agreement they are unlikely to be extended. Under those circumstances, the budget deficit could be reduced from 9.8% of GDP in the 2011 tax year to 8.6% in 2012 and then to 6.2% in 2013. The bias of budgetary policy will of course depend on the balance of power in the newly-elected Congress.

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

Classic Shares: 6 on a scale of 1 (lowest risk) to 7 (highest risk).

Institutional B Shares: 6 on a scale of 1 (lowest risk) to 7 (highest risk).

The value of a share can decrease or increase and the investor may not get back the amount invested.

In accordance with Commission Regulation (EU) No. 583/2010, a synthetic risk and reward indicator has been calculated. This indicator provides a quantitative measure of the sub-fund's potential return and the risk involved, calculated in the currency in which the sub-fund is denominated. It is given as a figure between 1 and 7. The higher the figure, the greater the potential return, but also the more difficult it is to predict this return. Losses are possible too. The lowest figure does not mean that the investment is entirely free of risk. However, it does indicate that, compared with the higher figures, this product will generally provide a lower, but more predictable return.

The synthetic risk and reward indicator is assessed regularly and can therefore go up or down based on data from the past. Data from the past is not always a reliable indicator of future risk and return.

The most recent indicator can be found under the 'Risk and reward profile' heading in the 'Key Investor Information' document.

2.2 BALANCE SHEET

Balance sheet layout	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
TOTAL NET ASSETS	276.853.322,68	659.724.358,40
II. Securities, money market instruments, UCIs and derivatives		
A. Bonds and other debt instruments		
a) Bonds	1.985.783,11	
a) Collateral received in the form of bonds	1.297.256,60	
C. Shares and similar instruments		
a) Shares	275.363.360,54	663.727.724,75
Of which securities lent	1.191.309,01	
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable	29.665,32	1.792.481,92
B. Payables		
a) Accounts payable (-)	-357.935,22	-821.072,06
c) Borrowings (-)	-1.460.547,31	-6.136.647,53
d) Collateral (-)	-1.297.256,60	
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	1.164.470,86	841.800,60
VI. Accruals and deferrals		
A. Expense to be carried forward	65.783,32	274.029,41
B. Accrued income	210.658,19	546.497,21
C. Accrued expense (-)	-147.916,13	-500.455,90
TOTAL SHAREHOLDERS' EQUITY	276.853.322,68	659.724.358,40
A. Capital	265.520.025,61	615.383.047,94
B. Income equalization	-59.830,81	-11.348,30
D. Result for the period	11.393.127,88	44.352.658,76

Off-balance-sheet headings

I	Collateral (+/-)	
I.A	Collateral (+/-)	
I.A.A	Securities/market instruments	1.297.256,60
IX	Financial instruments lent	1.191.309,01

2.3 PROFIT AND LOSS ACCOUNT

Income Statement	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
I. Net gains(losses) on investments		
A. Bonds and other debt instruments		
a) Bonds	-81.089,82	
C. Shares and similar instruments		
a) Shares	11.763.670,80	46.079.246,39
F. Derivative financial instruments		
l) Financial indices		
Futures and forward contracts	-474.150,00	-1.551.776,35
H. Foreign exchange positions and transactions		
b) Other foreign exchange positions and transactions	103.801,78	114.171,57
II. Investment income and expenses		
A. Dividends	1.930.939,68	4.473.141,71
B. Interests		
a) Securities and money market instruments	72.419,02	305.977,33
b) Cash at bank and in hand and deposits	5.832,99	11.357,78
C. Interest on borrowings (-)	-5.016,92	-15.576,69
III. Other income		
A. Income received to cover the acquisition and realization of assets, to discourage withdrawals and for delivery charges	370.765,27	
B. Other		1.316.047,25
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-285.453,11	-567.255,43
B. Financial expenses (-)	-2.204,54	-7.939,97
C. Custodian's fee (-)	-72.048,83	-233.651,34
D. Manager's fee (-)		
a) Financial management		
Classic Shares	-259.495,42	-4.561.901,93
Institutional B Shares	-1.388.025,65	
b) Administration and accounting management	-127.743,75	-335.055,96
E. Administrative expenses (-)	-7,52	
F. Formation and organisation expenses (-)	-12.798,62	-31.843,84
G. Remuneration, social security charges and pension	-22,57	-158,00
H. Services and sundry goods (-)	-24.213,74	-60.550,29
J. Taxes		
Classic Shares	-15.016,61	-292.476,00
Institutional B Shares	-11.733,30	
K. Other expenses (-)	-95.281,26	-289.097,47
Income and expenditure for the period		
Subtotal II + III + IV	80.895,12	-288.982,85
V. Profit (loss) on ordinary activities before tax	11.393.127,88	44.352.658,76
VII. Result for the period	11.393.127,88	44.352.658,76

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC EQUITY FUND AMERICA

Name	Quantity on 30/06/2012	Currency	Price in currency	Evaluation (in the currency of the sub-fund)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
Bonds							
Corporate bonds							
<u>Ireland</u>							
D-STAR FINANCE PLC SUB 14/05/13	2.456.000,00	EUR	63,710	1.985.783,11		0,72	0,72
Total bonds				1.985.783,11		0,72	0,72
Shares							
Exchange-listed shares							
<u>Bermuda</u>							
EVEREST RE GROUP LTD -	42.627,00	USD	103,490	4.411.468,23		1,59	1,59
<u>Canada</u>							
ROGERS COMM. -	32.950,00	USD	36,210	1.193.119,50		0,43	0,43
<u>Ireland</u>							
INGERSOLL RAND PLC -	21.324,00	USD	42,180	899.446,32		0,32	0,33
<u>Singapore</u>							
FLEXTRONICS INTL LTD -	91.182,00	USD	6,200	565.328,40		0,20	0,20
<u>U.S.A.</u>							
ABBOTT LAB. -	21.970,00	USD	64,470	1.416.405,90		0,51	0,51
ACTIVISION INC -	61.754,00	USD	11,990	740.430,46		0,27	0,27
ADVANCE AUTO PARTS INC -	9.491,00	USD	68,220	647.476,02		0,23	0,23
AES CORP -	50.000,00	USD	12,830	641.500,00		0,23	0,23
AETNA INC NEW	46.809,00	USD	38,770	1.814.784,93		0,65	0,66
AGCO CORP -	20.525,00	USD	45,730	938.608,25		0,34	0,34
ALBEMARLE CORP. -	7.789,00	USD	59,640	464.535,96		0,17	0,17
AMEREN CORP. -	4.192,00	USD	33,540	140.599,68		0,05	0,05
AMERICAN EXPRESS -	37.891,00	USD	58,210	2.205.635,11		0,80	0,80
AMERICAN TOWER CORP CL A	20.983,00	USD	69,910	1.466.921,53		0,53	0,53
AMERIGROUP CORP -	4.200,00	USD	65,910	276.822,00		0,10	0,10
AMERISOURCEBERGEN CORP -	14.913,00	USD	39,350	586.826,55		0,21	0,21
AMGEN -	68.188,00	USD	73,040	4.980.451,52		1,80	1,80
ANADARKO PETROLEUM -	25.520,00	USD	66,200	1.689.424,00		0,61	0,61
ANIXTER INTERNATIONAL INC. -	4.300,00	USD	53,050	228.115,00		0,08	0,08
ANN TAYLOR STORES -	25.788,00	USD	25,490	657.336,12		0,24	0,24
APACHE CORP. -	21.061,00	USD	87,890	1.851.051,29		0,67	0,67
APOLLO GROUP INC "A"	32.046,00	USD	36,190	1.159.744,74		0,42	0,42
APPLE INC -	22.062,00	USD	584,000	12.884.208,00		4,65	4,66
APPLIED MATERIALS -	84.998,00	USD	11,460	974.077,08		0,35	0,35
ARROW ELECTRONICS INC -	18.208,00	USD	32,810	597.404,48		0,22	0,22
ARTHROCARE CORP -	1,00	USD	29,280	29,28			
ASSURANT INC -	39.385,00	USD	34,840	1.372.173,40		0,50	0,50
AT&T INC -	35.274,00	USD	35,660	1.257.870,84		0,45	0,45
ATMOS ENERGY CORP -	12.323,00	USD	35,070	432.167,61		0,16	0,16

AUTOZONE INC. -	6.375,00	USD	367,170	2.340.708,75		0,84	0,85
BANK OF AMERICA -	23.330,00	USD	8,180	190.839,40		0,07	0,07
BB&T CORPORATION -	21.600,00	USD	30,850	666.360,00		0,24	0,24
BEAM INC -	23.253,00	USD	62,490	1.453.079,97		0,52	0,53
BED BATH & BEYOND -	41.480,00	USD	61,800	2.563.464,00		0,92	0,93
BENCHMARK ELECTRONICS INC -	114.731,00	USD	13,950	1.600.497,45		0,58	0,58
BEST BUY -	20.509,00	USD	20,960	429.868,64		0,16	0,16
BIG LOTS INC. -	26.813,00	USD	40,790	1.093.702,27		0,39	0,40
BIOGEN IDEC INC -	8.526,00	USD	144,380	1.230.983,88		0,44	0,45
BLACKROCK INC. -	9.305,00	USD	169,820	1.580.175,10		0,57	0,57
BMC SOFTWARE -	24.580,00	USD	42,680	1.049.074,40		0,38	0,38
BRINKER INTERNATIONAL INC. -	64.715,00	USD	31,870	2.062.467,05		0,74	0,75
BROADCOM CORP. "A"	21.428,00	USD	33,800	724.266,40		0,26	0,26
CADENCE DESIGN SYSTEMS -	75.129,00	USD	10,990	825.667,71		0,30	0,30
CAPITAL ONE FINANCIAL CORP -	48.335,00	USD	54,660	2.641.991,10		0,95	0,95
CATERPILLAR INC -	9.010,00	USD	84,910	765.039,10		0,28	0,28
CBS CORP -	14.000,00	USD	32,780	458.920,00		0,17	0,17
CF INDUSTRIES HOLDINGS INC -	18.047,00	USD	193,740	3.496.425,78		1,26	1,26
CHEVRON CORP -	48.913,00	USD	105,500	5.160.321,50		1,86	1,86
CHUBB CORPORATION -	9.716,00	USD	72,820	707.519,12		0,26	0,26
CISCO SYSTEMS INC -	95.215,00	USD	17,170	1.634.841,55		0,59	0,59
CITIGROUP INC -	78.315,00	USD	27,410	2.146.614,15		0,77	0,78
CLOROX COMPANY -	23.079,00	USD	72,460	1.672.304,34		0,60	0,60
COACH INC. -	11.960,00	USD	58,480	699.420,80		0,25	0,25
COCA-COLA ENTERPRISE -	67.797,00	USD	28,040	1.901.027,88		0,69	0,69
COMCAST CORP SPECIAL "A"	88.142,00	USD	31,400	2.767.658,80		1,00	1,00
CONAGRA INC -	5.220,00	USD	25,930	135.354,60		0,05	0,05
CONOCOPHILLIPS -	50.792,00	USD	55,880	2.838.256,96		1,02	1,03
CONSOLIDATED EDISON -	14.294,00	USD	62,190	888.943,86		0,32	0,32
CONSTELLATION BRANDS INC "A"	54.193,00	USD	27,060	1.466.462,58		0,53	0,53
CSX -	27.906,00	USD	22,360	623.978,16		0,23	0,23
CUMMINS INC. -	5.135,00	USD	96,910	497.632,85		0,18	0,18
CVS CAREMARK CORPORATION -	35.519,00	USD	46,730	1.659.802,87		0,60	0,60
DAVITA INC -	7.865,00	USD	98,210	772.421,65		0,28	0,28
DEERE & COMPANY -	34.700,00	USD	80,870	2.806.189,00		1,01	1,01
DELL INC -	75.013,00	USD	12,520	939.162,76		0,34	0,34
DENBURY RESOURCES INC -	26.751,00	USD	15,110	404.207,61		0,15	0,15
DICK'S SPORTING GOODS INC -	20.000,00	USD	48,000	960.000,00		0,35	0,35
DISCOVERY COMMUNICATIONS INC -	90.944,00	USD	50,090	4.555.384,96		1,64	1,65
DOLLAR TREE STORES INC. -	37.400,00	USD	53,800	2.012.120,00		0,73	0,73
DONALDSON COMPANY INC -	17.920,00	USD	33,370	597.990,40		0,22	0,22
DR HORTON INC -	33.632,00	USD	18,380	618.156,16		0,22	0,22
DR.PEPPER SNAPPLE GROUP INC -	31.232,00	USD	43,750	1.366.400,00		0,49	0,49
DTE ENERGY COMPANY -	6.658,00	USD	59,330	395.019,14		0,14	0,14
EASTMAN CHEMICAL CO -	26.013,00	USD	50,370	1.310.274,81		0,47	0,47
EBAY INC. -	21.022,00	USD	42,010	883.134,22		0,32	0,32
ELECTRONIC ARTS -	25.132,00	USD	12,350	310.380,20		0,11	0,11
ENDO HEALTH SOLUTIONS INC -	13.731,00	USD	30,980	425.386,38		0,15	0,15
ENERGIZER HOLDINGS INC. -	6.267,00	USD	75,250	471.591,75		0,17	0,17
ENTERGY CORPORATION -	16.126,00	USD	67,890	1.094.794,14		0,40	0,40
EQUINIX INC -	6.500,00	USD	175,650	1.141.725,00		0,41	0,41
EQUITY RESIDENTIAL -	9.632,00	USD	62,360	600.651,52		0,22	0,22
ESTEE LAUDER -	34.792,00	USD	54,120	1.882.943,04		0,68	0,68
EXXON MOBIL CORP -	75.244,00	USD	85,570	6.438.629,08		2,32	2,33
FAIR ISAAC INC -	21.084,00	USD	42,280	891.431,52		0,32	0,32
FIFTH THIRD BANCORPORATION -	33.917,00	USD	13,400	454.487,80		0,16	0,16
FIRST HORIZON NATL CORP -	35.023,00	USD	8,650	302.948,95		0,11	0,11
FISERV INC -	9.200,00	USD	72,220	664.424,00		0,24	0,24

FOREST LABORATORIES "A"	18.193,00	USD	34,990	636.573,07		0,23	0,23
FRANKLIN MUTUAL -	56.120,00	USD	10,580	593.749,60		0,21	0,21
GAMESTOP CORPORATION -	35.661,00	USD	18,360	654.735,96		0,24	0,24
GAP INC -	67.467,00	USD	27,360	1.845.897,12		0,67	0,67
GARDNER DENVER INC -	10.666,00	USD	52,910	564.338,06		0,20	0,20
GENERAL CABLE CORP -	26.581,00	USD	25,940	689.511,14		0,25	0,25
GENWORTH FINANCIAL INC -	18.479,00	USD	5,660	104.591,14		0,04	0,04
GILEAD SCIENCES -	11.225,00	USD	51,280	575.618,00		0,21	0,21
GOOGLE INC -A-	7.089,00	USD	580,070	4.112.116,23		1,48	1,49
HARMAN INTERNATIONAL IND. INC. -	8.802,00	USD	39,600	348.559,20		0,13	0,13
HEALTH NET INC -	9.364,00	USD	24,270	227.264,28		0,08	0,08
HELMERICH & PAYNE,INC. -	12.535,00	USD	43,480	545.021,80		0,20	0,20
HESS CORP -	25.752,00	USD	43,450	1.118.924,40		0,40	0,40
HEWLETT PACKARD -	3.286,00	USD	20,110	66.081,46		0,02	0,02
HOME DEPOT -	65.846,00	USD	52,990	3.489.179,54		1,26	1,26
HORMEL FOODS CORPORATION -	14.534,00	USD	30,420	442.124,28		0,16	0,16
HUMANA INC. -	7.509,00	USD	77,440	581.496,96		0,21	0,21
I.B.M. -	34.566,00	USD	195,580	6.760.418,28		2,44	2,44
ILLINOIS TOOL WORKS INC -	6.947,00	USD	52,890	367.426,83		0,13	0,13
INGREDION INC -	28.444,00	USD	49,520	1.408.546,88		0,51	0,51
INTEL CORP -	176.356,00	USD	26,650	4.699.887,40		1,70	1,70
INTERCONTINENTALEXCHANGE INC -	9.874,00	USD	135,980	1.342.666,52		0,48	0,49
INTERNATIONAL RECTIFIER -	14.249,00	USD	19,990	284.837,51		0,10	0,10
INTL PAPER COMP. -	4.137,00	USD	28,910	119.600,67		0,04	0,04
INTUITIVE SURGICAL INC -	2.118,00	USD	553,790	1.172.927,22		0,42	0,42
JETBLUE AIRWAYS CORP -	96.821,00	USD	5,300	513.151,30		0,19	0,19
JOHNSON & JOHNSON -	26.771,00	USD	67,560	1.808.648,76		0,65	0,65
JPMORGAN CHASE & CO -	42.430,00	USD	35,730	1.516.023,90		0,55	0,55
KLA-TENCOR CORPORATION -	19.602,00	USD	49,250	965.398,50		0,35	0,35
KOHL'S CORPORATION -	26.609,00	USD	45,490	1.210.443,41		0,44	0,44
KROGER CY -	16.703,00	USD	23,190	387.342,57		0,14	0,14
LAM RESEARCH CORP -	20.805,00	USD	37,740	785.180,70		0,28	0,28
LANDSTAR SYSTEM INC -	3.596,00	USD	51,720	185.985,12		0,07	0,07
LAS VEGAS SANDS CORP -	10.932,00	USD	43,490	475.432,68		0,17	0,17
LIFEPOINT HOSPITALS INC -	12.095,00	USD	40,980	495.653,10		0,18	0,18
LIMITED BRANDS -	14.792,00	USD	42,530	629.103,76		0,23	0,23
LINCARE HOLDINGS INC -	19.407,00	USD	34,020	660.226,14		0,24	0,24
LINCOLN NATIONAL CORPORATION -	32.935,00	USD	21,870	720.288,45		0,26	0,26
LORILLARD INC -	12.793,00	USD	131,950	1.688.036,35		0,61	0,61
LOWE'S CIE -	47.158,00	USD	28,440	1.341.173,52		0,48	0,48
MACY'S INC -	23.913,00	USD	34,350	821.411,55		0,30	0,30
MANPOWER GROUP -	7.516,00	USD	36,650	275.461,40		0,10	0,10
MARATHON OIL CORP. -	58.829,00	USD	25,570	1.504.257,53		0,54	0,54
MARRIOTT INTERNATIONAL -	21.738,00	USD	39,200	852.129,60		0,31	0,31
MASTERCARD INC -	6.773,00	USD	430,110	2.913.135,03		1,05	1,05
MC DONALD'S CORP -	25.486,00	USD	88,530	2.256.275,58		0,81	0,82
MCGRAW-HILL INC. -	30.595,00	USD	45,000	1.376.775,00		0,50	0,50
MCKESSON CORP -	14.420,00	USD	93,750	1.351.875,00		0,49	0,49
MEADWESTVACO CORP -	15.120,00	USD	28,750	434.700,00		0,16	0,16
MERCK & CO -	25.702,00	USD	41,750	1.073.058,50		0,39	0,39
MICROSOFT CORP -	153.006,00	USD	30,590	4.680.453,54		1,69	1,69
MINERALS TECHNOLOGIES INC -	6.274,00	USD	63,780	400.155,72		0,14	0,15
MONSANTO NEW	20.649,00	USD	82,780	1.709.324,22		0,62	0,62
MONSTER BEVERAGE CORP -	18.278,00	USD	71,200	1.301.393,60		0,47	0,47
MONSTER WORLDWIDE INC. -	19.505,00	USD	8,500	165.792,50		0,06	0,06
MOTOROLA SOLUTIONS INC -	23.608,00	USD	48,110	1.135.780,88		0,41	0,41
MYREXIS -	1.716,00	USD	2,610	4.478,76		0,00	0,00
MYRIAD GENETICS INC -	18.973,00	USD	23,770	450.988,21		0,16	0,16

NATIONAL-OILWELL VARCO INC -	8.939,00	USD	64,440	576.029,16		0,21	0,21
NEUSTAR INC -	51.718,00	USD	33,400	1.727.381,20		0,62	0,62
NEW JERSEY RESOURCES CORP -	109.968,00	USD	43,610	4.795.704,48		1,73	1,73
NEWMARKET CORP -	2.404,00	USD	216,600	520.706,40		0,19	0,19
NISOURCE INC. -	19.912,00	USD	24,750	492.822,00		0,18	0,18
NORFOLK STHN CP -	22.491,00	USD	71,770	1.614.179,07		0,58	0,58
NU SKIN ENTERPRISES INC "A"	16.000,00	USD	46,900	750.400,00		0,27	0,27
NVR INC -	1.133,00	USD	850,000	963.050,00		0,35	0,35
OCCID. PETROLEUM -	20.868,00	USD	85,770	1.789.848,36		0,65	0,65
OCEANEERING INTL INC -	6.528,00	USD	47,860	312.430,08		0,11	0,11
OGE ENERGY CORP -	4.961,00	USD	51,790	256.930,19		0,09	0,09
ORACLE CORP -	17.117,00	USD	29,700	508.374,90		0,18	0,18
PAPA JOHNS INTERNATIONAL INC -	30.205,00	USD	47,570	1.436.851,85		0,52	0,52
PARKER-HANNIFIN CORPORATION -	36.503,00	USD	76,880	2.806.350,64		1,01	1,01
PATTERSON-UTI ENERGY INC. -	14.079,00	USD	14,560	204.990,24		0,07	0,07
PERRIGO COMP -	10.933,00	USD	117,930	1.289.328,69		0,47	0,47
PETSMART INC -	6.942,00	USD	68,180	473.305,56		0,17	0,17
PFIZER -	162.553,00	USD	23,000	3.738.719,00		1,35	1,35
PHILIP MORRIS INTERNATIONAL INC. -	32.081,00	USD	87,260	2.799.388,06		1,01	1,01
PHILLIPS 66 -	23.820,00	USD	33,240	791.776,80		0,29	0,29
PIONEER NATURAL RESOURCES CO -	9.088,00	USD	88,210	801.652,48		0,29	0,29
PLAINS EXPLORATION & PRODUCT -	27.865,00	USD	35,180	980.290,70		0,35	0,35
PNC FINANCIAL SERVICES GROUP -	27.235,00	USD	61,110	1.664.330,85		0,60	0,60
PRICE T ROWE ASSOCIATION -	21.971,00	USD	62,960	1.383.294,16		0,50	0,50
PROASSURANCE CORP. -	976,00	USD	89,090	86.951,84		0,03	0,03
PROCTER & GAMBLE -	55.158,00	USD	61,250	3.378.427,50		1,22	1,22
QUEST DIAGNOSTICS INC -	15.856,00	USD	59,900	949.774,40		0,34	0,34
RACKSPACE HOSTING INC -	20.000,00	USD	43,940	878.800,00		0,32	0,32
ROBERT HALF -	36.509,00	USD	28,570	1.043.062,13		0,38	0,38
ROSS STORES -	11.380,00	USD	62,470	710.908,60		0,26	0,26
RYDER SYSTEM INC. -	10.526,00	USD	36,010	379.041,26		0,14	0,14
SAFEWAY INC. -	11.226,00	USD	18,150	203.751,90		0,07	0,07
SCHLUMBERGER -	1.662,00	USD	64,910	107.880,42		0,04	0,04
SEALED AIR CORPORATION -	1.165,00	USD	15,440	17.987,60		0,01	0,01
SEMPRA ENERGY -	12.715,00	USD	68,880	875.809,20		0,32	0,32
SHERWIN-WILLIAMS COMPANY -	5.149,00	USD	132,350	681.470,15		0,25	0,25
SILICON LABORATORIES INC -	12.760,00	USD	37,900	483.604,00		0,17	0,18
SIMON PROPERTY GROUP INC -	9.963,00	USD	155,660	1.550.840,58		0,56	0,56
SPRINT NEXTEL CORP -	49.969,00	USD	3,260	162.898,94		0,06	0,06
STATE STREET CORPORATION -	6.470,00	USD	44,640	288.820,80		0,10	0,10
STRAYER EDUCATION INC -	5.083,00	USD	109,020	554.148,66		0,20	0,20
SUNCOKE ENERGY INC -	3.223,00	USD	14,650	47.216,95		0,02	0,02
SUNOCO,INC. -	10.077,00	USD	47,500	478.657,50		0,17	0,17
SUNPOWER CORP -A-	2.711,00	USD	4,795	12.999,25		0,01	0,01
TARGET CORP -	10.523,00	USD	58,190	612.333,37		0,22	0,22
TECH DATA CORP -	32.049,00	USD	48,170	1.543.800,33		0,56	0,56
THE TORO COMPANY -	11.445,00	USD	73,290	838.804,05		0,30	0,30
TIME WARNER CABLE INC -	20.897,00	USD	82,100	1.715.643,70		0,62	0,62
TIMKEN COMPANY -	12.010,00	USD	45,790	549.937,90		0,20	0,20
TORCHMARK -	11.471,00	USD	50,550	579.859,05		0,21	0,21
TRACTOR SUPPLY COMPANY -	10.000,00	USD	83,060	830.600,00		0,30	0,30
TRAVELERS COS INC -	28.282,00	USD	63,840	1.805.522,88		0,65	0,65
TYSON FOODS INC -A-	82.554,00	USD	18,830	1.554.491,82		0,56	0,56
ULTA SALON COSMETICS & FRAGRAN -	10.000,00	USD	93,380	933.800,00		0,34	0,34
UNION PACIFIC CORPORATION -	15.151,00	USD	119,310	1.807.665,81		0,65	0,65
UNITEDHEALTH GROUP INC. -	12.424,00	USD	58,500	726.804,00		0,26	0,26
US BANCORP -	44.487,00	USD	32,160	1.430.701,92		0,52	0,52
VALERO ENERGY CORPORATION -	16.139,00	USD	24,150	389.756,85		0,14	0,14

VERISIGN INC. -	9.610,00	USD	43,570	418.707,70		0,15	0,15
VERIZON COMMUNICATIONS INC -	22.153,00	USD	44,440	984.479,32		0,36	0,36
VORNADO REALTY TRUST -	4.562,00	USD	83,980	383.116,76		0,14	0,14
WAL-MART STORES -	49.507,00	USD	69,720	3.451.628,04		1,25	1,25
WARNACO -	9.390,00	USD	42,580	399.826,20		0,14	0,14
WATSON PHARMACEUTICALS INC -	22.609,00	USD	73,990	1.672.839,91		0,60	0,60
WATTS WATER TECHNOLOGIES INC "A"	20.928,00	USD	33,340	697.739,52		0,25	0,25
WEATHERFORD INTERNATIONAL -	10.661,00	USD	12,630	134.648,43		0,05	0,05
WELLPOINT INC -	21.023,00	USD	63,790	1.341.057,17		0,48	0,48
WELLS FARGO COMPANY -	74.617,00	USD	33,440	2.495.192,48		0,90	0,90
WESTERN DIGITAL CORP -	11.212,00	USD	30,480	341.741,76		0,12	0,12
WORTHINGTON INDUSTRIES,INC. -	14.969,00	USD	20,470	306.415,43		0,11	0,11
WYNDHAM WORLDWIDE CORP -	56.923,00	USD	52,740	3.002.119,02		1,08	1,08
YAHOO INC. -	28.361,00	USD	15,830	448.954,63		0,16	0,16
ZIMMER HOLDINGS INC. -	12.195,00	USD	64,360	784.870,20		0,28	0,28
Total shares				275.363.360,54		99,28	99,46
TOTAL SECURITIES PORTFOLIO				277.349.143,65		100,00	100,18
COLLATERAL RECEIVED							
<u>Belgium</u>							
KBC GROUP COLLATERAL EUR	1.022.186,27	EUR	1,000	1.297.256,60			0,47
TOTAL RECEIVED COLLATERAL				1.297.256,60			0,47
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP CAD	39.338,61	CAD	1,000	38.589,09			0,01
KBC GROUP EURO	-1.142.626,77	EUR	1,000	-1.450.107,63			-0,52
KBC GROUP GBP	-6.655,70	GBP	1,000	-10.439,68			0,00
KBC GROUP USD	96.008,06	USD	1,000	96.008,06			0,04
Total demand accounts				-1.325.950,16			-0,48
Managed futures accounts							
<u>Belgium</u>							
KBC GROUP FUT.REK.GBP	6.654,05	GBP	1,000	10.437,10			0,00
KBC GROUP USD FUT REK	1.019.436,61	USD	1,000	1.019.436,61			0,37
Total managed futures accounts				1.029.873,71			0,37
TOTAL CASH AT BANK AND IN HAND				-296.076,45			-0,11
OTHER RECEIVABLES AND PAYABLES							
Receivables							
<u>Belgium</u>							
KBC GROUP USD RECEIVABLE	29.665,32	USD	1,000	29.665,32			0,01
Total receivables				29.665,32			0,01
Payables							
<u>Belgium</u>							
KBC GROUP COUNTERPART ENTRY COLLATERAL IN EUR	-1.022.186,27	EUR	1,000	-1.297.256,60			-0,47
KBC GROUP EUR PAYABLE	-255.107,97	EUR	1,000	-323.757,52			-0,12
KBC GROUP USD PAYABLE	-34.177,70	USD	1,000	-34.177,70			-0,01
Payables				-1.655.191,82			-0,60
TOTAL RECEIVABLES AND PAYABLES				-1.625.526,50			-0,59

OTHER						
Interest receivable		USD		209.829,20		0,08
Accrued interest		USD		828,99		
Expenses payable		USD		-147.916,13		-0,05
Expenses to be carried forward		USD		65.783,32		0,02
TOTAL OTHER				128.525,38		0,05
TOTAL NET ASSETS				276.853.322,68		100,00

Geographic breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Argentina	0,17	0,00	0,00	0,00
Australia	0,15	0,00	0,00	0,00
Bermuda	0,87	0,64	0,39	1,59
Canada	0,98	0,96	1,15	0,43
U.K.	0,00	0,17	0,00	0,00
Ireland	1,97	1,78	0,57	1,04
Mexico	0,38	0,31	0,25	0,00
Singapore	0,00	0,21	0,00	0,20
U.S.A.	95,48	95,93	97,64	96,74
Total	100,00	100,00	100,00	100,00

Sector breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Cyclicals	23,51	25,65	22,66	17,71
Consum(cycl)	12,89	12,60	14,38	14,76
Cons.goods	15,27	13,73	15,93	17,03
Pharma	10,40	12,37	12,93	11,19
Financials	14,58	13,46	11,26	11,57
Technology	17,28	15,97	15,89	21,34
Telecomm.	2,51	2,77	2,91	1,92
Utilities	2,52	2,11	3,01	3,36
Real est.	1,04	1,34	1,03	0,91
Unit trusts	0,00	0,00	0,00	0,21
Total	100,00	100,00	100,00	100,00

Currency breakdown (as a % of net assets)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
CAD	0,72	0,84	0,84	0,01
EUR	-0,11	-0,22	0,52	0,08
USD	99,39	99,38	98,64	99,91
Total	100,00	100,00	100,00	100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC EQUITY FUND AMERICA (IN THE CURRENCY OF THE SUB-FUND)

	1st half of year	Year
Purchases	259.453.343,10	259.453.343,10
Sales	147.781.827,27	147.781.827,27
Total 1	407.235.170,37	407.235.170,37
Subscriptions	203.405.046,31	203.405.046,31
Redemptions	90.514.945,54	90.514.945,54
Total 2	293.919.991,85	293.919.991,85
Monthly average of total assets	265.122.859,07	265.122.859,07
Turnover rate	42,74 %	42,74 %

	1st half of year	Year
Purchases	259.453.343,10	259.453.343,10
Sales	147.781.827,27	147.781.827,27
Total 1	407.235.170,37	407.235.170,37
Subscriptions	203.405.046,31	203.405.046,31
Redemptions	90.514.945,54	90.514.945,54
Total 2	293.919.991,85	293.919.991,85
Monthly average of total assets	266.843.703,10	266.843.703,10
Corrected turnover rate	42,46 %	42,46 %

The table above shows the capital volume of portfolio transactions. This volume (adjusted to take account of total subscriptions and redemptions) is also compared to the average net assets at the beginning and end of the period.

A figure close to 0% implies that the transactions relating to the securities or transactions relating to the assets (excluding deposits and cash) in a given period only involve subscriptions and redemptions.

A negative percentage shows that subscriptions and redemptions entailed few, if any, transactions in the portfolio.

Active asset management may result in high turnover rates (monthly percentage >50%).

The detailed list of transactions is available for consultation free of charge at the registered office of the Bevek or fund at Havenlaan 2, 1080 Brussels.

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

NAME	Currency	Value in currency	In the currency of the sub-fund	Lot-size	Transaction date
KBC COLLATERAL EUR	EUR	1.022.186,27	1.297.256,60	N/A	29.06.2012

2.4.4 CHANGES OF THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND THE NET ASSET VALUE

Classic Shares

Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2010 - 06	1.027.404,02	1.758,43	875.586,22	1.848,00	498.560,42	3.731,43	502.291,85
2011 - 06	538.325,56	4.796,90	573.129,62	4.945,00	463.756,36	3.583,33	467.339,69
2012 - 06	146.585,99	507,00	584.444,18	1.250,00	25.898,18	2.840,33	28.738,50

Period	Amounts received and paid by the UCI (in the currency of the class)				
Year	Subscriptions		Redemptions		
	Capitalization	Distribution	Capitalization	Distribution	
2010 - 06	1.153.176.676,75	1.589.538,88	1.000.061.608,28	1.621.646,62	
2011 - 06	699.791.450,07	5.125.465,28	744.681.038,00	5.526.505,19	
2012 - 06	197.236.154,17	575.427,54	742.912.221,23	1.365.290,31	

Period	Net asset value End of period (in the currency of the class)			
Year	Of the class	Of one share		
		Capitalization	Distribution	
2010 - 06	546.476.648,78	1.089,62	866,65	
2011 - 06	659.724.358,40	1.413,87	1.125,00	
2012 - 06	40.563.129,98	1.440,69	1.144,86	

Institutional B Shares

Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2012 - 06	330.010,00		166.168,00		163.842,00		163.842,00

Period	Amounts received and paid by the UCI (in the currency of the class)				
Year	Subscriptions		Redemptions		
	Capitalization	Distribution	Capitalization	Distribution	
2012 - 06	446.048.247,51		228.196.502,71		

Period	Net asset value End of period (in the currency of the class)			
Year	Of the class	Of one share		
		Capitalization	Distribution	
2012 - 06	236.290.192,71	1.442,18		

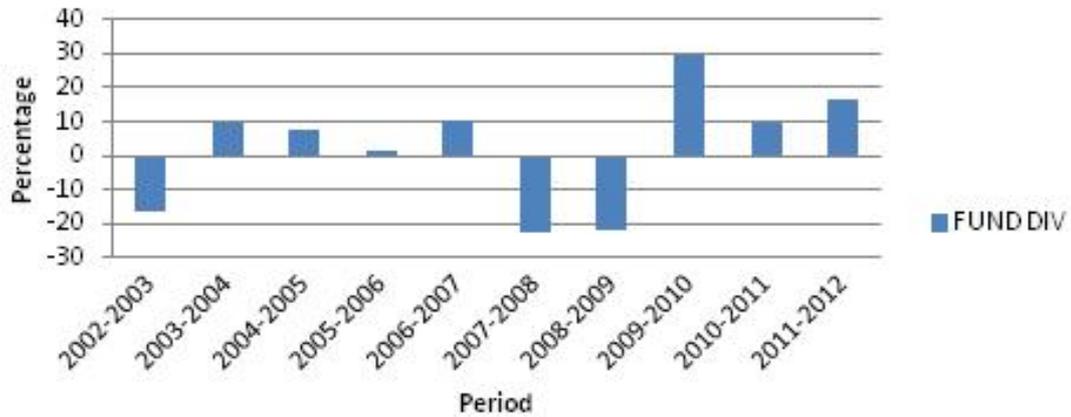
2.4.5 PERFORMANCE FIGURES

Classic Shares

BE0152249562

KBC Equity Fund - America - DIV:

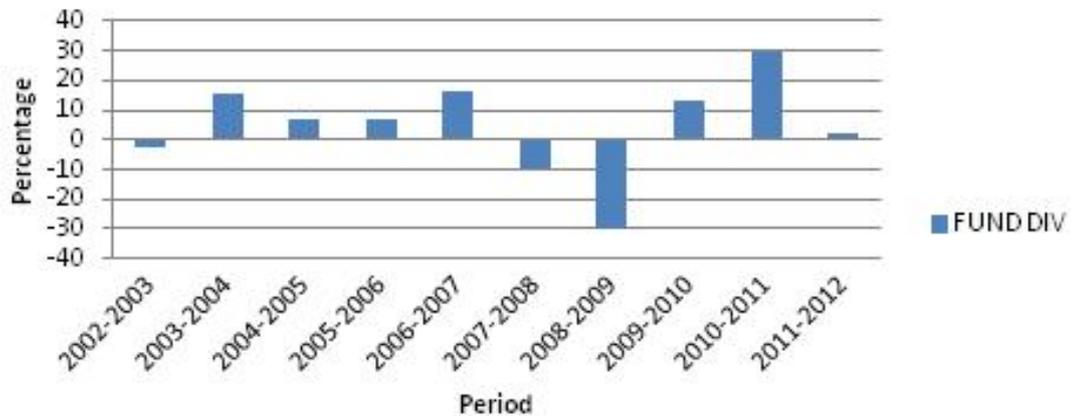
Annual performance on 30/06/2012 (in EUR)



BE0152249562

KBC Equity Fund - America - DIV:

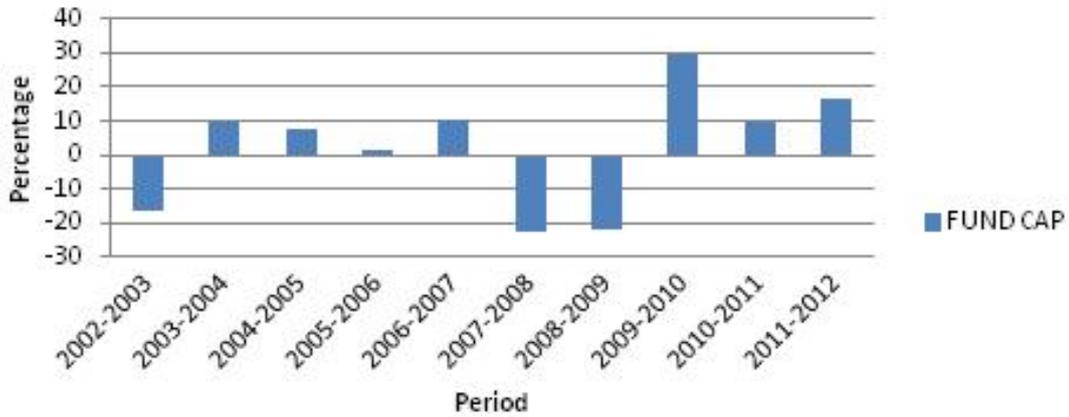
Annual performance on 30/06/2012 (in USD)



BE0126162628

KBC Equity Fund - America - CAP:

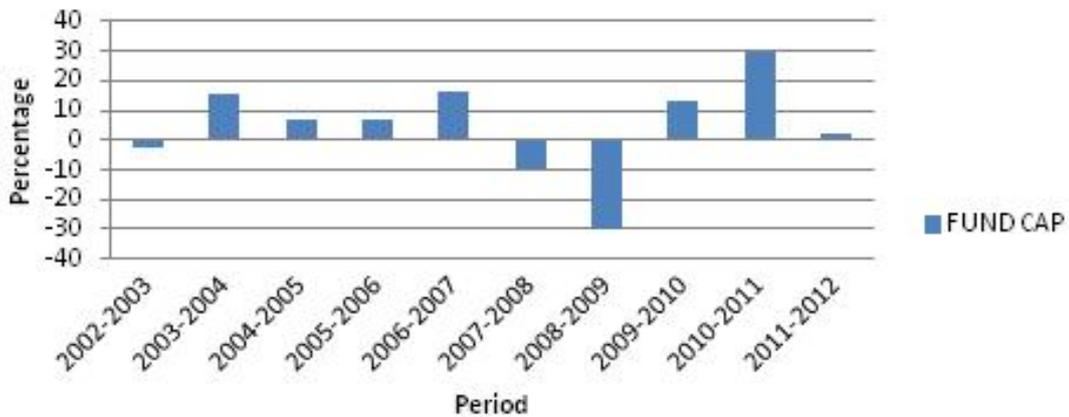
Annual performance on 30/06/2012 (in EUR)



BE0126162628

KBC Equity Fund - America - CAP:

Annual performance on 30/06/2012 (in USD)



Cap Div	ISIN code	Currency	1 Year		3 Years*		5 Years*		10 Years*		Since launch*	
			Share classes	Bench mark	Launch Date	Share classes						
CAP	BE0126162628	EUR	16.41%		18.29%		0.12%		1.00%		17/04/1991	4.65%
CAP	BE0126162628	USD	1.90%		14.41%		-1.12%		3.56%		17/04/1991	5.12%
DIV	BE0152249562	EUR	16.38%		18.30%		0.12%		0.99%		17/04/1991	4.75%
DIV	BE0152249562	USD	1.87%		14.42%		-1.12%		3.56%		17/04/1991	5.11%

Risk warning: Past performance is not a guide to future performance.

* Return on annual basis.

Institutional B Shares

The cumulative returns are shown where they relate to a period of at least one year.

Classic Shares

- The bar chart shows the performance for full financial years.
- The figures do not take account of any restructuring.
- Calculated in USD and in EUR.
- The return is calculated as the change in the net asset value between two dates expressed as a percentage. In the case of units that pay dividends, the dividend is incorporated geometrically in the return.
- Calculation method for date D, where NAV stands for net asset value:

Capitalisation units (CAP)

Return on date D over a period of X years:

$$[\text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where $Y = D - X$

Return on date D since the start date S of the unit:

$$[\text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where $F = 1$ if the unit has existed for less than one year on date D

where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D

Distribution units (DIV)

Return on date D over a period of X years:

$$[C * \text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where $Y = D - X$

Return on date D since the start date S of the unit:

$$[C * \text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where $F = 1$ if the unit has existed for less than one year on date D

where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D

where C is a factor that is determined for all N dividends between the calculation date D and the reference date.

For dividend i on date Di with value Wi:

$$C_i = [W_i / \text{NIW}(D_i)] + 1$$

$i = 1 \dots N$

from which $C = C_0 * \dots * C_N$.

- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the n^{th} square root of 1 plus the total return of the unit.
- The return figures shown above do not take account of the fees and charges associated with the issue and redemption of units.

These are the performance figures for capitalisation and distribution shares.

2.4.6 COSTS

Total expense ratio (TER): *

Classic Shares Distribution: 1.324%
Classic Shares Capitalization: 1.324%
Institutional B Shares Capitalization: Not applicable

Percentage calculated at the end of the financial year: 31 December

* The following costs have not been included in the TER:

- Transaction charges
- Interest payments on loans taken out
- Payments in respect of financial derivatives
- Fees and charges paid directly by the investor
- Any soft commissions

SOFT COMMISSIONS

The management company or the appointed manager, as the case may be, is the recipient of soft commissions.

The recipient has laid down an internal policy as regards accepting soft commissions and avoiding possible conflicts of interest in this respect, and has put appropriate internal controls in place to ensure this policy is observed.

For more information, please see the 'General' section of the annual report.

	Commission gross in EUR paid during the period: 1-01-12 -	CSA Credits in EUR accrued during the period: 1-01-12 -	
Broker	30-06-12	30-06-12	Percentage
CITI	625	391	62.50%
CSFBSAS	32,208	20,094	62.39%
EQ CSA MACQUARIE	3,594	2,247	62.50%
JP MORGAN	52,518	43,222	82.30%
MORGAN STANLEY	748	415	55.56%
UBSWDR	64,514	40,180	62.28%

FEE-SHARING AGREEMENTS AND REBATES:

The management company may share its fee with the distributor, and institutional and/or professional parties.

In principle, the percentage share amounts to between 35% and 60% if the distributor is an entity of KBC Group NV or to between 35% and 70% if the distributor is not an entity of KBC Group NV. However, in a small number of cases, the distributor's fee is less than 35%. Investors may, on request, obtain more information on these cases.

If the management company invests the assets of the undertaking for collective investment in units of undertakings for collective investment that are not managed by an entity of KBC Group NV, and receives a fee for doing so, it will pay this fee to the undertaking for collective investment.

Fee-sharing does not affect the amount of the management fee paid by the sub-fund to the management company. This management fee is subject to the limitations laid down in the articles of association. The limitations may only be amended after approval by the general meeting of shareholders.

The management company has concluded a distribution agreement with the distributor in order to facilitate the wider distribution of the sub-fund's units by using multiple distribution channels.

It is in the interests of the holders of units, the sub-fund and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund to be maximised in this way. In this respect, there is therefore no question of any conflict of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: 1.25% per annum calculated on the basis of the average total net assets of the sub-fund, excluding those assets invested in investment undertakings managed by a financial institution of the KBC group.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the average total net assets of the sub-fund.

Auditor's fee: 1 700 EUR per year. This fee is not including VAT and will be increased at the end of the 3-year mandate.

The custody fee is calculated on the value of the securities held in custody by the custodian on the final banking day of the preceding calendar year, except on those assets invested in investment undertakings managed by a financial institution of the KBC group. The custody fee is paid at the beginning of the calendar year.

Social, ethical and environmental aspects:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

Exercising voting rights

If necessary, relevant and in the interest of the shareholders, the management company will exercise the voting rights attached to the shares in the Bevek's portfolio.

The management company will adhere to the following criteria when determining how it stands relative to the items on the agenda that are put to the vote:

- Shareholder value may not be adversely affected.
- Corporate governance rules, especially with regard to the rights of minority shareholders, must be respected.
- The minimum standards with regard to sustainable business and corporate social responsibility must be met.

The list of companies for which voting rights are exercised is available at the registered office of the Bevek.

Securities lending

In accordance with the Royal Decree of 7 March 2006 concerning securities lending, the undertaking for collective investment has taken out securities loans with a principal to whom the full title of the loaned securities was transferred, without recording this transfer of ownership in the accounts.

For the period from 1 January 2012 to 30 June 2012, the fee for securities lent comes to - 42,789.56 USD. KBC Asset Management NV receives 50% of the net fee received for securities lent. The detailed list of securities lending transactions carried out can be obtained from the registered office of the collective investment undertaking at 2 Havenlaan, 1080 Brussels.

Overview of securities lent as at 30/06/2012

Name	Currency	Quantity	Price	Value in currency of the portfolio
ROGERS COMMUNICATIONS INC - CL B	USD	32.900	36,210	1.191.309,01
Total				1.191.309,01

Details of collateral received for securities lent

Name	Currency	Nominal value	Currency fund	Value in Currency fund
BUNDESREPUB.DTL. 2011 2.25% 04/09/21	EUR	28.000	USD	38.847,25
OAT FRANCE 2003 4% 25/04/14	EUR	86.000	USD	117.085,02
FRANCE 2007 4,50% 12/07/2012	EUR	195.000	USD	258.626,94
BTF FRANCE 2012 T-BILL 07/02/13	EUR	696.000	USD	882.697,39
Total				1.297.256,60

For the valuation of the collateral received, indicative prices have been used in this detail list by the Collateral Management Division of KBC Bank.

TABLE OF CONTENTS

- 2. Information on KBC Equity Fund Eastern Europe
 - 2.1. Management report
 - 2.1.1. Launch date and subscription price
 - 2.1.2. Stock exchange listing
 - 2.1.3. Aim and distinctive features of the investment policy
 - 2.1.4. Financial portfolio management
 - 2.1.5. Distributors
 - 2.1.6. Index and benchmark
 - 2.1.7. Policy conducted during the financial year
 - 2.1.8. Future policy
 - 2.1.9. Synthetic risk and reward indicator (SRRI)
 - 2.2. Balance sheet
 - 2.3. Profit and loss account
 - 2.4. Composition of the assets and key figures
 - 2.4.1. Composition of the assets
 - 2.4.2. Change in the composition of the assets
 - 2.4.3. Value of commitments in respect of financial derivatives positions
 - 2.4.4. Evolution of the number of subscriptions, repayments and the net asset value
 - 2.4.5. Return figures
 - 2.4.6. Expenses
 - 2.4.7. Notes to the financial statements and other data

2 INFORMATION ON KBC EQUITY FUND EASTERN EUROPE

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Classic Shares :

Launch date: 6 October 1995

Initial subscription price: 20000 BEF

Currency: EUR

Institutional B Shares :

Launch date: 24 November 2011

Initial subscription price: 1218.24 EUR

Currency: EUR

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

The main objective of this sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. To this end, the assets are invested, either directly or indirectly via correlated financial instruments, primarily in shares.

SUB-FUND'S INVESTMENT POLICY:

PERMITTED ASSET CLASSES:

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the sub-fund's object.

The sub-fund shall invest no more than 10% of its assets in units of other undertakings for collective investment.

RESTRICTIONS OF THE INVESTMENT POLICY:

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

PERMITTED DERIVATIVES TRANSACTIONS:

Derivates may be used either for hedging purposes or to achieve investment objectives.

Changes will be made to the investments at regular intervals to comply with the sub-fund's investment strategy. **In addition, listed and unlisted derivates may be used to achieve the objectives:** these may be forward contracts, options or swaps on securities, indices, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions. **Such derivatives may also be used to hedge the assets against exchange-rate fluctuations.** Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions.

STRATEGY SELECTED

At least 75% of the assets are invested in shares of companies in Central and Eastern European countries where conditions are such as to ensure accelerated economic growth in the short or medium term.

RISK CONCENTRATION

Shares of Central and Eastern Europe.

LENDING FINANCIAL INSTRUMENTS:

The sub-fund may lend financial instruments within the limits set by law and regulations.

This lending does not affect the sub-fund's risk profile since:

- it takes place within the framework of a securities lending system managed by a principal. In addition, the sub-fund has a relationship only with the principal of the securities lending system which acts as counterparty and to which title of the loaned securities is transferred. The choice of principal is subject to strict selection criteria. The return of securities similar to the securities that have been lent is guaranteed by the principal.
- through a margin management system, the sub-fund is always guaranteed financial security, the actual value of which always exceeds the actual value of the securities that have been lent, in case the principal does not return similar securities.

The return of securities similar to the securities that have been lent can be requested at any time, which means that the lending of securities does not affect the management of the sub-fund's assets. By lending securities, the sub-fund can generate an additional return. The principal pays a fee to the management company. After deducting the fee for the margin management and clearing services of KBC Bank, most of this fee is paid to the sub-fund.

The relationship with the counterparty or counterparties is governed by standard international agreements.

More information is provided on the terms and conditions governing securities lending in the annual or half-yearly report for the sub-fund.

VOLATILITY OF THE NET ASSET VALUE:

The volatility of the net asset value may be high due to the composition of the portfolio.

GENERAL STRATEGY FOR HEDGING THE EXCHANGE RATE RISK:

In order to protect its assets against exchange rate fluctuations and within the limitations laid down in the articles of association, the sub-fund may perform transactions relating to the sale of forward currency contracts, as well as the sale of call options and the purchase of put options on currencies. The transactions in question may relate solely to contracts traded on a regulated market that operates regularly, is recognised and is open to the public or that are traded with a recognised, prime financial institution specialising in such transactions and dealing in the over-the-counter (OTC) market in options. With the same objective, the sub-fund may also sell currencies forward or exchange them in private transactions with prime financial institutions specialising in such transactions. The hedging objective of the aforementioned transactions suggests that there is a direct link between these transactions and the assets to be hedged, which implies that the transactions carried out in a particular currency may in principle not exceed, in terms of volume, either the valuation value of all the assets in the same currency or the holding period of those assets.

SOCIAL, ETHICAL AND ENVIRONMENTAL ASPECTS:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

THE EUROPEAN SAVINGS DIRECTIVE AND TAX ON DEBT CLAIM RETURNS OBTAINED THROUGH THE REDEMPTION OF OWN UNITS OR IN THE EVENT OF FULL OR PARTIAL DISTRIBUTION OF EQUITY CAPITAL.

The following information is of a general character and is not intended to cover all aspects of an investment in a UCITS. In certain cases entirely different rules might even apply. Moreover, both tax law and the interpretation of it can change. Investors who wish to have more information about the tax implications – in both Belgium and abroad – of acquiring, holding and transferring units should seek the advice of their usual financial and tax advisers.

This UCITS shall invest a maximum of 15% of its assets directly or indirectly in debt instruments as intended by the European Savings Directive.

A. European Savings Directive (Directive 2003/48/EC)

The European Savings Directive has been implemented in Belgium through:

- The Law of 17 May 2004 transposing into Belgian law Directive 2003/48/EC of 3 June 2003 of the Council of the European Union on taxation of savings income in the form of interest payments and amending Income Tax Code 1992 on withholding tax;
- The Royal Decree of 27 September 2009 implementing Article 338bis § 2 of Income Tax Code 1992;
- The Royal Decree of 27 September 2009 concerning the entry into effect of Article 338bis § 2, paragraphs one to three, of Income Tax Code 1992;

Since this UCITS invests a maximum of 15% of its assets directly or indirectly in debt claims as intended by the European Savings Directive, the income of this UCITS does not fall within the scope of this directive.

B. Tax on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital (Article 19bis Income Tax Code 1992).

The income from this UCITS is not subject to the tax on debt instrument returns as intended by Article 19bis, Income Tax Code 1992.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company has delegated the intellectual management, to CSOB Asset Management a.s., Radlicka 333/150 , 150 57 Praha 5, CZECH REPUBLIC..

2.1.5 DISTRIBUTORS

KBC Asset Management S.A., 5, Place de la Gare, L-1616 Luxembourg.

2.1.6 INDEX AND BENCHMARK

See 'Sub-fund's investment policy'.

2.1.7 POLICY PERSUED DURING THE FINANCIAL YEAR

Equities enjoyed strong growth in the first quarter of the year driven by rather political decisions. ECB introduced second round of long term refinancing operations (LTRO), Greece received new aid package and European stability mechanism fund (ESM) increased its capacity. Two rounds of LTROs reached altogether stunning 1 trillion EUR of liquidity provided by ECB. However, political measures proved to have positive effect on markets for short period of time only. In the second quarter, worse macro data in Europe, China and US showed global slow-down may be sharper than previously expected. Moreover, Greek elections brought deadlock result in May, which increased the risk of a chaotic bankruptcy with all negative effects to the rest of Europe. Repeated elections a month later were successful for pro-savings parties. Investors focused also on deteriorating situation in Spain and Italy. Eventually, Spanish banks received new aid from EU in the amount of 100 bln EUR.

Looking at the region, the winner and best performing market was Turkey, which seemed to decouple from the overall risk-off/on changes in global sentiment. Turkey grows rapidly at level close to 4 %, has low indebtedness and steady to falling unemployment. Current account (C/A) deficit and its financing became the main challenge for the Central bank of Turkey (CBT), which fights speculative capital since the beginning of last year. Despite some scepticism towards such monetary policy, CBT managed to keep Turkish lira within relatively tight range (between 2.3 – 2.4 TRY per EUR) with strengthening trend. Last but not least, fall in oil prices eased pressure on the energy trade deficit lowering the overall C/A deficit risk. The Turkish market increased by 31 % in euro terms, also thanks to the 8% appreciation of the currency. We started the year with cautious approach towards Turkish assets given the risk of abrupt capital outflows in the case of deteriorating situation in Europe. However, lower commodity prices and surprisingly (for us) successful monetary policy made us to change our view towards Turkey. From the second quarter on, we increased our exposure to Turkey with positive effects on the fund performance.

Russian stocks experienced a period of significant volatility. Investors were a bit wary of the political situation and mass protests in Russia, which eventually calmed down. Initially, Oil & Gas stocks were not performing as well as expected given the surge in the oil price to around 125 USD/barrel in the first quarter. The second quarter was nearly a mirror image of the first one. May was especially dreadful as the Russian market was under pressure from the escalation of the euro zone crisis. The Brent oil price plunged by almost 15 % to below 100 USD/barrel and the MICEX index reached almost two-year lows, levels not seen since the heavy selloff in May 2010. At the end of the first half of the year, the Russian stock market somewhat recovered as investors' risk appetite improved after many euro zone worries were partially resolved. MSCI Russia eventually recorded 4.4 % (in eur) increase in the first half of the year. Given high commodity prices and calming down of the political situation, Russian assets were preferred during the first quarter. Worsening oil fundamentals and easing tension concerning Iranian nuclear program in the second quarter led us to move some weight off Russian assets to Turkey which clearly benefited from lower commodity prices.

Central European (CE) markets followed global trend with positive returns in the first quarter and sell-off in the second. The best performing market in the CE was Hungary thanks to lower base from previous year and turn-around in negotiations between the Hungarian government and IMF/EU. Prime Minister Orban eventually stepped back from controversial amendments, which were criticised by EU and IMF. Hungarian forint gave positive reaction and strongly appreciated by 9.4 % to euro. In euro terms, Hungarian market increased by 16 %. Polish market, which has currently the most favourable macro background in the CE region, gained 14.3 % in euro terms, supported by the appreciation of the Polish zloty by 5.5 %. Czech market was the clear laggard in the region, troubled by low liquidity and lack of interest from international investors. It was the only equity market in the region ending in red. MSCI Czech Republic decreased by 1.05 %. Because of non-transparent fiscal policy in Hungary, we are strategically underweight there. Czech companies didn't have specific drivers during the first half of 2012. Czech market performs well during downturns and our lower exposure reflected slightly bullish bias. Most preferred market within CE region was Poland. Polish market offers sector diversification and both growth and value stories.

Overall, KBC Equity Fund Eastern Europe increased by 10.07 % in the first half of the year, beating MSCI Emerging Europe by 1 % mainly thanks to higher exposure to Turkey. Good timing in reducing exposure to Russia and buying more of Turkey in the second quarter was also positive. On the other hand, limited position in Hungary was among main negatives given its good performance.

2.1.8 FUTURE POLICY

On one hand, markets are currently concerned over euro zone debt situation and slow down in China and US. On the other hand, hopes are raised by possible interventions of both monetary authorities and governments. Investors look for signs of the third round of quantitative easing by FED (so called QE3) and higher determination and ability to reach consensus among top EU partners in battling debt crisis and spill-over effects.

China is broadly expected to be successful in handling cooling economy and rising social tensions, which may bring negative surprises if it fails to deliver.

Even though we keep mildly bullish base case scenario, our approach takes into account risks on the downside. Therefore, we prefer countries with small structure imbalances and healthy financial system. These apply well to Turkey, Poland and to less extent to the Czech Republic. Hungarian market fails due to high political risks represented by controversial policy of PM Orban. Russia seems to fit, even though it is slowing down. However, the growth is still decent (3-4 % in 2012). Risks are in oil price development, which may create pressure on fiscal policy due to the firm relation between oil price and budget revenues. The old-new president Putin also seems to be avoiding necessary long term reforms. Russian equities are cheap on historical basis, but unless outlook for global demand changes, we don't expect swift appreciation. Moreover, unclear taxation system, which is changing rapidly, justifies cautious approach and current valuation. Turkey, on the other hand, seems to be the right candidate also for the second half of the year. We expect to see further soft landing signs in this country. If pressure on the C/A deficit continues to ease, we may also be surprised by a credit rating hike to an investment grade. Even though, this is not included in our base case scenario, we start second half of the year with positive bias towards Turkish assets. Risk is still represented by the C/A deficit, which is still financed with short term money. Deterioration in the euro-zone followed by liquidity squeeze may lead to large capital outflows magnified by accompanying drop in global demand.

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

Classic Shares: 7 on a scale of 1 (lowest risk) to 7 (highest risk).

Institutional B Shares: 7 on a scale of 1 (lowest risk) to 7 (highest risk).

The value of a share can decrease or increase and the investor may not get back the amount invested.

In accordance with Commission Regulation (EU) No. 583/2010, a synthetic risk and reward indicator has been calculated. This indicator provides a quantitative measure of the sub-fund's potential return and the risk involved, calculated in the currency in which the sub-fund is denominated. It is given as a figure between 1 and 7. The higher the figure, the greater the potential return, but also the more difficult it is to predict this return. Losses are possible too. The lowest figure does not mean that the investment is entirely free of risk. However, it does indicate that, compared with the higher figures, this product will generally provide a lower, but more predictable return.

The synthetic risk and reward indicator is assessed regularly and can therefore go up or down based on data from the past. Data from the past is not always a reliable indicator of future risk and return.

The most recent indicator can be found under the 'Risk and reward profile' heading in the 'Key Investor Information' document.

2.2 BALANCE SHEET

Balance sheet layout	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
TOTAL NET ASSETS	53.787.273,04	103.354.431,25
II. Securities, money market instruments, UCIs and derivatives		
A. Bonds and other debt instruments		
a) Bonds		
a) Collateral received in the form of bonds	8.591.579,10	15.805.594,51
C. Shares and similar instruments		
a) Shares	53.777.131,94	102.686.574,52
Of which securities lent	8.633.700,67	15.160.431,51
E. Open-end undertakings for collective investment	0,55	353.946,61
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable	7.166,20	90.566,35
B. Payables		
a) Accounts payable (-)	-231.959,09	-365.476,82
c) Borrowings (-)	-102.162,75	-413.068,43
d) Collateral (-)	-8.591.579,10	-15.805.594,51
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	19.552,06	452.506,05
VI. Accruals and deferrals		
A. Expense to be carried forward	23.568,98	22.169,07
B. Accrued income	317.477,87	607.074,27
C. Accrued expense (-)	-23.502,72	-79.860,37
TOTAL SHAREHOLDERS' EQUITY	53.787.273,04	103.354.431,25
A. Capital	47.777.907,24	108.603.941,19
B. Income equalization	19.309,86	-31.551,33
D. Result for the period	5.990.055,94	-5.217.958,61

Off-balance-sheet headings

I Collateral (+/-)		
I.A Collateral (+/-)		
I.A.A Securities/market instruments	8.591.579,10	15.805.594,51
IX Financial instruments lent	8.633.700,67	15.160.431,51

2.3 PROFIT AND LOSS ACCOUNT

Income Statement	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
I. Net gains(losses) on investments		
C. Shares and similar instruments		
a) Shares	3.850.762,36	-1.144.819,48
b) Closed-end undertakings for collective investment	-2.205,71	6.952,81
D. Other securities		-84,52
E. Open-end undertakings for collective investment	-0,09	104.850,50
H. Foreign exchange positions and transactions		
b) Other foreign exchange positions and transactions	2.103.699,37	-4.654.794,87
II. Investment income and expenses		
A. Dividends	601.713,23	1.194.466,93
B. Interests		
a) Securities and money market instruments	-12.819,06	49.986,35
b) Cash at bank and in hand and deposits	1.356,97	7.885,67
C. Interest on borrowings (-)	-1.893,26	-883,36
III. Other income		
B. Other		207.552,00
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-40.563,57	-130.093,30
B. Financial expenses (-)	-488,65	-1.755,69
C. Custodian's fee (-)	-21.760,91	-18.847,62
D. Manager's fee (-)		
a) Financial management		
Classic Shares	-439.218,16	-694.458,27
b) Administration and accounting management	-28.354,92	-51.247,13
E. Administrative expenses (-)	-575,21	-8,79
F. Formation and organisation expenses (-)	-3.323,05	-4.080,11
G. Remuneration, social security charges and pension	-4,20	-19,34
H. Services and sundry goods (-)	-6.349,11	-8.038,02
J. Taxes		
Classic Shares	-7.131,89	-33.166,02
K. Other expenses (-)	-2.788,20	-47.356,35
Income and expenditure for the period		
Subtotal II + III + IV	37.800,01	469.936,95
V. Profit (loss) on ordinary activities before tax	5.990.055,94	-5.217.958,61
VII. Result for the period	5.990.055,94	-5.217.958,61

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC EQUITY FUND EASTERN EUROPE

Name	Quantity on 30/06/2012	Currency	Price in currency	Evaluation (in the currency of the sub-fund)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
Investment funds							
Closed-end funds							
Listed closed-end investment funds							
<u>Russia</u>							
RENAISSANCE ASSET MANAGERS RUSSIAN POWER UTILITIES	0,14	USD	5,000	0,55			
<u>U.S.A.</u>							
UKRAINE FUND -	2.000,00	USD	0,000	0,00			
Total investment funds				0,55			
Shares							
Exchange-listed shares							
<u>Czech Republic</u>							
CEZ A.S. -	45.000,00	CZK	696,900	1.228.234,05		2,28	2,28
TELEFONICA CZECH REPUBLIC -	10.000,00	CZK	385,000	150.785,26		0,28	0,28
<u>Hungary</u>							
GEDEON RICHTER -	2.000,00	HUF	37.200,000	260.358,34		0,48	0,48
MAGYAR OLAJ-ES GAZIPARI RT. -	14.000,00	HUF	16.300,000	798.572,23		1,49	1,49
OTP BANK RT. -	20.000,00	HUF	3.570,000	249.860,02		0,47	0,47
<u>Netherlands</u>							
X5 RETAIL GROUP NV -GDR-	15.000,00	USD	22,750	268.891,34		0,50	0,50
<u>Poland</u>							
ASSECO POLAND SA -	90.000,00	PLN	48,800	1.037.023,04		1,93	1,93
BANK PEKAO SA -	25.000,00	PLN	151,500	894.290,71		1,66	1,66
BRE -	6.000,00	PLN	296,900	420.617,68		0,78	0,78
JASTRZEBSKA SPOLKA WEGLOWA -	10.000,00	PLN	100,000	236.116,36		0,44	0,44
KERNEL HOLDING SA -	20.000,00	PLN	60,950	287.825,84		0,54	0,54
KGHM POLSKA MIEDZ SA -	30.000,00	PLN	145,000	1.027.106,16		1,91	1,91
POLISH OIL & GAS -	300.000,00	PLN	4,150	293.964,87		0,55	0,55
POLSKA GRUPA ENERGETYCZNA SA -	40.000,00	PLN	19,440	183.604,08		0,34	0,34
POLSKI KONCERN NAFTOWY ORLEN SA -	120.000,00	PLN	37,410	1.059.973,55		1,97	1,97
POWOSZECHNA KASA OSZCZEDNOSCI BANK -	180.000,00	PLN	34,600	1.470.532,68		2,73	2,73
POWSZECHNY BANK KREDYTOWY SA -	26.000,00	PLN	334,000	2.050.434,45		3,81	3,81
SYNTHOS SA -	150.000,00	PLN	5,930	210.025,50		0,39	0,39
TELEKOMUNIKACJA POLSKA SA -	70.000,00	PLN	15,570	257.343,22		0,48	0,48
<u>Russia</u>							
AFK SISTEMA -	44.000,00	USD	18,660	646.946,66		1,20	1,20
GAZPROM ADR NEW	600.000,00	USD	9,430	4.458.277,52		8,29	8,29
JSC MMC NORILSK NICKEL ADR NEW	70.000,00	USD	16,520	911.196,91		1,69	1,69
LUKOIL -	110.000,00	USD	55,750	4.832.164,53		8,99	8,98
MAGNIT OSJC -	70.000,00	USD	30,080	1.659.128,52		3,09	3,09

MECHEL OAO - ADR	15.000,00	USD	6,450	76.235,13		0,14	0,14
MOBILE TELESYSTEMS ADR	130.000,00	USD	17,200	1.761.878,50		3,28	3,28
NOVATEK OAO -	27.000,00	USD	106,000	2.255.141,44		4,19	4,19
OGK-5 OJSC -	13.179,00	USD	0,000	1,04			
RENFIN LTD -	9.679,00	USD	75,000	571.999,84		1,06	1,06
ROSNEFT OIL COMPANY -	530.000,00	USD	6,260	2.614.293,59		4,86	4,86
ROSTELECOM SPON ADR NEW	23.000,00	USD	21,930	397.439,13		0,74	0,74
SBERBANK OF RUSSIA ADR	570.000,00	USD	10,750	4.828.224,73		8,98	8,98
SEVERSTAL -	55.000,00	USD	11,730	508.352,38		0,95	0,95
SURGUTNEFTEGAZ OIL ADR NEW	200.000,00	USD	8,270	1.303.285,79		2,42	2,42
TATNEFT -	55.000,00	USD	33,550	1.453.983,14		2,70	2,70
TGK-5 REG S -	5.437,00	USD	0,000	0,43			
TMK OAO -	30.000,00	USD	12,000	283.665,59		0,53	0,53
URALKALI -	57.000,00	USD	38,280	1.719.297,14		3,20	3,20
VTB BANK OSJC-GDR-REG S/WI -	20.000,00	USD	3,530	55.629,97		0,10	0,10
<u>Turkey</u>							
AKBANK T.A.S. -	190.000,00	TRY	6,620	547.965,50		1,02	1,02
ANADOLU EFES BIRACILIK VE -	40.000,00	TRY	23,150	403.415,53		0,75	0,75
ARCELIC AS -	60.000,00	TRY	9,140	238.912,61		0,44	0,44
BIM BIRLESIK MAGAZALAR AS -	10.000,00	TRY	74,500	324.562,17		0,60	0,60
DOGAN SIRKETLER GRUBU HLDGS AS -	600.000,00	TRY	0,800	209.113,88		0,39	0,39
EMLAK KONUT GAYRIMENKUL YATIRI -	430.000,00	TRY	2,220	415.875,23		0,77	0,77
ENKA INSAAT VE SANAYI AS -	70.000,00	TRY	4,850	147.904,50		0,28	0,28
EREGLI DEMIR VE CELIK FABRIK -	229.953,00	TRY	2,010	201.361,65		0,37	0,37
HACI OMER SABANCI HOLDING S.A -	40.000,00	TRY	7,600	132.438,79		0,25	0,25
KOC HOLDING A.S. -	126.000,00	TRY	6,900	378.757,52		0,70	0,70
TAV HAVALIMANLARI HOLD -	40.000,00	TRY	9,720	169.382,24		0,32	0,32
TOFAS TURK OTOMOBIL FABRIKASI AS -	340.000,00	TRY	7,740	1.146.466,85		2,13	2,13
TUPRAS-TURKIYE PETROL RAF. A.S. -	8.000,00	TRY	38,700	134.878,45		0,25	0,25
TURK HAVA YOLLARI AO -	250.000,00	TRY	3,180	346.344,86		0,64	0,64
TURK SISE VE CAM FABRIKALARI AS -	100.000,00	TRY	2,960	128.953,56		0,24	0,24
TURK TELEKOMUNIKASYON AS -	210.000,00	TRY	7,380	675.176,44		1,26	1,26
TURK TRAKTOR VE ZIRAAT MAKINELERI AS -	20.000,00	TRY	30,500	265.748,89		0,49	0,49
TURKCELL ILETISIM HIZMETERI A.S. -	110.000,00	TRY	9,160	438.964,89		0,82	0,82
TURKIYE GARANTI BANKASI A.S. -	870.000,00	TRY	7,100	2.691.034,24		5,00	5,00
TURKIYE HALK BANKASI -	225.000,00	TRY	14,150	1.387.013,16		2,58	2,58
TURKIYE IS BANKASI -	200.000,00	TRY	4,800	418.227,76		0,78	0,78
TURKIYE SINAI KALKINMA BANKASI AS -	314.285,00	TRY	1,840	251.931,86		0,47	0,47
Total shares				53.777.131,94		100,00	99,98
TOTAL SECURITIES PORTFOLIO				53.777.132,49		100,00	99,98
COLLATERAL RECEIVED							
<u>Belgium</u>							
KBC GROUP COLLATERAL EUR	8.591.579,10	EUR	1,000	8.591.579,10			15,97
TOTAL RECEIVED COLLATERAL				8.591.579,10			15,97
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP CZK	60.378,84	CZK	1,000	2.364,74			0,00
KBC GROUP EURO	-12.118,87	EUR	1,000	-12.118,87			-0,02
KBC GROUP GBP	1.310,75	GBP	1,000	1.620,01			0,00
KBC GROUP HUF	75.136,20	HUF	1,000	262,93			
KBC GROUP NEW BULGAARSE LEVA	1,28	BGN	1,000	0,65			
KBC GROUP PLN	-27.387,00	PLN	1,000	-6.466,52			-0,01

KBC GROUP RON	2.785,59	RON	1,000	626,12		0,00
KBC GROUP TRY	33.690,98	TRY	1,000	14.677,61		0,03
KBC GROUP USD	-106.068,03	USD	1,000	-83.577,36		-0,16
Total demand accounts				-82.610,69		-0,15
TOTAL CASH AT BANK AND IN HAND				-82.610,69		-0,15
OTHER RECEIVABLES AND PAYABLES						
Receivables						
<u>Belgium</u>						
KBC GROUP EUR RECEIVABLE	7.166,20	EUR	1,000	7.166,20		0,01
Total receivables				7.166,20		0,01
Payables						
<u>Belgium</u>						
KBC GROUP COUNTERPART ENTRY COLLATERAL IN EUR	-8.591.579,10	EUR	1,000	-8.591.579,10		-15,97
KBC GROUP EUR PAYABLE	-231.959,09	EUR	1,000	-231.959,09		-0,43
Payables				-8.823.538,19		-16,41
TOTAL RECEIVABLES AND PAYABLES				-8.816.371,99		-16,39
OTHER						
Interest receivable		EUR		317.281,59		0,59
Accrued interest		EUR		196,28		
Expenses payable		EUR		-23.502,72		-0,04
Expenses to be carried forward		EUR		23.568,98		0,04
TOTAL OTHER				317.544,13		0,59
TOTAL NET ASSETS				53.787.273,04		100,00

Geographic breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Czech Republic	2,91	4,83	5,04	2,56
U.K.	0,00	0,39	0,00	0,00
Hungary	3,13	2,23	1,04	2,43
Poland	14,71	19,82	16,49	17,53
Russia	59,20	56,20	61,78	56,92
Turkey	19,27	16,53	15,65	20,56
British Virgin Islands	0,78	0,00	0,00	0,00
Total	100,00	100,00	100,00	100,00

Sector breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Cyclicals	48,44	52,37	48,65	46,64
Consum(cycl)	2,49	2,77	3,40	3,77
Cons.goods	1,12	2,68	3,56	4,94
Pharma	1,01	0,26	0,38	0,48
Financials	34,22	29,84	27,24	29,73
Technology	0,95	1,33	2,07	1,93
Telecomm.	7,42	4,86	8,92	8,05
Utilities	2,65	5,00	4,81	2,63
Real est.	0,28	0,16	0,00	0,77
Unit trusts	1,42	0,73	0,97	1,06
Total	100,00	100,00	100,00	100,00

Currency breakdown (as a % of net assets)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
CZK	3,01	4,97	5,06	2,58
EUR	9,42	6,38	-0,43	-0,44
HUF	3,11	2,27	1,05	2,45
PLN	14,58	19,99	16,53	17,62
RON	0,03	0,02	0,03	0,00
TRY	19,09	16,60	15,68	20,70
USD	50,76	49,77	62,08	57,09
Total	100,00	100,00	100,00	100,00

**2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC EQUITY FUND EASTERN EUROPE
(IN THE CURRENCY OF THE SUB-FUND)**

	1st half of year	Year
Purchases	7.182.624,16	7.182.624,16
Sales	17.077.987,92	17.077.987,92
Total 1	24.260.612,08	24.260.612,08
Subscriptions	1.975.724,61	1.975.724,61
Redemptions	11.669.226,85	11.669.226,85
Total 2	13.644.951,46	13.644.951,46
Monthly average of total assets	58.972.324,09	58.972.324,09
Turnover rate	18,00 %	18,00 %

	1st half of year	Year
Purchases	7.182.624,16	7.182.624,16
Sales	17.077.987,92	17.077.987,92
Total 1	24.260.612,08	24.260.612,08
Subscriptions	1.975.724,61	1.975.724,61
Redemptions	11.669.226,85	11.669.226,85
Total 2	13.644.951,46	13.644.951,46
Monthly average of total assets	58.949.692,44	58.949.692,44
Corrected turnover rate	18,01 %	18,01 %

The table above shows the capital volume of portfolio transactions. This volume (adjusted to take account of total subscriptions and redemptions) is also compared to the average net assets at the beginning and end of the period.

A figure close to 0% implies that the transactions relating to the securities or transactions relating to the assets (excluding deposits and cash) in a given period only involve subscriptions and redemptions.

A negative percentage shows that subscriptions and redemptions entailed few, if any, transactions in the portfolio.

Active asset management may result in high turnover rates (monthly percentage >50%).

The detailed list of transactions is available for consultation free of charge at the registered office of the Bevek or fund at Havenlaan 2, 1080 Brussels.

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

NAME	Currency	Value in currency	In the currency of the sub-fund	Lot-size	Transaction date
KBC COLLATERAL EUR	EUR	8.591.579,10	8.591.579,10	N/A	29.06.2012

2.4.4 CHANGES OF THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND THE NET ASSET VALUE

Classic Shares

Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2010 - 06	20.490,52	846,42	16.261,51	1.590,98	29.235,77	4.938,94	34.174,71
2011 - 06	34.153,56	15.654,52	14.258,98	1.776,74	49.130,35	18.816,72	67.947,06
2012 - 06	10.064,97	892,15	28.743,17	9.260,81	30.452,15	10.448,05	40.900,20

Period	Amounts received and paid by the UCI (in the currency of the class)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2010 - 06	25.909.988,70	912.214,19	21.177.864,19	1.714.891,22
2011 - 06	56.339.884,30	22.283.758,72	22.921.525,35	2.464.805,20
2012 - 06	13.868.223,29	1.064.468,33	39.797.039,76	11.641.470,91

Period	Net asset value End of period (in the currency of the class)		
Year	Of the class	Of one share	
		Capitalization	Distribution
2010 - 06	46.650.135,30	1.394,60	1.190,10
2011 - 06	103.354.431,25	1.586,29	1.350,91
2012 - 06	53.787.273,04	1.370,53	1.153,48

Institutional B Shares

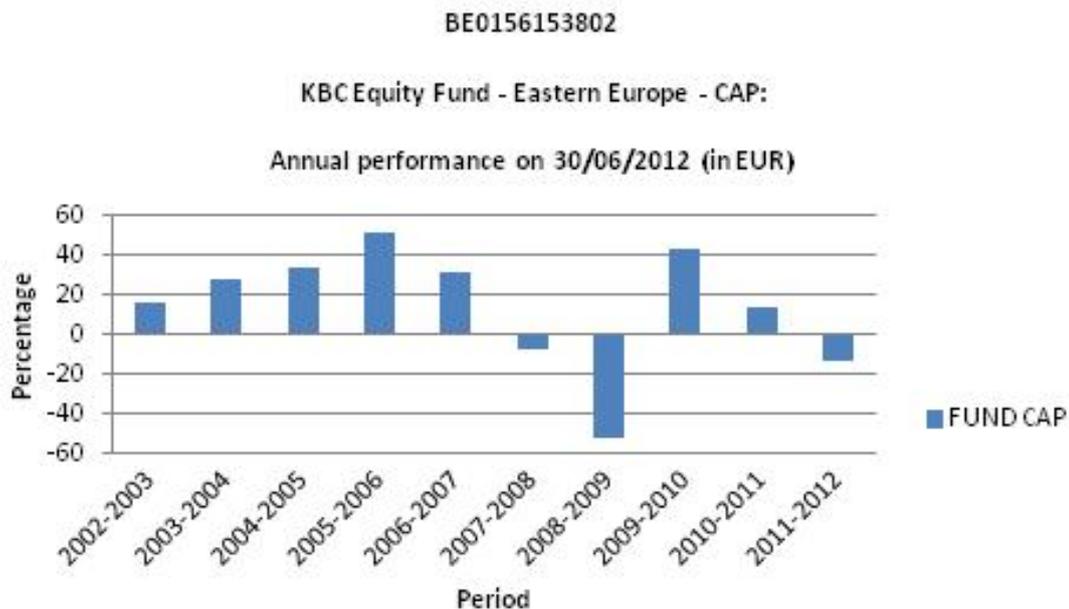
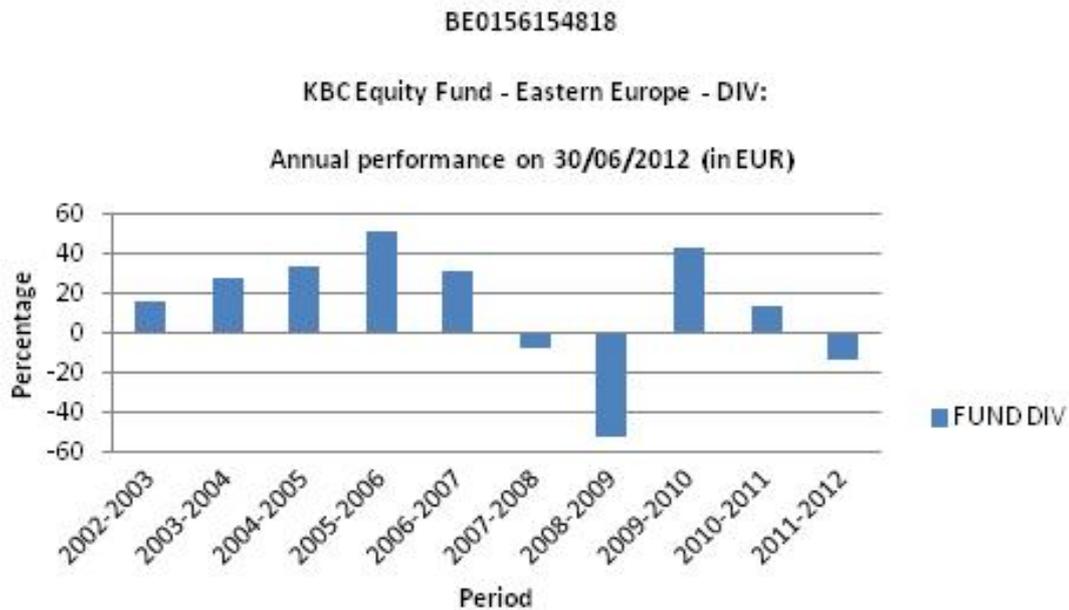
Change in number of shares in circulation: Nil

Amounts received and paid by the UCI: Nil

Net asset value: Nil

2.4.5 PERFORMANCE FIGURES

Classic Shares



Cap Div	ISIN code	Cur-rency	1 Year		3 Years*		5 Years*		10 Years*		Since launch*	
			Share classes	Bench mark	Launch Date	Share classes						
CAP	BE0156153802	EUR	-13.60%		11.97%		-8.84%		9.59%		06/10/1995	6.26%
DIV	BE0156154818	EUR	-13.60%		11.94%		-8.86%		9.58%		06/10/1995	6.25%

Risk warning: Past performance is not a guide to future performance.

* Return on annual basis.

Institutional B Shares

The cumulative returns are shown where they relate to a period of at least one year.

Classic Shares

- The bar chart shows the performance for full financial years.
- The figures do not take account of any restructuring.
- Calculated in EUR (ex BEF).
- The return is calculated as the change in the net asset value between two dates expressed as a percentage. In the case of units that pay dividends, the dividend is incorporated geometrically in the return.
- Calculation method for date D, where NAV stands for net asset value:

Capitalisation units (CAP)

Return on date D over a period of X years:

$$[\text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where $Y = D - X$

Return on date D since the start date S of the unit:

$$[\text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where $F = 1$ if the unit has existed for less than one year on date D

where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D

Distribution units (DIV)

Return on date D over a period of X years:

$$[C * \text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where $Y = D - X$

Return on date D since the start date S of the unit:

$$[C * \text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where $F = 1$ if the unit has existed for less than one year on date D

where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D

where C is a factor that is determined for all N dividends between the calculation date D and the reference date.

For dividend i on date Di with value Wi:

$$C_i = [W_i / \text{NIW}(D_i)] + 1$$

$i = 1 \dots N$

from which $C = C_0 * \dots * C_N$.

- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the n^{th} square root of 1 plus the total return of the unit.
- The return figures shown above do not take account of the fees and charges associated with the issue and redemption of units.

These are the performance figures for capitalisation and distribution shares.

2.4.6 COSTS

Total expense ratio (TER): *

Classic Shares Distribution: 1.538%
Classic Shares Capitalization: 1.538%
Institutional B Shares Capitalization: Not applicable

Percentage calculated at the end of the financial year: 31 December

* The following costs have not been included in the TER:

- Transaction charges
- Interest payments on loans taken out
- Payments in respect of financial derivatives
- Fees and charges paid directly by the investor
- Any soft commissions

SOFT COMMISSIONS

The management company or the appointed manager, as the case may be, is the recipient of soft commissions.

The recipient has laid down an internal policy as regards accepting soft commissions and avoiding possible conflicts of interest in this respect, and has put appropriate internal controls in place to ensure this policy is observed.

For more information, please see the 'General' section of the annual report.

Broker	Commission gross in EUR paid during the period: 1-01-12 -	CSA Credits in EUR accrued during the period: 1-01-12 -	Percentage
	30-06-12	30-06-12	
CSFBSAS	3,523	1,655	46.98%
DEUTSCHE	2,866	717	25.00%
HSBC	6,245	1,626	26.04%
JP MORGAN	222	124	55.56%
MORGAN STANLEY	2,297	1,276	55.56%
NOMURA	306	170	55.55%
UBSWDR	241	134	55.56%
WOOD	2,555	639	25.00%

FEE-SHARING AGREEMENTS AND REBATES:

The management company may share its fee with the distributor, and institutional and/or professional parties.

In principle, the percentage share amounts to between 35% and 60% if the distributor is an entity of KBC Group NV or to between 35% and 70% if the distributor is not an entity of KBC Group NV. However, in a small number of cases, the distributor's fee is less than 35%. Investors may, on request, obtain more information on these cases.

If the management company invests the assets of the undertaking for collective investment in units of undertakings for collective investment that are not managed by an entity of KBC Group NV, and receives a fee for doing so, it will pay this fee to the undertaking for collective investment.

Fee-sharing does not affect the amount of the management fee paid by the sub-fund to the management company. This management fee is subject to the limitations laid down in the articles of association. The limitations may only be amended after approval by the general meeting of shareholders.

The management company has concluded a distribution agreement with the distributor in order to facilitate the wider distribution of the sub-fund's units by using multiple distribution channels.

It is in the interests of the holders of units, the sub-fund and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund to be maximised in this way. In this respect, there is therefore no question of any conflict of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: 1.5% per annum calculated on the basis of the average total net assets of the sub-fund, excluding those assets invested in investment undertakings managed by a financial institution of the KBC group.

CSOB Asset Management a.s. receives a fee from the management company of max. 1.5% calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the average total net assets of the sub-fund.

Auditor's fee: 1 700 EUR per year. This fee is not including VAT and will be increased at the end of the 3-year mandate.

The custody fee is calculated on the value of the securities held in custody by the custodian on the final banking day of the preceding calendar year, except on those assets invested in investment undertakings managed by a financial institution of the KBC group. The custody fee is paid at the beginning of the calendar year.

Social, ethical and environmental aspects:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

Exercising voting rights

If necessary, relevant and in the interest of the shareholders, the management company will exercise the voting rights attached to the shares in the Bevek's portfolio.

The management company will adhere to the following criteria when determining how it stands relative to the items on the agenda that are put to the vote:

- Shareholder value may not be adversely affected.
- Corporate governance rules, especially with regard to the rights of minority shareholders, must be respected.
- The minimum standards with regard to sustainable business and corporate social responsibility must be met.

The list of companies for which voting rights are exercised is available at the registered office of the Bevek.

Name	Maximum management fee
KBC Equity Fund-Eastern Europe-Classic Shares	1,50
KBC Equity Fund-Eastern Europe-Institutional B Shares	1,50

Securities lending

In accordance with the Royal Decree of 7 March 2006 concerning securities lending, the undertaking for collective investment has taken out securities loans with a principal to whom the full title of the loaned securities was transferred, without recording this transfer of ownership in the accounts.

For the period from 1 January 2012 to 30 June 2012, the fee for securities lent comes to - 13,015.34 EUR. KBC Asset Management NV receives 50% of the net fee received for securities lent. The detailed list of securities lending transactions carried out can be obtained from the registered office of the collective investment undertaking at 2 Havenlaan, 1080 Brussels.

Overview of securities lent as at 30/06/2012

Name	Currency	Quantity	Price	Value in currency of the portfolio
BANK PEKAO SA	PLN	24.999	151,500	894.254,93
JASTRZEBSKA SPOLKA WEGLOWA S	PLN	9.999	100,000	236.092,75
KGHM POLSKA MIEDZ SA	PLN	29.999	145,000	1.027.071,92
MAGYAR OLAJ-ES (BUD)	HUF	13.999	16.300,000	798.515,19
OTP BANK RT.	HUF	19.999	3.570,000	249.847,53
POLISH OIL & GAS	PLN	299.999	4,150	293.963,89
POLSKA GRUPA ENERGETYCZNA SA	PLN	39.999	19,440	183.599,49
POLSKI KONCERN NAFTO	PLN	119.999	37,410	1.059.964,72
POWSZECHNA KASA OSZC	PLN	189.999	34,600	1.552.220,77
POWSZECHNY ZAKLAD UBEZPIECZEN SA	PLN	25.999	334,000	2.050.355,59
TELEKOMUNIKACJA POLS	PLN	69.999	15,570	257.339,54
X 5 RETAIL GROUP NV REGS.GDR	USD	1.700	22,750	30.474,35
			Total	8.633.700,67

Details of collateral received for securities lent

Name	Currency	Nominal value	Currency fund	Value in Currency fund
FLEMISH 2009 3,875% 20/07/2016	EUR	7.650.000	EUR	8.558.177,40
GERMANY 2009 2,25% 11/04/14	EUR	32.000	EUR	33.401,70
			Total	8.591.579,10

For the valuation of the collateral received, indicative prices have been used in this detail list by the Collateral Management Division of KBC Bank.

TABLE OF CONTENTS

- 2. Information on KBC Equity Fund Finance
 - 2.1. Management report
 - 2.1.1. Launch date and subscription price
 - 2.1.2. Stock exchange listing
 - 2.1.3. Aim and distinctive features of the investment policy
 - 2.1.4. Financial portfolio management
 - 2.1.5. Distributors
 - 2.1.6. Index and benchmark
 - 2.1.7. Policy conducted during the financial year
 - 2.1.8. Future policy
 - 2.1.9. Synthetic risk and reward indicator (SRRI)
 - 2.2. Balance sheet
 - 2.3. Profit and loss account
 - 2.4. Composition of the assets and key figures
 - 2.4.1. Composition of the assets
 - 2.4.2. Change in the composition of the assets
 - 2.4.3. Value of commitments in respect of financial derivatives positions
 - 2.4.4. Evolution of the number of subscriptions, repayments and the net asset value
 - 2.4.5. Return figures
 - 2.4.6. Expenses
 - 2.4.7. Notes to the financial statements and other data

2 INFORMATION ON KBC EQUITY FUND FINANCE

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Classic Shares :

Launch date: 27 March 1998

Initial subscription price: 20000 BEF

Currency: EUR

Institutional B Shares :

Launch date: 25 November 2011

Initial subscription price: 268.5 EUR

Currency: EUR

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

The main objective of this sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. To this end, the assets are invested, either directly or indirectly via correlated financial instruments, primarily in shares.

SUB-FUND'S INVESTMENT POLICY:

PERMITTED ASSET CLASSES:

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the sub-fund's object.

The sub-fund shall invest no more than 10% of its assets in units of other undertakings for collective investment.

RESTRICTIONS OF THE INVESTMENT POLICY:

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

PERMITTED DERIVATIVES TRANSACTIONS:

Derivates may be used either for hedging purposes or to achieve investment objectives.

Changes will be made to the investments at regular intervals to comply with the sub-fund's investment strategy. **In addition, listed and unlisted derivates may be used to achieve the objectives:** these may be forward contracts, options or swaps on securities, indices, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions. **Such derivatives may also be used to hedge the assets against exchange-rate fluctuations.** Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions.

STRATEGY SELECTED

At least 75% of the assets are invested in shares of companies in the financial sector where conditions are such as to allow accelerated economic growth in the short or medium term.

LENDING FINANCIAL INSTRUMENTS:

The sub-fund may lend financial instruments within the limits set by law and regulations.

This lending does not affect the sub-fund's risk profile since:

- it takes place within the framework of a securities lending system managed by a principal. In addition, the sub-fund has a relationship only with the principal of the securities lending system which acts as counterparty and to which title of the loaned securities is transferred. The choice of principal is subject to strict selection criteria. The return of securities similar to the securities that have been lent is guaranteed by the principal.
- through a margin management system, the sub-fund is always guaranteed financial security, the actual value of which always exceeds the actual value of the securities that have been lent, in case the principal does not return similar securities.

The return of securities similar to the securities that have been lent can be requested at any time, which means that the lending of securities does not affect the management of the sub-fund's assets. By lending securities, the sub-fund can generate an additional return. The principal pays a fee to the management company. After deducting the fee for the margin management and clearing services of KBC Bank, most of this fee is paid to the sub-fund.

The relationship with the counterparty or counterparties is governed by standard international agreements.

More information is provided on the terms and conditions governing securities lending in the annual or half-yearly report for the sub-fund.

VOLATILITY OF THE NET ASSET VALUE:

The volatility of the net asset value may be high due to the composition of the portfolio.

GENERAL STRATEGY FOR HEDGING THE EXCHANGE RATE RISK:

In order to protect its assets against exchange rate fluctuations and within the limitations laid down in the articles of association, the sub-fund may perform transactions relating to the sale of forward currency contracts, as well as the sale of call options and the purchase of put options on currencies. The transactions in question may relate solely to contracts traded on a regulated market that operates regularly, is recognised and is open to the public or that are traded with a recognised, prime financial institution specialising in such transactions and dealing in the over-the-counter (OTC) market in options. With the same objective, the sub-fund may also sell currencies forward or exchange them in private transactions with prime financial institutions specialising in such transactions. The hedging objective of the aforementioned transactions suggests that there is a direct link between these transactions and the assets to be hedged, which implies that the transactions carried out in a particular currency may in principle not exceed, in terms of volume, either the valuation value of all the assets in the same currency or the holding period of those assets.

SOCIAL, ETHICAL AND ENVIRONMENTAL ASPECTS:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

THE EUROPEAN SAVINGS DIRECTIVE AND TAX ON DEBT CLAIM RETURNS OBTAINED THROUGH THE REDEMPTION OF OWN UNITS OR IN THE EVENT OF FULL OR PARTIAL DISTRIBUTION OF EQUITY CAPITAL.

The following information is of a general character and is not intended to cover all aspects of an investment in a UCITS. In certain cases entirely different rules might even apply. Moreover, both tax law and the interpretation of it can change. Investors who wish to have more information about the tax implications – in both Belgium and abroad – of acquiring, holding and transferring units should seek the advice of their usual financial and tax advisers.

This UCITS shall invest a maximum of 15% of its assets directly or indirectly in debt instruments as intended by the European Savings Directive.

A. European Savings Directive (Directive 2003/48/EC)

The European Savings Directive has been implemented in Belgium through:

- The Law of 17 May 2004 transposing into Belgian law Directive 2003/48/EC of 3 June 2003 of the Council of the European Union on taxation of savings income in the form of interest payments and amending Income Tax Code 1992 on withholding tax;
- The Royal Decree of 27 September 2009 implementing Article 338bis § 2 of Income Tax Code 1992;
- The Royal Decree of 27 September 2009 concerning the entry into effect of Article 338bis § 2, paragraphs one to three, of Income Tax Code 1992;

Since this UCITS invests a maximum of 15% of its assets directly or indirectly in debt claims as intended by the European Savings Directive, the income of this UCITS does not fall within the scope of this directive.

B. Tax on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital (Article 19bis Income Tax Code 1992).

The income from this UCITS is not subject to the tax on debt instrument returns as intended by Article 19bis, Income Tax Code 1992.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

There is no delegation of the portfolio.

2.1.5 DISTRIBUTORS

KBC Asset Management S.A., 5, Place de la Gare, L-1616 Luxembourg.

2.1.6 INDEX AND BENCHMARK

See 'Sub-fund's investment policy'.

2.1.7 POLICY PERSUED DURING THE FINANCIAL YEAR

The global economy emerged from a deep recession in mid-2009, but the recovery was highly dependent on massive government budgetary and monetary stimuli. Doubts about the sustainability of the economic recovery continued to dominate the investment climate in the past period under review. In Europe the debt crisis continued to rage unabated. Five euro countries needed a bail-out from the European emergency fund. Greece reached agreement with its private sector creditors on restructuring the bond debt it owes them.

A new and significant change in this cycle is that government paper, which had previously been seen as entirely risk-free, also started to be tainted with a degree of credit risk. What started as an isolated problem on the periphery of the euro area developed into a problem concerning the credibility of the monetary union and its institutions. In autumn 2009 it became evident that Greece's budgetary situation was far worse than the official statistics had suggested. Lenders lost all confidence and the country was on the brink of default. After much haggling, Europe and the International Monetary Fund (IMF) came to the rescue in April 2010 with an initial aid package of 110 billion euros. This package was intended to safeguard the funding of Greece's public debt until mid-2013, but it failed to stem the crisis. The Greek government's rather draconian austerity plan was also received with much scepticism, and justifiably so. It soon became clear that the initial assistance package would not suffice. An agreement in principle on a second aid package (worth 109 billion euros) was reached in July 2011 and negotiations started with the private sector on debt restructuring. The negotiations dragged on longer than expected, only finishing in early March 2012 and with conditions that were more rigorous than proposed in July 2011 and less 'voluntary' than at first appeared. On 12 March 2012, the operation was referred to as a 'selective default'. More than 100 billion EUR of Greece's debt was forgiven. However, no-one appears to view this as the ultimate solution to Greece's debt problems. The lack of a plan for the future prompted social and political opposition to the austerity policy. In December 2011, the Papandreou government, which just survived a vote of no confidence on 28 June, attempted to calm the street violence by offering the prospect of a referendum on Greece's membership of the EMU. This was a bad idea, and it led to the fall of the government. Early elections did not initially provide a solution, but fresh elections on 17 June brought an end to the political vacuum when a pro-European coalition took power.

The establishment of an initial support fund for Greece in April 2010 set a precedent. Setting up a 440 billion euro European Financial Stability Facility (EFSF) in April 2010 as a safety net for funding the debt of other EMU member states failed to calm nerves. The Irish domino fell in the final weekend of November 2010. Portugal followed in April 2011 and Greece asked for further assistance in July 2011, with aid granted to the Spanish banks and Cyprus in June 2012. Soon after it was set up it became clear that the EFSF would need to be considerably extended. Its scope was broadened at the summit of 21 July 2011 and its financial arsenal bolstered at the summit of 26 October.

As traditionally faithful investors in government bonds, the European banks, which had seen their capital base eroded in the 2008/09 credit crisis, were oversensitive to the consequences of the euro crisis and the write-downs on their bond portfolios. This made it easy for the euro crisis to escalate into a systemic crisis. Preventing that was the European Central Bank's motivation for intervening very actively by buying up primarily Spanish and Italian government paper. It was reluctant to do so, because it does not see supporting the bond markets as the task of a central bank. Dragging its feet, the bank began to buy government bonds in August 2012, and only brought out the big guns in December. The LTRO programme, worth a total of 489 billion euro, provided the European banks the possibility of taking out loans, with eligible collateral, for 36 months at the exceptionally low rate of 1%. There was massive reinvestment in three-year bonds issued by the governments in question. The offer was renewed in February 2012, resulting in 529 billion euros being pumped into the market. This created a positive climate, enabling the Greek government to finalise the restructuring of its sovereign debt in early March.

The economic crisis and the government intervention required to keep the financial sector from collapsing have put public finances out of kilter virtually everywhere in the Western world, not only in the EMU, but also in the UK and US. The budget debate in the US led to a political impasse. As a result, Standard & Poor's lowered its long-term rating for US sovereign debt from AAA to AA+. The outlook remained 'negative'. This means that further rating downgrades cannot be ruled out. The downgrade occurred against the background of the political squabbling about the restructuring of US federal finances. The divisions between Republicans (who control the House of Representatives) and Democrats (who control the Senate) are pronounced and ideological in nature. Aware of their inability to work out a policy and fearful that the stalemate could lead to an uncontrolled explosion in debt, the parties have passed automatic spending cuts into legislation to reduce the budget deficit over a period of ten years to 3% of GDP. The concrete measures to this end are damaging the priorities of Democrats and Republicans alike. It is doubtful whether this will bring them closer together in the election year of 2012.

The US central bank (the Fed) had already cut its key rate very early on in the crisis. It has stood at a symbolic 0.25% since December 2008. The European Central Bank waited much longer before cutting rates. It temporarily went back on its tracks between April and June 2011. Its key rate is 1% at present.

2.1.8 FUTURE POLICY

The health of the European banks is closely linked to the euro crisis. Pessimism about the intractability of the euro problems and optimism about an ultimate and radical breakthrough is generating alternating waves of panic and relief concerning the solvency of the European banks.

All the same, we consider the financial sector in both Europe and the US to be exceptionally attractive. Most European banks and life insurers are still trading at present at around half their book value. A little more growth has already been priced in in the US. What's more, with core equity of 9% the majority of the banks are much better capitalised than they were a few years ago.

The crisis in the euro area brought the realisation that *economic governance*, as it is now called in Euro-speak, needs to be tackled as a matter of urgency. In concrete terms, this involves measures such as supranational supervision of banks, strict monitoring and sanctioning of budgetary policy, monitoring of pay policy and harmonising European taxation. In the coming months, arranging the ESM (European Stability Mechanism, which came into operation on 1 July 2012), reforming the Stability and Growth Pact, arranging Europe-wide banking supervision and implementing the 'Pact for the euro' will all require much energy and diplomatic skill.

Until a definitive decision is reached on implementing these measures, we expect the current volatility in the banking arena to persist. We will therefore compose the fund's defensive aspect by investing within the insurance sector in reinsurers and non-life insurers.

We anticipate substantial medium-term returns if financial service providers manage to record a somewhat more normal return on equity, and if European policymakers can finally achieve lasting solutions in terms of reorganising public-sector finances.

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

Classic Shares: 7 on a scale of 1 (lowest risk) to 7 (highest risk).

Institutional B Shares: 7 on a scale of 1 (lowest risk) to 7 (highest risk).

The value of a share can decrease or increase and the investor may not get back the amount invested.

In accordance with Commission Regulation (EU) No. 583/2010, a synthetic risk and reward indicator has been calculated. This indicator provides a quantitative measure of the sub-fund's potential return and the risk involved, calculated in the currency in which the sub-fund is denominated. It is given as a figure between 1 and 7. The higher the figure, the greater the potential return, but also the more difficult it is to predict this return. Losses are possible too. The lowest figure does not mean that the investment is entirely free of risk. However, it does indicate that, compared with the higher figures, this product will generally provide a lower, but more predictable return.

The synthetic risk and reward indicator is assessed regularly and can therefore go up or down based on data from the past. Data from the past is not always a reliable indicator of future risk and return.

The most recent indicator can be found under the 'Risk and reward profile' heading in the 'Key Investor Information' document.

2.2 BALANCE SHEET

Balance sheet layout	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
TOTAL NET ASSETS	213.061.785,15	204.882.280,16
II. Securities, money market instruments, UCIs and derivatives		
A. Bonds and other debt instruments		
a) Bonds	945.841,81	8.871,30
a) Collateral received in the form of bonds	6.659.490,52	2.703.150,34
C. Shares and similar instruments		
a) Shares	194.675.053,74	204.237.271,50
Of which securities lent	6.180.080,53	2.588.198,33
D. Other securities	52.434,32	159.468,68
F. Derivative financial instruments		
j) Foreign exchange		
Futures and forward contracts (+/-)	15.969,00	
m) Financial indices		
Futures and forward contracts (+/-)		92.500,00
n) Derivative financial instruments		
Swap contracts (+/-)	1.996.448,00	-73.200,00
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable	667,09	95.988,97
b) Tax assets	32.952,05	34.884,46
c) Collateral		347.500,00
B. Payables		
a) Accounts payable (-)	-265.830,39	-199.938,32
c) Borrowings (-)	-20.201,26	-903.442,15
d) Collateral (-)	-6.659.490,52	-2.703.150,34
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	14.936.311,89	731.518,12
VI. Accruals and deferrals		
A. Expense to be carried forward	50.095,56	74.912,46
B. Accrued income	751.207,94	444.374,28
C. Accrued expense (-)	-109.164,60	-168.429,14
TOTAL SHAREHOLDERS' EQUITY	213.061.785,15	204.882.280,16
A. Capital	200.915.752,36	226.637.144,02
B. Income equalization	-106.306,62	-121.733,35
D. Result for the period	12.252.339,41	-21.633.130,51

Off-balance-sheet headings

I	Collateral (+/-)		
I.A	Collateral (+/-)		
I.A.A	Securities/market instruments	6.659.490,52	2.703.150,34
I.A.B	Cash at bank and in hand/deposits		347.500,00
III	Notional amounts of futures and forward contracts		
III.A	Purchased futures and forward contracts		4.622.500,00
III.B	Written futures and forward contracts	-2.014.045,25	
IV	Notional amounts of swap contracts (+)	16.000.000,00	12.000.000,00
IX	Financial instruments lent	6.180.080,53	2.588.198,33

2.3 PROFIT AND LOSS ACCOUNT

Income Statement	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
I. Net gains(losses) on investments		
A. Bonds and other debt instruments		
a) Bonds	-56.611,67	8.772,50
C. Shares and similar instruments		
a) Shares	4.846.932,25	-11.376.215,38
D. Other securities	9.933,08	-198.718,14
F. Derivative financial instruments		
l) Financial indices		
Option contracts	28.000,00	
Futures and forward contracts	-93.550,00	-162.500,00
m) Derivative financial instruments		
Swap contracts (+/-)	1.306.488,00	-1.035.900,00
G. Receivables, deposits, cash at bank and in hand and payables	-0,01	0,02
H. Foreign exchange positions and transactions		
a) Derivative financial instruments		
Futures and forward contracts	44.293,85	47.151,41
b) Other foreign exchange positions and transactions	4.033.910,59	-10.151.501,18
II. Investment income and expenses		
A. Dividends	3.444.313,75	3.272.601,44
B. Interests		
a) Securities and money market instruments	147.408,30	49,96
b) Cash at bank and in hand and deposits	23.306,99	19.653,41
c) Collateral (+/-)		-3.373,15
C. Interest on borrowings (-)	-962,27	-1.284,25
III. Other income		
A. Income received to cover the acquisition and realization of assets, to discourage withdrawals and for delivery charges	358.755,96	

IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-257.837,55	-202.432,01
B. Financial expenses (-)	-1.244,95	-3.865,52
C. Custodian's fee (-)	-47.516,31	-63.452,42
D. Manager's fee (-)		
a) Financial management		
Classic Shares	-190.343,77	-1.410.629,04
Institutional B Shares	-1.132.649,48	
b) Administration and accounting management	-95.824,37	-103.054,42
E. Administrative expenses (-)	-139,77	-92,36
F. Formation and organisation expenses (-)	-17.353,14	-98.147,45
G. Remuneration, social security charges and pension	-17,09	-42,79
H. Services and sundry goods (-)	-17.747,40	-25.902,93
J. Taxes		
Classic Shares	-10.200,03	-81.935,03
Institutional B Shares	-9.081,78	
K. Other expenses (-)	-59.923,77	-62.313,18
Income and expenditure for the period		
Subtotal II + III + IV	2.132.943,32	1.235.780,26
V. Profit (loss) on ordinary activities before tax	12.252.339,41	-21.633.130,51
VII. Result for the period	12.252.339,41	-21.633.130,51

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC EQUITY FUND FINANCE

Name	Quantity on 30/06/2012	Currency	Price in currency	Evaluation (in the currency of the sub-fund)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
Bonds							
Bonds issued by credit institutions							
<u>U.S.A.</u>							
GAMCO INVESTORS INC 31/12/2015	19.600,00	USD	85,000	13.127,41		0,01	0,01
Corporate bonds							
<u>Ireland</u>							
D-STAR FINANCE PLC SUB 14/05/13	1.464.000,00	EUR	63,710	932.714,40		0,47	0,44
Total bonds				945.841,81		0,48	0,44
Shares							
Exchange-listed shares							
<u>Australia</u>							
AMP LTD -	76.028,00	AUD	3,850	236.426,48		0,12	0,11
ANZ BANKING GROUP -	45.824,00	AUD	22,030	815.397,37		0,41	0,38
CHALLENGER LTD -	150.148,00	AUD	3,250	394.152,90		0,20	0,19
CNPR GROUP -	148.177,00	AUD	0,040	4.787,43		0,00	0,00
COMMONWEALTH BK OF AUSTRALIA -	18.901,00	AUD	53,100	810.664,43		0,41	0,38
GOODMAN GROUP -	41.194,00	AUD	3,670	122.112,98		0,06	0,06
INSURANCE AUSTRALIA GR LTD -	44.425,00	AUD	3,480	124.872,99		0,06	0,06
MACQUARIE GROUP LTD -	9.987,00	AUD	26,000	209.734,66		0,11	0,10
NATIONAL AUSTRALIA BANK -	154.734,00	AUD	23,540	2.942.076,94		1,49	1,38
QBE INSURANCE GROUP LTD -	34.478,00	AUD	13,380	372.614,71		0,19	0,18
STOCKLAND -	115.292,00	AUD	3,080	286.821,50		0,15	0,14
SUNCORP GROUP LTD -	19.111,00	AUD	8,090	124.880,25		0,06	0,06
WESTFIELD GROUP -	43.926,00	AUD	9,500	337.059,89		0,17	0,16
WESTFIELD RETAIL TRUST -	57.613,00	AUD	2,850	132.625,54		0,07	0,06
WESTPAC BANKING -	54.865,00	AUD	21,130	936.389,85		0,47	0,44
<u>Austria</u>							
VIENNA INSURANCE GROUP -	24.643,00	EUR	31,880	785.618,84		0,40	0,37
<u>Belgium</u>							
AGEAS NV (BRU) B STRIP-VVPR	15.915,00	EUR	0,001	15,92			
AGEAS NV -	726.037,00	EUR	1,560	1.132.617,72		0,57	0,53
KBC ANCORA -	70.387,00	EUR	6,850	482.150,95		0,24	0,23
KBC GROUP -	50.000,00	EUR	16,665	833.250,00		0,42	0,39
<u>Bermuda</u>							
AXIS CAPITAL HOLDINGS LTD -	6.328,00	USD	32,550	162.301,16		0,08	0,08
ENDURANCE SPECIALTY HOLDINGS -	25.740,00	USD	38,320	777.209,68		0,39	0,37
FLAGSTONE REINSURANCE HOLDINGS -	80.000,00	USD	8,010	504.924,75		0,26	0,24
HAL TRUST (AMS)	7.388,00	EUR	83,400	616.159,20		0,31	0,29
PLATINUM UNDERWRITERS HOLDINGS -	23.058,00	USD	38,100	692.230,56		0,35	0,33

<u>Brazil</u>							
BANRISUL -	154.300,00	BRL	14,200	855.381,61		0,43	0,40
ITAU UNIBANCO HOLDINGS SA PREF PREF	127.600,00	BRL	28,290	1.409.253,95		0,71	0,66
SUL AMERICA SA -	283.048,00	BRL	15,600	1.723.813,70		0,87	0,81
<u>Canada</u>							
BANK OF NOVA SCOTIA -	55.353,00	CAD	52,740	2.256.477,08		1,14	1,06
C.I.B.C. -	7.578,00	CAD	71,650	419.682,09		0,21	0,20
INDUSTRIAL ALLIANCE INS & FIN SERV -	3.383,00	CAD	24,470	63.986,09		0,03	0,03
MANULIFE FINANCIAL CORP -	44.780,00	CAD	11,090	383.853,29		0,19	0,18
ONEX CORPORATION -	24.732,00	CAD	39,530	755.676,10		0,38	0,36
ROYAL BK CANADA -	21.489,00	CAD	52,160	866.370,04		0,44	0,41
SUN LIFE FINANCIAL INC -	14.664,00	CAD	22,150	251.059,01		0,13	0,12
TMX GROUP INC -	30.135,00	CAD	46,400	1.080.783,77		0,55	0,51
TORONTO DOMINION BK -	10.000,00	CAD	79,680	615.884,06		0,31	0,29
<u>China</u>							
BANK OF CHINA LTD - H -	1.000.000,00	HKD	2,940	298.665,15		0,15	0,14
BANK OF COMMUNICATIONS LTD -	400.000,00	HKD	5,190	210.894,17		0,11	0,10
CHINA CONSTRUCTION BANK -	4.722.830,00	HKD	5,290	2.538.020,96		1,28	1,19
CHINA LIFE INSURANCE CO -	322.120,00	HKD	19,960	653.153,78		0,33	0,31
IND & COMM BK OF CHINA -	4.524.707,00	HKD	4,290	1.971.900,39		1,00	0,93
PING AN INSURANCE GROUP CO -	165.185,00	HKD	61,700	1.035.363,83		0,52	0,49
<u>Denmark</u>							
DANSKE BK AS -	10.000,00	DKK	81,400	109.491,01		0,06	0,05
<u>Finland</u>							
SAMPO OYJ "A"	24.528,00	EUR	20,420	500.861,76		0,25	0,24
SPONDA OYJ (HEL)	237.979,00	EUR	2,950	702.038,05		0,36	0,33
<u>France</u>							
AXA -	150.220,00	EUR	10,480	1.574.305,60		0,80	0,74
BNP PARIBAS -	110.266,00	EUR	30,335	3.344.919,11		1,69	1,57
CNP ASSURANCE (PAR)	9.031,00	EUR	9,630	86.968,53		0,04	0,04
NATIXIS (PAR)	467.130,00	EUR	2,118	989.381,34		0,50	0,46
RODAMCO UNIBAIL -	1.702,00	EUR	145,100	246.960,20		0,13	0,12
SCOR REGROUPE (PAR)	44.111,00	EUR	19,110	842.961,21		0,43	0,40
SOCIETE GENERALE -	160.308,00	EUR	18,410	2.951.270,28		1,49	1,39
<u>Germany</u>							
ALLIANZ AG REG	23.994,00	EUR	79,110	1.898.165,34		0,96	0,89
COMMERZBANK AG -	250.000,00	EUR	1,336	334.000,00		0,17	0,16
DEUTSCHE BANK AG REG	77.583,00	EUR	28,500	2.211.115,50		1,12	1,04
DEUTSCHE BOERSE AG -	17.165,00	EUR	42,530	730.027,45		0,37	0,34
DEUTSCHE WOHNEN AG -	50.000,00	EUR	13,275	663.750,00		0,34	0,31
GSW IMMOBILIEN AG -	19.984,00	EUR	26,980	539.168,32		0,27	0,25
MUNCHENER RUCKVERSICHERUNG AG REG	5.263,00	EUR	111,150	584.982,45		0,30	0,28
<u>Hong Kong</u>							
BOC HONG KONG HOLD LTD -	329.578,00	HKD	23,600	790.146,16		0,40	0,37
CHEUNG KONG HLDGS -	78.775,00	HKD	94,600	757.036,41		0,38	0,36
HANG LUNG PROPERTIES LTD -	153.147,00	HKD	26,200	407.612,04		0,21	0,19
HANG SENG BANK LTD. -	57.466,00	HKD	106,000	618.805,34		0,31	0,29
HENDERSON LAND -	50.258,00	HKD	42,650	217.751,65		0,11	0,10
HONG KONG EXCHANGES & CLEARING LTD. -	49.219,00	HKD	110,000	550.000,00		0,28	0,26
HUTCHISON WHAMPOA -	59.000,00	HKD	66,500	398.575,75		0,20	0,19
SHUN TAK HOLDINGS LTD. -	1.000.000,00	HKD	2,670	271.236,72		0,14	0,13
SUN HUNG KAI PROPS -	90.300,00	HKD	91,150	836.145,09		0,42	0,39
SWIRE PROPERTIES LTD -	32.267,00	HKD	23,200	76.047,30		0,04	0,04

WING HANG BANK -	69.000,00	HKD	74,850	524.660,19		0,27	0,25
<u>India</u>							
HOUSING DEV. FIN. CORP. LTD. -	51.036,00	INR	653,200	470.476,13		0,24	0,22
<u>Ireland</u>							
BANK OF IRELAND -	73.157,00	EUR	0,100	7.315,70		0,00	0,00
PERMANENT TSB GROUP HOLDINGS P -	1.485.244,00	EUR	0,027	40.101,59		0,02	0,02
<u>Italy</u>							
AZIMUT HOLDING SPA -	123.618,00	EUR	8,080	998.833,44		0,51	0,47
BANCO POPLARE DI VERONA E NOVARA -	8.944,00	EUR	1,058	9.462,75		0,01	0,00
INTESA SANPAOLO SPA (MIL) RSNC	53.890,00	EUR	0,896	48.258,50		0,02	0,02
INTESA SANPAOLO SPA -	1.106.631,00	EUR	1,118	1.237.213,46		0,63	0,58
MEDIOBANCA (MIL)	441.863,00	EUR	3,474	1.535.032,06		0,78	0,72
MEDIOLANUM SPA (MIL)	164.003,00	EUR	2,774	454.944,32		0,23	0,21
UNICREDIT SPA -	510.079,00	EUR	2,980	1.520.035,42		0,77	0,71
<u>Japan</u>							
AIFUL CORP -	4.350,00	JPY	161,000	6.916,35		0,00	0,00
AOZORA BANK LTD -	582.000,00	JPY	189,000	1.086.292,71		0,55	0,51
BANK OF YOKOHAMA -	51.035,00	JPY	375,000	188.999,85		0,10	0,09
CHIBAB BANK LTD/THE -	69.052,00	JPY	477,000	325.279,52		0,17	0,15
DAIWA SECURITIES GROUP INC -	70.156,00	JPY	297,000	205.770,61		0,10	0,10
JAFCO CO LTD -	23.400,00	JPY	1.534,000	354.489,43		0,18	0,17
LEOPALACE21 CORP -	9.748,00	JPY	265,000	25.510,76		0,01	0,01
MILLEA HOLDINGS INC -	81.285,00	JPY	1.986,000	1.594.232,77		0,81	0,75
MITSUBISHI ESTATE -	65.979,00	JPY	1.418,000	923.940,57		0,47	0,43
MITSUBISHI UFJ FINANCIAL GROUP -	927.454,00	JPY	378,000	3.462.152,99		1,75	1,63
MITSUMI FUDOSAN -	58.273,00	JPY	1.530,000	880.482,82		0,45	0,41
MITSUMI SUMITOMO INSUR GROUP -	17.018,00	JPY	1.383,000	232.430,32		0,12	0,11
MIZUHO FINANCIAL GROUP INC. -	1.132.700,00	JPY	134,000	1.498.931,46		0,76	0,70
MORI HILLS REIT INVESTMENT COR -	150,00	JPY	344.000,000	509.579,30		0,26	0,24
NKSJ HOLDINGS INC -	5.719,00	JPY	1.684,000	95.109,58		0,05	0,05
NOMURA HOLDINGS INC -	76.494,00	JPY	294,000	222.093,98		0,11	0,10
ORIX (ORIENT LEASING) -	12.704,00	JPY	7.370,000	924.634,41		0,47	0,43
RESONA HOLDINGS INC -	14.500,00	JPY	327,000	46.825,00		0,02	0,02
SAPPORO HOKUYO HOLDINGS INC -	100.000,00	JPY	246,000	242.938,97		0,12	0,11
SBI HOLDINGS INC -	694,00	JPY	5.850,000	40.093,82		0,02	0,02
SHINSEI BANK LTD -	56.920,00	JPY	96,000	53.963,26		0,03	0,03
SHIZUOKA BANK LTD -	99.192,00	JPY	818,000	801.294,25		0,41	0,38
SONY FINANCIAL HOLDINGS INC -	56.800,00	JPY	1.294,000	725.846,34		0,37	0,34
SUMITOMO MITSUI FINANCIAL GROUP INC -	103.000,00	JPY	2.612,000	2.656.883,27		1,34	1,25
SUMITOMO MITSUI TRUST HOLD INC -	213.507,00	JPY	236,000	497.606,68		0,25	0,23
SUMITOMO REALTY & DEV. -	44.380,00	JPY	1.941,000	850.697,02		0,43	0,40
T&D HOLDINGS INC -	20.942,00	JPY	843,000	174.344,32		0,09	0,08
<u>Jersey/The Channel Islands</u>							
BEAZLEY PLC -	924.106,00	GBP	1,377	1.572.727,68		0,80	0,74
HENDERSON GROUP PLC -	281.160,00	GBP	1,020	354.447,16		0,18	0,17
<u>Malaysia</u>							
CIMB GROUP HOLDINGS BHD -	200.458,00	MYR	7,570	376.552,04		0,19	0,18
<u>Mexico</u>							
GRUPO FINANC NORTE "O"	140.200,00	MXN	69,150	569.005,53		0,29	0,27
<u>Netherlands</u>							
AEGON -	256.128,00	EUR	3,644	933.330,43		0,47	0,44
ING GROEP NV -	690.060,00	EUR	5,266	3.633.855,96		1,84	1,71

<u>Norway</u>							
ABG SUNDAL COLLIER HOLDINGS ASA -	171.166,00	NOK	3,690	83.724,72		0,04	0,04
DNB ASA -	46.858,00	NOK	58,950	366.165,47		0,19	0,17
STOREBRAND ASA -	546.139,00	NOK	23,190	1.678.857,26		0,85	0,79
<u>Russia</u>							
SBERBANK OF RUSSIA ADR	111.004,00	USD	10,750	940.267,12		0,48	0,44
<u>Singapore</u>							
CAPITALAND LTD -	243.828,00	SGD	2,700	409.489,08		0,21	0,19
DBS GROUP HOLDINGS LTD -	131.729,00	SGD	13,870	1.136.456,57		0,58	0,53
KEPPEL LAND LTD. -	117.806,00	SGD	3,220	235.949,07		0,12	0,11
OVERSEA-CHINESE BANKING CORP LTD. -	132.000,00	SGD	8,790	721.701,81		0,37	0,34
UNITED OVERSEAS BANK LTD. -	72.830,00	SGD	18,660	845.311,81		0,43	0,40
<u>South Africa</u>							
RMB HOLDINGS LTD -	87.682,00	ZAR	34,880	294.666,94		0,15	0,14
RMI HOLDINGS -	94.556,00	ZAR	17,370	158.246,24		0,08	0,07
<u>South Korea</u>							
KB FINANCIAL GROUP INC -	52.978,00	KRW	36.900,000	1.344.943,07		0,68	0,63
KOREA EXCHANGE BANK -	79.790,00	KRW	8.150,000	447.391,83		0,23	0,21
SHINHAN FINANCIAL GROUP CO LTD. -	37.022,00	KRW	39.700,000	1.011.189,05		0,51	0,48
<u>Spain</u>							
BANCO BILBAO VIZCAYA ARGENTARIA -	127.022,00	EUR	5,629	715.006,84		0,36	0,34
BANCO SANTANDER CENTRAL HISPANO SA -	703.896,00	EUR	5,221	3.675.041,02		1,86	1,73
<u>Sweden</u>							
EAST CAPITAL EXPLORER AB -	168.737,00	SEK	47,500	915.007,42		0,46	0,43
KINNEVIK INVESTMENT AB -B-	56.451,00	SEK	138,500	892.569,61		0,45	0,42
NORDEA BANK AB -	54.437,00	SEK	59,400	369.148,67		0,19	0,17
<u>Switzerland</u>							
BANK SARASIN & CIE_AG "B"	639,00	CHF	26,700	14.204,14		0,01	0,01
CS GROUP REG	25.000,00	CHF	17,260	359.239,06		0,18	0,17
EFG INTERNATIONAL -	38.490,00	CHF	5,280	169.193,86		0,09	0,08
GAM HOLDING LTD -	6.547,00	CHF	10,550	57.503,93		0,03	0,03
GOTTEX FUND MANAGEMENT HOLDING -	40.849,00	CHF	2,490	84.680,52		0,04	0,04
PARTNERS GROUP AG -	2.027,00	CHF	168,600	284.520,83		0,14	0,13
SWISS RE -	14.511,00	CHF	59,550	719.418,93		0,36	0,34
U.B.S. REG	240.000,00	CHF	11,050	2.207.884,11		1,12	1,04
ZURICH INSURANCE GROUP AG -	3.075,00	CHF	213,500	546.569,95		0,28	0,26
<u>Thailand</u>							
SIAM COMM. BK. PUBL. CO. LOCAL	291.700,00	THB	147,000	1.063.882,73		0,54	0,50
<u>Turkey</u>							
ANADOLU HAYAT EMEKLILIK -	1.250.002,00	TRY	4,150	2.259.958,31		1,14	1,06
ANADOLU SIGORTA -	391.744,00	TRY	0,870	148.478,38		0,08	0,07
ASYA KATILIM BANKASI AS -	400.000,00	TRY	1,810	315.413,44		0,16	0,15
TEKFEN HOLDINGS AS -	291.919,00	TRY	6,620	841.902,84		0,43	0,40
TURKIYE GARANTI BANKASI A.S. -	80.000,00	TRY	7,100	247.451,42		0,13	0,12
TURKIYE IS BANKASI -	277.807,00	TRY	4,800	580.933,00		0,29	0,27
<u>U.K.</u>							
ABERDEEN ASSET MGMT PLC -	272.606,00	GBP	2,597	874.994,17		0,44	0,41
ASHMORE GROUP PLC -	100.000,00	GBP	3,485	430.725,50		0,22	0,20
AVIVA PLC -	692.866,00	GBP	2,726	2.334.387,24		1,18	1,10
BARCLAYS BANK PLC -	1.600.886,00	GBP	1,629	3.222.151,59		1,63	1,51
BRITISH LAND CO LTD -	139.431,00	GBP	5,105	879.737,06		0,45	0,41

HSBC HOLDING PLC -	587.713,00	GBP	5,611	4.075.710,84		2,06	1,91
JUPITER FUND MANAGEMENT PLC -	100.000,00	GBP	2,152	265.974,54		0,14	0,13
LEGAL & GENERAL GROUP PLC -	143.299,00	GBP	1,273	225.459,93		0,11	0,11
LLOYDS BANKING GROUP PLC -	5.428.583,00	GBP	0,311	2.086.626,27		1,06	0,98
MAN GROUP PLC -	122.930,00	GBP	0,762	115.697,93		0,06	0,05
NOVAE GROUP PLC -	182.738,00	GBP	3,650	824.364,97		0,42	0,39
OLD MUTUAL PLC -	100.366,00	GBP	1,514	187.806,36		0,10	0,09
PRUDENTIAL PLC -	236.507,00	GBP	7,380	2.157.238,49		1,09	1,01
RESOLUTION PLC -	21.370,00	GBP	1,959	51.741,23		0,03	0,02
ROYAL & SUN ALLIANCE INS. -	200.000,00	GBP	1,081	267.210,48		0,14	0,13
ROYAL BANK OF SCOTLAND GROUP PLC -	595.366,00	GBP	2,153	1.584.257,81		0,80	0,74
SCHRODERS PLC -	11.600,00	GBP	13,360	191.541,22		0,10	0,09
SONGBIRD ESTATES PLC -	65.784,00	GBP	1,100	89.435,67		0,05	0,04
STANDARD CHARTERED -	48.276,00	GBP	13,845	826.079,87		0,42	0,39
3IGROUP -	814.504,00	GBP	1,971	1.984.164,36		1,00	0,93
<u>U.S.A.</u>							
AFFILIATED MANAGERS GROUP -	3.236,00	USD	109,450	279.079,82		0,14	0,13
AMERICAN INT. GROUP -	59.673,00	USD	32,090	1.508.869,73		0,76	0,71
AMERIPRISE FINANCIAL INC -	1.842,00	USD	52,260	75.851,33		0,04	0,04
BANK OF AMERICA -	162.774,00	USD	8,180	1.049.161,86		0,53	0,49
BANK OF NEW YORK MELLON CORP -	39.157,00	USD	21,950	677.248,56		0,34	0,32
BB&T CORPORATION -	46.346,00	USD	30,850	1.126.604,76		0,57	0,53
BLACKROCK INC. -	1.541,00	USD	169,820	206.203,31		0,10	0,10
CAPITAL ONE FINANCIAL CORP -	45.179,00	USD	54,660	1.945.854,65		0,98	0,91
CITIGROUP INC -	200.283,00	USD	27,410	4.325.708,79		2,19	2,03
CME GROUP INC -	7.551,00	USD	268,110	1.595.223,87		0,81	0,75
COMERICA INC -	25.477,00	USD	30,710	616.498,83		0,31	0,29
DISCOVER FINANCIAL SERVICES -	27.260,00	USD	34,580	742.771,10		0,38	0,35
E-TRADE GROUP INC. -	5.746,00	USD	8,040	36.402,05		0,02	0,02
EATON VANCE CORP -	11.414,00	USD	26,950	242.382,24		0,12	0,11
FANNIE MAE -	45.680,00	USD	0,255	9.178,47		0,01	0,00
FIFTH THIRD BANCORPORATION -	155.720,00	USD	13,400	1.644.195,10		0,83	0,77
FIRST MARBLEHEAD CORP -	7.846,00	USD	1,170	7.233,33		0,00	0,00
FRANKLIN RESOURCES INC -	10.713,00	USD	110,990	936.912,67		0,47	0,44
GOLDMAN SACHS -	17.969,00	USD	95,860	1.357.267,62		0,69	0,64
HUNTINGTON BANCSHARES, INC. -	183.627,00	USD	6,400	926.020,64		0,47	0,44
INTERCONTINENTALEXCHANGE INC -	10.222,00	USD	135,980	1.095.254,56		0,55	0,51
INVESCO LTD -	11.634,00	USD	22,600	207.177,05		0,11	0,10
INVESTMENT TECHNOLOGY GROUP -	9.899,00	USD	9,200	71.760,14		0,04	0,03
ISTAR FINANCIAL INC -	2.534,00	USD	6,450	12.878,65		0,01	0,01
JANUS CAPITAL GROUP INC -	16.138,00	USD	7,820	99.439,89		0,05	0,05
JPMORGAN CHASE & CO -	225.000,00	USD	35,730	6.334.607,20		3,22	2,97
KEYCORP -	227.361,00	USD	7,740	1.386.631,58		0,70	0,65
LINCOLN NATIONAL CORPORATION -	46.976,00	USD	21,870	809.522,59		0,41	0,38
METLIFE INC. -	97.835,00	USD	30,850	2.378.228,47		1,20	1,12
MGIC INVESTMENT CORPORATION -	190.000,00	USD	2,880	431.171,70		0,22	0,20
MOODY'S CORP -	2.858,00	USD	36,550	82.310,22		0,04	0,04
MORGAN STANLEY -	70.639,00	USD	14,590	812.089,68		0,41	0,38
NASDAQ OMX GROUP INC -	41.279,00	USD	22,670	737.368,95		0,37	0,35
NATIONAL FINANCIAL PARTNERS CORP -	3.815,00	USD	13,400	40.281,30		0,02	0,02
NATIONAL WESTERN LIFE INSURANC -	615,00	USD	141,920	68.773,78		0,04	0,03
NYSE GROUP INC -	45.134,00	USD	25,580	909.721,63		0,46	0,43
PARTNERRE LTD -	3.942,00	USD	75,670	235.041,48		0,12	0,11
PEOPLES UNITED FINANCIAL INC -	105.369,00	USD	11,610	963.938,29		0,49	0,45
PNC FINANCIAL SERVICES GROUP -	43.502,00	USD	61,110	2.094.718,48		1,06	0,98
POPULAR INC -	142.069,00	USD	16,610	1.859.401,22		0,94	0,87
PRINCIPAL FINANCIAL GROUP INC -	41.484,00	USD	26,230	857.399,20		0,43	0,40

PROLOGIS TRUST -	2.057,00	USD	33,230	53.860,30		0,03	0,03
PRUDENTIAL FINANCIAL INC -	45.493,00	USD	48,430	1.736.053,89		0,88	0,82
RADIAN GROUP INC -	5.209,00	USD	3,290	13.503,75		0,01	0,01
REGIONS FINANCIAL CORPORATION -	95.132,00	USD	6,750	505.981,40		0,26	0,24
REINSURANCE GROUP OF AMERICA INC -	2.336,00	USD	53,210	97.942,29		0,05	0,05
SCHWAB (CHARLES) CORP. -	8.404,00	USD	12,930	85.622,66		0,04	0,04
SIMON PROPERTY GROUP INC -	7.843,00	USD	155,660	961.974,14		0,49	0,45
STATE STREET CORPORATION -	21.994,00	USD	44,640	773.628,68		0,39	0,36
SUNTRUST BANKS -	62.965,00	USD	24,230	1.202.144,79		0,61	0,56
SYNOVIS FINANCIAL CORPORATION -	287.350,00	USD	1,980	448.312,19		0,23	0,21
TD AMERITRADE HOLDING CORP -	6.456,00	USD	17,000	86.480,18		0,04	0,04
TETON ADVISORS INC -	134,00	USD	0,000	0,00			
TORCHMARK -	2.908,00	USD	50,550	115.829,64		0,06	0,05
TRAVELERS COS INC -	14.074,00	USD	63,840	707.969,55		0,36	0,33
US BANCORP -	100.053,00	USD	32,160	2.535.422,33		1,28	1,19
VIRTUS INVESTMENT PARTNERS INC -	1.263,00	USD	81,000	80.610,67		0,04	0,04
WELLS FARGO COMPANY -	225.081,00	USD	33,440	5.930.745,13		3,00	2,78
WINTRUST FINANCIAL CORP -	34.772,00	USD	35,500	972.662,52		0,49	0,46
XL GROUP PLC "A"	29.617,00	USD	21,040	491.010,70		0,25	0,23
ZIONS BANCORPORATION -	57.940,00	USD	19,420	886.608,46		0,45	0,42
Total shares				194.675.053,74		98,48	91,37
Warrants							
<u>U.S.A.</u>							
AIG-FP MATCHED FUNDING 19/01/2021	1.961,00	USD	10,310	15.930,90		0,01	0,01
Total Warrants				15.930,90		0,01	0,01
Rights							
<u>Bermuda</u>							
HAL TRUST CP 18/05/12	1,00	EUR	3,400	3,40			
<u>Germany</u>							
DEUTSCHE WOHNEN AG CP 12/06/12	50.000,00	EUR	0,730	36.500,00		0,02	0,02
<u>Switzerland</u>							
EFG INTERNATIONAL CP 22/05/12	2.848,00	CHF	0,000	0,02			
Total rights				36.503,42		0,02	0,02
Swaps							
<u>France</u>							
SOCIETE GENERALE	16.000.000,00	EUR	12,478	1.996.448,00		1,01	0,94
Total swaps				1.996.448,00		1,01	0,94
Forward contracts		EUR		15.969,00			0,01
TOTAL SECURITIES PORTFOLIO				197.685.746,87		100,00	92,78
COLLATERAL RECEIVED							
<u>Belgium</u>							
KBC GROUP COLLATERAL EUR	6.659.490,52	EUR	1,000	6.659.490,52			3,13
TOTAL RECEIVED COLLATERAL				6.659.490,52			3,13
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP AUD	615.479,75	AUD	1,000	497.136,42			0,23
KBC GROUP CAD	394.971,25	CAD	1,000	305.291,79			0,14

KBC GROUP CHF	4.318,49	CHF	1,000	3.595,30		0,00
KBC GROUP DKK	83.459,66	DKK	1,000	11.226,15		0,01
KBC GROUP EURO	5.484.279,09	EUR	1,000	5.484.279,09		2,57
KBC GROUP GBP	48.113,91	GBP	1,000	59.465,96		0,03
KBC GROUP HKD	4.002.014,45	HKD	1,000	406.551,78		0,19
KBC GROUP HUF	5.294,32	HUF	1,000	18,53		
KBC GROUP JPY	-2.045.580,00	JPY	1,000	-20.201,26		-0,01
KBC GROUP MXN	9.062.646,23	MXN	1,000	531.901,62		0,25
KBC GROUP NOK	1.043.741,33	NOK	1,000	138.357,50		0,07
KBC GROUP SEK	968.780,29	SEK	1,000	110.597,67		0,05
KBC GROUP SGD	644.268,36	SGD	1,000	400.739,17		0,19
KBC GROUP TRY	54.276,50	TRY	1,000	23.645,77		0,01
KBC GROUP USD	8.824.921,80	USD	1,000	6.953.685,13		3,27
KBC GROUP ZAR	101.921,89	ZAR	1,000	9.820,01		0,01
Total demand accounts				14.916.110,63		7,00
TOTAL CASH AT BANK AND IN HAND				14.916.110,63		7,00
OTHER RECEIVABLES AND PAYABLES						
Receivables						
<u>Belgium</u>						
KBC GROUP EUR RECEIVABLE	667,09	EUR	1,000	667,09		
KBC GROUP WHT TO BE RECOVERED EUR	32.952,05	EUR	1,000	32.952,05		0,02
Total receivables				33.619,14		0,02
Payables						
<u>Belgium</u>						
KBC GROUP COUNTERPART ENTRY COLLATERAL IN EUR	-6.659.490,52	EUR	1,000	-6.659.490,52		-3,13
KBC GROUP EUR PAYABLE	-265.830,39	EUR	1,000	-265.830,39		-0,13
Payables				-6.925.320,91		-3,25
TOTAL RECEIVABLES AND PAYABLES				-6.891.701,77		-3,24
OTHER						
Interest receivable		EUR		737.159,09		0,35
Accrued interest		EUR		14.048,85		0,01
Expenses payable		EUR		-109.164,60		-0,05
Expenses to be carried forward		EUR		50.095,56		0,02
TOTAL OTHER				692.138,90		0,33
TOTAL NET ASSETS				213.061.785,15		100,00

Geographic breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Australia	4,70	3,46	4,45	3,97
Austria	0,23	0,21	0,25	0,40
Belgium	1,43	1,32	1,47	1,25
Bermuda	3,02	1,90	1,63	1,39
Brazil	4,85	3,56	3,09	2,02
Canada	2,23	1,85	2,20	3,39
Switzerland	3,06	3,55	4,37	2,25
China	2,18	2,60	3,39	2,87
Cyprus	0,59	0,53	0,00	0,00
Germany	1,20	4,03	3,71	3,54
Denmark	0,53	0,89	0,08	0,06
Spain	2,97	2,85	1,73	2,22
Finland	0,72	0,27	0,74	0,61
France	6,11	6,62	4,53	6,09
U.K.	10,15	9,71	12,31	11,58
Greece	1,36	0,91	0,29	0,00
Hong Kong	4,53	3,75	3,76	3,28
India	0,77	0,46	0,41	0,24
Ireland	0,64	0,03	0,55	0,50
Italy	2,36	2,85	2,37	2,94
Jersey/The Channel Islands	1,07	1,10	1,17	0,97
Japan	5,57	4,81	6,82	9,42
South Korea	1,91	1,68	1,58	1,42
Luxembourg	0,07	0,06	0,00	0,00
Mexico	0,56	0,73	0,56	0,29
Malaysia	0,52	0,50	0,45	0,19
Netherlands	2,01	2,06	1,87	2,31
Norway	1,28	0,94	1,00	1,08
Russia	0,48	0,40	0,47	0,48
Singapore	1,60	1,44	1,38	1,69
Sweden	0,91	0,43	0,49	1,10
Thailand	0,00	0,00	0,00	0,54
Turkey	3,38	3,44	2,20	2,22
U.S.A.	26,74	30,86	30,38	29,46
South Africa	0,27	0,20	0,30	0,23
Total	100,00	100,00	100,00	100,00

Sector breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Cyclicals	0,81	0,63	0,87	0,94
Consum(cycl)	0,00	0,00	0,00	0,14
Financials	93,06	94,25	92,49	92,85
Technology	0,78	0,91	1,19	0,40
Real est.	4,76	3,68	5,45	5,67
Governm.	0,59	0,53	0,00	0,00
Total	100,00	100,00	100,00	100,00

Currency breakdown (as a % of net assets)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
AUD	4,68	3,46	4,42	3,93
BRC	1,89	0,00	0,00	0,00
BRL	2,94	3,55	3,07	1,88
CAD	2,23	1,85	2,20	3,30
CHF	3,05	3,55	4,00	1,44
DKK	0,53	0,89	0,09	0,06
EUR	20,91	22,16	20,92	22,18
GBP	11,17	10,74	11,33	11,61
HKD	6,67	6,36	7,12	5,92
INR	0,77	0,46	0,41	0,22
JPY	4,51	4,79	6,28	8,46
KRW	1,90	1,68	1,57	1,32
MXN	0,55	0,73	0,56	0,52
MYR	0,52	0,50	0,45	0,18
NOK	1,28	0,94	0,99	1,07
SEK	0,91	0,43	0,49	1,08
SGD	1,60	1,44	1,37	1,77
THB	0,00	0,00	0,00	0,50
TRY	3,37	3,44	2,21	2,08
USD	30,25	32,83	32,22	32,26
ZAR	0,27	0,20	0,30	0,22
Total	100,00	100,00	100,00	100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC EQUITY FUND FINANCE (IN THE CURRENCY OF THE SUB-FUND)

	1st half of year	Year
Purchases	118.552.244,38	118.552.244,38
Sales	49.323.919,98	49.323.919,98
Total 1	167.876.164,36	167.876.164,36
Subscriptions	131.278.169,46	131.278.169,46
Redemptions	48.713.508,24	48.713.508,24
Total 2	179.991.677,70	179.991.677,70
Monthly average of total assets	197.175.022,85	197.175.022,85
Turnover rate	-6,14 %	-6,14 %

	1st half of year	Year
Purchases	118.552.244,38	118.552.244,38
Sales	49.323.919,98	49.323.919,98
Total 1	167.876.164,36	167.876.164,36
Subscriptions	131.278.169,46	131.278.169,46
Redemptions	48.713.508,24	48.713.508,24
Total 2	179.991.677,70	179.991.677,70
Monthly average of total assets	-2.572.295.825,69	-2.572.295.825,69
Corrected turnover rate	0,47 %	0,47 %

The table above shows the capital volume of portfolio transactions. This volume (adjusted to take account of total subscriptions and redemptions) is also compared to the average net assets at the beginning and end of the period.

A figure close to 0% implies that the transactions relating to the securities or transactions relating to the assets (excluding deposits and cash) in a given period only involve subscriptions and redemptions.

A negative percentage shows that subscriptions and redemptions entailed few, if any, transactions in the portfolio.

Active asset management may result in high turnover rates (monthly percentage >50%).

The detailed list of transactions is available for consultation free of charge at the registered office of the Bevek or fund at Havenlaan 2, 1080 Brussels.

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

NAME	Currency	Value in currency	In the currency of the sub-fund	Lot-size	Transaction date
KBC COLLATERAL EUR	EUR	6.659.490,52	6.659.490,52	N/A	29.06.2012
KBC VK-AK CHF-EUR 120830-120628 1.199436	CHF	-1.660.000,00	-1.382.008,91	N/A	28.06.2012
KBC VK-AK JPY-EUR 120830-120628 98.8587	JPY	-64.000.000,00	-632.036,34	N/A	28.06.2012
SOCGENER	EUR	16.000.000,00	16.000.000,00	N/A	24.04.2012

2.4.4 CHANGES OF THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND THE NET ASSET VALUE

Classic Shares

Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2010 - 06	546.597,44	5.418,76	452.498,36	7.234,00	398.527,27	15.149,76	413.677,03
2011 - 06	1.136.977,06	34.755,28	956.306,18	32.820,37	579.198,15	17.084,66	596.282,81
2012 - 06	150.180,31	588,10	657.182,63	3.043,04	72.195,83	14.629,72	86.825,56

Period	Amounts received and paid by the UCI (in the currency of the class)				
Year	Subscriptions		Redemptions		
	Capitalization	Distribution	Capitalization	Distribution	
2010 - 06	188.351.790,84	1.402.644,83	157.034.467,86	1.996.202,20	
2011 - 06	182.991.507,82	185.384,72	334.678.575,32	10.182.979,02	
2012 - 06	46.297.814,98	137.675,11	188.753.327,25	759.435,15	

Period	Net asset value End of period (in the currency of the class)			
Year	Of the class	Of one share		
		Capitalization	Distribution	
2010 - 06	143.021.939,80	348,45	274,24	
2011 - 06	204.882.280,16	345,76	270,43	
2012 - 06	27.851.652,24	333,41	258,43	

Institutional B Shares

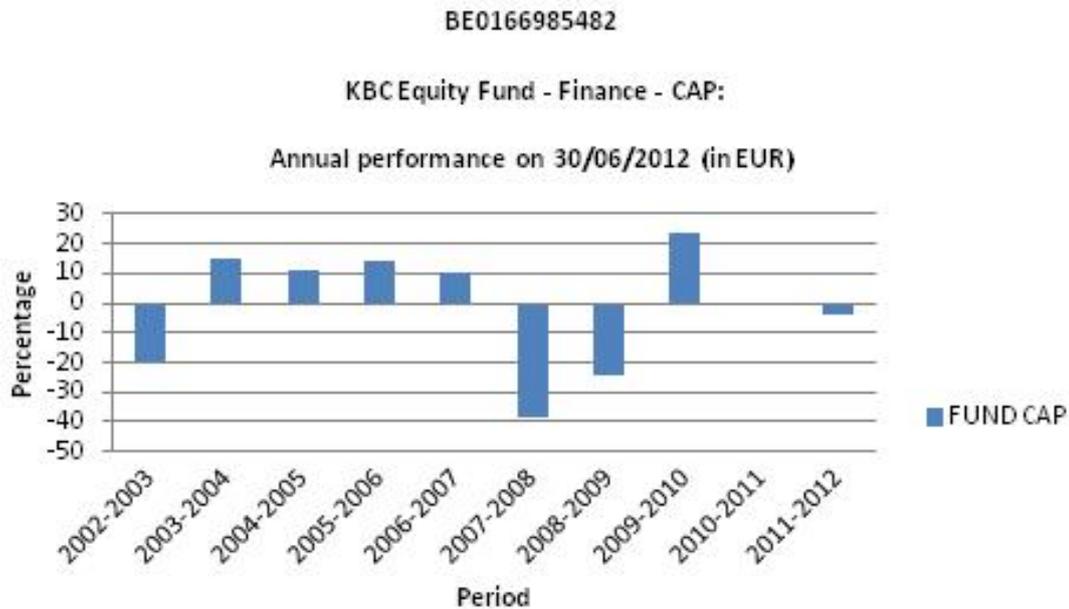
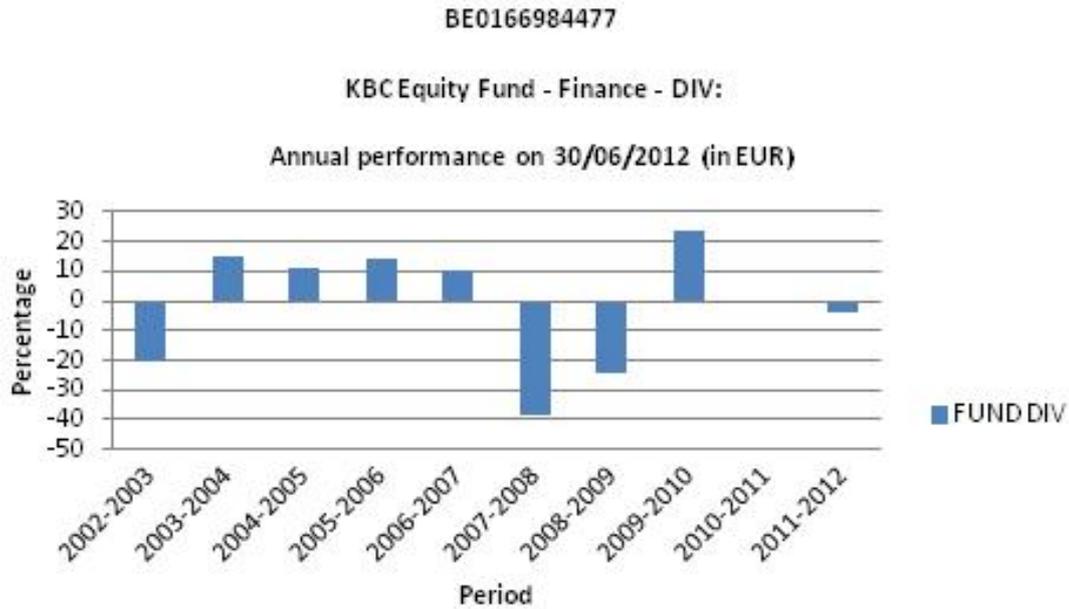
Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2012 - 06	713.571,99		158.601,99		554.970,00		554.970,00

Period	Amounts received and paid by the UCI (in the currency of the class)				
Year	Subscriptions		Redemptions		
	Capitalization	Distribution	Capitalization	Distribution	
2012 - 06	221.985.014,23		51.868.617,64		

Period	Net asset value End of period (in the currency of the class)			
Year	Of the class	Of one share		
		Capitalization	Distribution	
2012 - 06	185.210.132,91	333,73		

2.4.5 PERFORMANCE FIGURES

Classic Shares



Cap Div	ISIN code	Currency	1 Year		3 Years*		5 Years*		10 Years*		Since launch*	
			Share classes	Bench mark	Launch Date	Share classes						
CAP	BE0166985482	EUR	-3.57%		5.82%		-11.31%		-3.44%		27/03/1998	-2.74%
DIV	BE0166984477	EUR	-3.60%		5.84%		-11.30%		-3.44%		27/03/1998	-2.75%

Risk warning: Past performance is not a guide to future performance.

* Return on annual basis.

Institutional B Shares

The cumulative returns are shown where they relate to a period of at least one year.

Classic Shares

- The bar chart shows the performance for full financial years.
- The figures do not take account of any restructuring.
- Calculated in EUR (ex BEF).
- The return is calculated as the change in the net asset value between two dates expressed as a percentage. In the case of units that pay dividends, the dividend is incorporated geometrically in the return.
- Calculation method for date D, where NAV stands for net asset value:

Capitalisation units (CAP)

Return on date D over a period of X years:

$$[\text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where $Y = D - X$

Return on date D since the start date S of the unit:

$$[\text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where $F = 1$ if the unit has existed for less than one year on date D

where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D

Distribution units (DIV)

Return on date D over a period of X years:

$$[C * \text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where $Y = D - X$

Return on date D since the start date S of the unit:

$$[C * \text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where $F = 1$ if the unit has existed for less than one year on date D

where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D

where C is a factor that is determined for all N dividends between the calculation date D and the reference date.

For dividend i on date Di with value Wi:

$$C_i = [W_i / \text{NIW}(D_i)] + 1$$

$i = 1 \dots N$

from which $C = C_0 * \dots * C_N$.

- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the n^{th} square root of 1 plus the total return of the unit.
- The return figures shown above do not take account of the fees and charges associated with the issue and redemption of units.

These are the performance figures for capitalisation and distribution shares.

2.4.6 COSTS

Total expense ratio (TER): *

Classic Shares Distribution: 1.741%
Classic Shares Capitalization: 1.741%
Institutional B Shares Capitalization: Not applicable

Percentage calculated at the end of the financial year: 31 December

* The following costs have not been included in the TER:

- Transaction charges
- Interest payments on loans taken out
- Payments in respect of financial derivatives
- Fees and charges paid directly by the investor
- Any soft commissions

SOFT COMMISSIONS

The management company or the appointed manager, as the case may be, is the recipient of soft commissions.

The recipient has laid down an internal policy as regards accepting soft commissions and avoiding possible conflicts of interest in this respect, and has put appropriate internal controls in place to ensure this policy is observed.

For more information, please see the 'General' section of the annual report.

Broker	Commission gross in EUR paid during the period: 1-01-12 - 30-06-12	CSA Credits in EUR accrued during the period: 1-01-12 - 30-06-12	Percentage
CITI	20,556	12,847	62.50%
CSFBSAS	18,964	10,215	53.86%
DEUTSCHE	1,763	881	50.00%
HSBC	4,193	1,381	32.93%
JP MORGAN	7,055	3,919	55.56%
MERRILL	10,956	6,329	57.76%
MORGAN STANLEY	31,403	16,570	52.77%
NOMURA	11,607	6,203	53.44%
SOCGEN	556	278	50.00%
UBSWDR	27,449	15,839	57.70%

FEE-SHARING AGREEMENTS AND REBATES:

The management company may share its fee with the distributor, and institutional and/or professional parties.

In principle, the percentage share amounts to between 35% and 60% if the distributor is an entity of KBC Group NV or to between 35% and 70% if the distributor is not an entity of KBC Group NV. However, in a small number of cases, the distributor's fee is less than 35%. Investors may, on request, obtain more information on these cases.

If the management company invests the assets of the undertaking for collective investment in units of undertakings for collective investment that are not managed by an entity of KBC Group NV, and receives a fee for doing so, it will pay this fee to the undertaking for collective investment.

Fee-sharing does not affect the amount of the management fee paid by the sub-fund to the management company. This management fee is subject to the limitations laid down in the articles of association. The limitations may only be amended after approval by the general meeting of shareholders.

The management company has concluded a distribution agreement with the distributor in order to facilitate the wider distribution of the sub-fund's units by using multiple distribution channels.

It is in the interests of the holders of units, the sub-fund and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund to be maximised in this way. In this respect, there is therefore no question of any conflict of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: 1.35% per annum calculated on the basis of the average total net assets of the sub-fund, excluding those assets invested in investment undertakings managed by a financial institution of the KBC group.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the average total net assets of the sub-fund.

Auditor's fee: 1 700 EUR per year. This fee is not including VAT and will be increased at the end of the 3-year mandate.

The custody fee is calculated on the value of the securities held in custody by the custodian on the final banking day of the preceding calendar year, except on those assets invested in investment undertakings managed by a financial institution of the KBC group. The custody fee is paid at the beginning of the calendar year.

Social, ethical and environmental aspects:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

Exercising voting rights

If necessary, relevant and in the interest of the shareholders, the management company will exercise the voting rights attached to the shares in the Bevek's portfolio.

The management company will adhere to the following criteria when determining how it stands relative to the items on the agenda that are put to the vote:

- Shareholder value may not be adversely affected.
- Corporate governance rules, especially with regard to the rights of minority shareholders, must be respected.
- The minimum standards with regard to sustainable business and corporate social responsibility must be met.

The list of companies for which voting rights are exercised is available at the registered office of the Bevek.

Securities lending

In accordance with the Royal Decree of 7 March 2006 concerning securities lending, the undertaking for collective investment has taken out securities loans with a principal to whom the full title of the loaned securities was transferred, without recording this transfer of ownership in the accounts.

For the period from 1 January 2012 to 30 June 2012, the fee for securities lent comes to 53,268.31 EUR. KBC Asset Management NV receives 50% of the net fee received for securities lent. The detailed list of securities lending transactions carried out can be obtained from the registered office of the collective investment undertaking at 2 Havenlaan, 1080 Brussels.

Overview of securities lent as at 30/06/2012

Name	Currency	Quantity	Price	Value in currency of the portfolio
BANK OF COMMUNICATIONS CO -H-	HKD	44.571	5,190	23.499,41
BANK OF NOVA SCOTIA	CAD	46.459	52,740	1.893.911,23
BNP PARIBAS	EUR	1	30,335	30,34
BOC HONG KONG HOLDINGS LTD	HKD	151.700	23,600	363.692,88
CAN IMP BK COMMERCE	CAD	7.500	71,650	415.362,32
CAPITALAND LIMITED	SGD	118.000	2,700	198.171,30
DAIWA SECUR.GROUP	JPY	41.000	297,000	120.254,79
HENDERSON GROUP PLC	GBP	280.716	1,020	353.887,43
HENDERSON LAND DEV	HKD	50.000	42,650	216.633,82
HONG KONG EXCHANGES & CLEARING LTD	HKD	34.224	110,000	382.437,68
KEPPEL LAND	SGD	76.000	3,220	152.217,45
MACQUARIE GROUP LTD	AUD	7	26,000	147,01
MANULIFE FINANCIAL CORP	CAD	44.700	11,090	383.167,54
ORIX CORP	JPY	6.140	7.370,000	446.887,22
OVERS CHINESE BANK	SGD	2.000	8,790	10.934,88
PARTNERS GROUP HOLDING AG	CHF	967	168,600	135.733,42
SBI HOLDINGS INC	JPY	684	5.850,000	39.516,10
STOCKLAND	AUD	104.136	3,080	259.067,79
SWIRE PROPERTIES LTD	HKD	5.800	23,200	13.669,52
VIENNA INSUR GR AG WIENER VERSICH	EUR	24.180	31,880	770.858,40
Total				6.180.080,53

Details of collateral received for securities lent

Name	Currency	Nominal value	Currency fund	Value in Currency fund
BUNDESREPUB.DTL. 2011 2.25% 04/09/21	EUR	31.000	EUR	33.889,73
GERMANY 2009 2,25% 11/04/14	EUR	1.065.000	EUR	1.111.650,20
FRANCE 2001 3% 25/07/2012	EUR	410.000	EUR	524.233,79
OAT FRANCE 2003 4% 25/10/13	EUR	927.000	EUR	997.914,57
OAT FRANCE 2003 4% 25/04/14	EUR	709.000	EUR	760.594,64
OAT FRANCE 2005 3 1/2% 25/04/15	EUR	95.000	EUR	102.962,05
OAT FRANCE 2005 3% 25/10/15	EUR	283.000	EUR	307.949,85
FRANCE 2007 4,50% 12/07/2012	EUR	1.189.000	EUR	1.242.582,29
BTAN FRANCE 2008 4 1/2% 12/07/13	EUR	461.000	EUR	501.460,13
NETHERLANDS 2008 4% 15/07/2018	EUR	909.000	EUR	1.076.253,27
Total				6.659.490,52

For the valuation of the collateral received, indicative prices have been used in this detail list by the Collateral Management Division of KBC Bank.

TABLE OF CONTENTS

- 2. Information on KBC Equity Fund Growth by Innovation
 - 2.1. Management report
 - 2.1.1. Launch date and subscription price
 - 2.1.2. Stock exchange listing
 - 2.1.3. Aim and distinctive features of the investment policy
 - 2.1.4. Financial portfolio management
 - 2.1.5. Distributors
 - 2.1.6. Index and benchmark
 - 2.1.7. Policy conducted during the financial year
 - 2.1.8. Future policy
 - 2.1.9. Synthetic risk and reward indicator (SRRI)
 - 2.2. Balance sheet
 - 2.3. Profit and loss account
 - 2.4. Composition of the assets and key figures
 - 2.4.1. Composition of the assets
 - 2.4.2. Change in the composition of the assets
 - 2.4.3. Value of commitments in respect of financial derivatives positions
 - 2.4.4. Evolution of the number of subscriptions, repayments and the net asset value
 - 2.4.5. Return figures
 - 2.4.6. Expenses
 - 2.4.7. Notes to the financial statements and other data

2 INFORMATION ON KBC EQUITY FUND GROWTH BY INNOVATION

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Classic Shares :

Launch date: 28 May 1998

Initial subscription price: 20000 BEF

Currency: EUR

Institutional B Shares :

Launch date: 25 November 2011

Initial subscription price: 131.05 EUR

Currency: EUR

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

The main objective of this sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. To this end, the assets are invested, either directly or indirectly via correlated financial instruments, primarily in shares.

SUB-FUND'S INVESTMENT POLICY:

PERMITTED ASSET CLASSES:

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the sub-fund's object.

The sub-fund shall invest no more than 10% of its assets in units of other undertakings for collective investment.

RESTRICTIONS OF THE INVESTMENT POLICY:

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

PERMITTED DERIVATIVES TRANSACTIONS:

Derivates may be used either for hedging purposes or to achieve investment objectives.

Changes will be made to the investments at regular intervals to comply with the sub-fund's investment strategy. **In addition, listed and unlisted derivates may be used to achieve the objectives:** these may be forward contracts, options or swaps on securities, indices, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions. **Such derivatives may also be used to hedge the assets against exchange-rate fluctuations.** Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions.

STRATEGY SELECTED

At least 75% of the assets are invested in a global selection of shares issued by high-potential growth companies. In particular, this involves companies where the focus on research and development generates extra added value. To overcome any liquidity problems, the sub-fund may, be temporary and ancillary invest in other securities.

RISK CONCENTRATION

Growth shares.

LENDING FINANCIAL INSTRUMENTS:

The sub-fund may lend financial instruments within the limits set by law and regulations.

This lending does not affect the sub-fund's risk profile since:

- it takes place within the framework of a securities lending system managed by a principal. In addition, the sub-fund has a relationship only with the principal of the securities lending system which acts as counterparty and to which title of the loaned securities is transferred. The choice of principal is subject to strict selection criteria. The return of securities similar to the securities that have been lent is guaranteed by the principal.
- through a margin management system, the sub-fund is always guaranteed financial security, the actual value of which always exceeds the actual value of the securities that have been lent, in case the principal does not return similar securities.

The return of securities similar to the securities that have been lent can be requested at any time, which means that the lending of securities does not affect the management of the sub-fund's assets.

By lending securities, the sub-fund can generate an additional return. The principal pays a fee to the management company. After deducting the fee for the margin management and clearing services of KBC Bank, most of this fee is paid to the sub-fund.

The relationship with the counterparty or counterparties is governed by standard international agreements.

More information is provided on the terms and conditions governing securities lending in the annual or half-yearly report for the sub-fund.

VOLATILITY OF THE NET ASSET VALUE:

The volatility of the net asset value may be high due to the composition of the portfolio.

GENERAL STRATEGY FOR HEDGING THE EXCHANGE RATE RISK:

In order to protect its assets against exchange rate fluctuations and within the limitations laid down in the articles of association, the sub-fund may perform transactions relating to the sale of forward currency contracts, as well as the sale of call options and the purchase of put options on currencies. The transactions in question may relate solely to contracts traded on a regulated market that operates regularly, is recognised and is open to the public or that are traded with a recognised, prime financial institution specialising in such transactions and dealing in the over-the-counter (OTC) market in options. With the same objective, the sub-fund may also sell currencies forward or exchange them in private transactions with prime financial institutions specialising in such transactions. The hedging objective of the aforementioned transactions suggests that there is a direct link between these transactions and the assets to be hedged, which implies that the transactions carried out in a particular currency may in principle not exceed, in terms of volume, either the valuation value of all the assets in the same currency or the holding period of those assets.

SOCIAL, ETHICAL AND ENVIRONMENTAL ASPECTS:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

THE EUROPEAN SAVINGS DIRECTIVE AND TAX ON DEBT CLAIM RETURNS OBTAINED THROUGH THE REDEMPTION OF OWN UNITS OR IN THE EVENT OF FULL OR PARTIAL DISTRIBUTION OF EQUITY CAPITAL.

The following information is of a general character and is not intended to cover all aspects of an investment in a UCITS. In certain cases entirely different rules might even apply. Moreover, both tax law and the interpretation of it can change. Investors who wish to have more information about the tax implications – in both Belgium and abroad – of acquiring, holding and transferring units should seek the advice of their usual financial and tax advisers.

This UCITS shall invest a maximum of 15% of its assets directly or indirectly in debt instruments as intended by the European Savings Directive.

A. European Savings Directive (Directive 2003/48/EC)

The European Savings Directive has been implemented in Belgium through:

- The Law of 17 May 2004 transposing into Belgian law Directive 2003/48/EC of 3 June 2003 of the Council of the European Union on taxation of savings income in the form of interest payments and amending Income Tax Code 1992 on withholding tax;
- The Royal Decree of 27 September 2009 implementing Article 338bis § 2 of Income Tax Code 1992;
- The Royal Decree of 27 September 2009 concerning the entry into effect of Article 338bis § 2, paragraphs one to three, of Income Tax Code 1992;

Since this UCITS invests a maximum of 15% of its assets directly or indirectly in debt claims as intended by the European Savings Directive, the income of this UCITS does not fall within the scope of this directive.

B. Tax on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital (Article 19bis Income Tax Code 1992).

The income from this UCITS is not subject to the tax on debt instrument returns as intended by Article 19bis, Income Tax Code 1992.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company has delegated the intellectual management, to KBC Fund Management Limited, Joshua Dawson House, Dawson Street , Dublin 2, IRELAND..

2.1.5 DISTRIBUTORS

KBC Asset Management S.A., 5, Place de la Gare, L-1616 Luxembourg.

2.1.6 INDEX AND BENCHMARK

See 'Sub-fund's investment policy'.

2.1.7 POLICY PERSUED DURING THE FINANCIAL YEAR

The fund invests in a global selection of innovative companies, that is, companies whose investment in Research and Development is expected to drive future growth and returns. Over the first half of the year, the fund gained nearly 7% in euro terms, slightly lagging against the broad market.

Looking back over the first half of 2012, the first six months of the year were quite turbulent for equity markets. The changing situation in Europe was the primary concern for investors over the period, however there was also negative news concerns with regard to growth in China. Throughout the first quarter, the situation in Europe continued to evolve. At the beginning of the year, there was positive news from Greece as the country secured acceptance of their debt swap offer. The ECB continued to extend liquidity to European banks through the LTRO. In Russia, despite some unrest, Putin won the Russian presidential election. Markets were largely strong over this period, with both emerging and developed markets rising and with Emerging Asia outperforming.

Moving into the second quarter, the situation in Europe worsened. In May, French socialist, Francois Hollande won the French presidential election. Following parliamentary elections in Greece, it was not possible to form a government. Anti-austerity parties gained seats in this election, causing growing fears that the country would not remain in the euro. A second election was called for mid-June with the uncertainty continuing in the meantime. At this stage, concern spread to the situation in Spain, with growth disappointing further and banks coming under more pressure. Despite initially stating that the country did not need a bailout, by the end of June, Spain had requested assistance from Europe and the IMF. In June, the second Greek election took place, with the New Democracy winning narrowly and forming a government. Throughout this period of uncertainty, markets were very weak, with most regions reversing most of the gains achieved in Q1. On the final day of the quarter, EU leaders agreed that Europe would support troubled banks directly, without the need for local governments to add to their debt levels. This saw a significant rally on the final day of the first half.

While the volatility globally continued, Asian investors were also concerned about weakening growth in China. Growth was slower than most expected, with the official growth target being lowered to 7.5%. Most domestic activity metrics were weak – industrial production, investment and retail sales. On the positive side, inflation continued to fall, leaving room for policy makers to make changes if needed. While there was some slowdown in employment growth, there was no mass unemployment as was seen in 2008/2009. Following this slowdown, Chinese authorities began to take steps to boost growth. Initially the focus was on increasing investment, with particular focus on water and other environmental areas, utilities, railways and social housing. However at the beginning of June, the People's Bank of China took the decision to lower lending and deposit rates by 25bps. They also took steps to liberalise the interest rate regime, seen as a significant positive.

In terms of the Growth by Innovation fund performance, the first quarter was relatively robust. A rally started in early January and was sustained to quarter end, with the fund gaining over 10% over the period, slightly ahead of the broad market. The outperformance was mainly due to the industry group allocation within the fund, with positive contributions coming most notably from the overweight positions in the Technology and Automotive segment and the underweight position in Telecommunication Services and Food, Beverage & Tobacco. Stock selection however weighted on performance slightly, with the positions in Halliburton, Ericsson and Bristol-Myers Squibb impacting performance negatively. The second quarter however was more volatile and the fund lagged against the broad market in each month. The fund ended the quarter losing about 2.5%, lagging against the broad market by roughly 1.5%. Industry Group Allocation was again the main contributor, albeit negatively this time for nearly exactly the same segments as in the first quarter of 2012. Stock specifically, the overweight position in Nokia, Petrobras, Gazprom and Sony added to the underperformance of the fund against the broad market in the second quarter.

2.1.8 FUTURE POLICY

Overall, the markets were very volatile during the first half of 2012 and while some concerns eased towards the end of the period, the volatility is likely to continue going forward. Globally, while recent moves by policy makers have been positive, we still expect turbulence in markets going forward. Europe has clearly made some steps forward, however the problems are not yet resolved and the growth outlook continues to be a concern. Budgetary cuts to control spending across the region have negative implications on demand in the context of international trade. This is a concern for Asia, where growth is driven by both domestic and international factors. Emerging markets - especially Asia - remain our focus for growth in the equities portfolio.

We do continue to believe however, that the global economic picture is stronger than currently perceived. Falling inflation (triggered by another significant drop in the oil price) and very accommodating monetary policies: the first rate cut in China, ECB likely to cut further, and the Fed announced continuation of "Operation Twist" and additional measures if needed, should jump start the global economy in the coming months. Our stance on the Euro crisis remains unchanged: all actions needed to safeguard the union will be taken because the costs and political risks of a break-up are immense.

In line with the theme, KBC Equity Fund Growth by Innovation will continue to invest in a global selection of innovative companies, that is, companies whose investment in Research and Development is expected to drive future growth and returns.

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

Classic Shares: 6 on a scale of 1 (lowest risk) to 7 (highest risk).

Institutional B Shares: 6 on a scale of 1 (lowest risk) to 7 (highest risk).

The value of a share can decrease or increase and the investor may not get back the amount invested.

In accordance with Commission Regulation (EU) No. 583/2010, a synthetic risk and reward indicator has been calculated. This indicator provides a quantitative measure of the sub-fund's potential return and the risk involved, calculated in the currency in which the sub-fund is denominated. It is given as a figure between 1 and 7. The higher the figure, the greater the potential return, but also the more difficult it is to predict this return. Losses are possible too. The lowest figure does not mean that the investment is entirely free of risk. However, it does indicate that, compared with the higher figures, this product will generally provide a lower, but more predictable return.

The synthetic risk and reward indicator is assessed regularly and can therefore go up or down based on data from the past. Data from the past is not always a reliable indicator of future risk and return.

The most recent indicator can be found under the 'Risk and reward profile' heading in the 'Key Investor Information' document.

2.2 BALANCE SHEET

Balance sheet layout	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
TOTAL NET ASSETS	50.576.302,31	46.945.705,47
II. Securities, money market instruments, UCIs and derivatives		
A. Bonds and other debt instruments		
a) Bonds	133.153,90	
a) Collateral received in the form of bonds	355.556,31	1.193.760,04
C. Shares and similar instruments		
a) Shares	50.179.750,49	46.712.218,18
Of which securities lent	326.985,24	1.085.593,22
F. Derivative financial instruments		
j) Foreign exchange		
Futures and forward contracts (+/-)	-1.272,21	
m) Financial indices		
Futures and forward contracts (+/-)	3.664,52	
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable	14.142,12	70.734,51
b) Tax assets	2.496,24	4.500,00
B. Payables		
a) Accounts payable (-)	-76.268,02	-37.618,47
c) Borrowings (-)		-67.481,86
d) Collateral (-)	-355.556,31	-1.193.760,04
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	284.554,04	212.198,34
VI. Accruals and deferrals		
A. Expense to be carried forward	12.368,87	21.978,08
B. Accrued income	51.183,52	63.879,69
C. Accrued expense (-)	-27.471,16	-34.702,98
TOTAL SHAREHOLDERS' EQUITY	50.576.302,31	46.945.705,47
A. Capital	48.413.921,39	48.907.283,14
B. Income equalization	-32.134,50	1.603,13
D. Result for the period	2.194.515,42	-1.963.180,80

Off-balance-sheet headings

I	Collateral (+/-)		
I.A	Collateral (+/-)		
I.A.A	Securities/market instruments	355.556,31	1.193.760,04
III	Notional amounts of futures and forward contracts		
III.A	Purchased futures and forward contracts	227.931,77	
IX	Financial instruments lent	326.985,24	1.085.593,22

2.3 PROFIT AND LOSS ACCOUNT

Income Statement

	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
I. Net gains(losses) on investments		
A. Bonds and other debt instruments		
a) Bonds	-14.504,60	
C. Shares and similar instruments		
a) Shares	971.242,45	608.571,29
D. Other securities	410,22	0,62
F. Derivative financial instruments		
l) Financial indices		
Futures and forward contracts	9.101,17	
H. Foreign exchange positions and transactions		
a) Derivative financial instruments		
Futures and forward contracts	-1.749,42	
b) Other foreign exchange positions and transactions	969.835,62	-2.633.329,83
II. Investment income and expenses		
A. Dividends	601.747,97	497.143,39
B. Interests		
a) Securities and money market instruments	22.646,13	20.647,47
b) Cash at bank and in hand and deposits	597,88	931,07
C. Interest on borrowings (-)	-932,64	-529,55
III. Other income		
A. Income received to cover the acquisition and realization of assets, to discourage withdrawals and for delivery charges	106.544,62	

IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-69.372,66	-39.439,63
B. Financial expenses (-)	-362,58	-1.442,35
C. Custodian's fee (-)	-11.905,83	-18.611,56
D. Manager's fee (-)		
a) Financial management		
Classic Shares	-43.777,53	-333.347,76
Institutional B Shares	-291.027,96	
b) Administration and accounting management	-24.559,55	-22.885,63
E. Administrative expenses (-)	-9,05	
F. Formation and organisation expenses (-)	-2.584,04	-1.956,91
G. Remuneration, social security charges and pension	-4,24	-9,59
H. Services and sundry goods (-)	-5.299,79	-3.938,90
J. Taxes		
Classic Shares	-2.324,00	-18.732,13
Institutional B Shares	-2.240,33	
K. Other expenses (-)	-16.956,42	-16.250,80
Income and expenditure for the period		
Subtotal II + III + IV	260.179,98	61.577,12
V. Profit (loss) on ordinary activities before tax	2.194.515,42	-1.963.180,80
VII. Result for the period	2.194.515,42	-1.963.180,80

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC EQUITY FUND GROWTH BY INNOVATION

Name	Quantity on 30/06/2012	Currency	Price in currency	Evaluation (in the currency of the sub-fund)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
Bonds							
Corporate bonds							
<u>Ireland</u>							
D-STAR FINANCE PLC SUB 14/05/13	209.000,00	EUR	63,710	133.153,90		0,27	0,26
Total bonds				133.153,90		0,27	0,26
Shares							
Exchange-listed shares							
<u>Australia</u>							
COCHLEAR LTD -	7.057,00	AUD	65,840	375.294,12		0,75	0,74
<u>Austria</u>							
EAG BETEILIGUNGS AG -	3.600,00	EUR	0,251	903,60		0,00	0,00
PANKL RACING SYSTEMS AG -	3.743,00	EUR	18,150	67.935,45		0,14	0,13
<u>Belgium</u>							
DEVGEN -	14.644,00	EUR	8,180	119.787,92		0,24	0,24
FINANCIERE DE TUBIZE (BRU)	5.846,00	EUR	29,800	174.210,80		0,35	0,34
THROMBOGENICS NV -	8.260,00	EUR	21,300	175.938,00		0,35	0,35
<u>Bermuda</u>							
COVIDIEN LTD -	6.890,00	USD	53,500	290.453,86		0,58	0,57
<u>Brazil</u>							
PETROBRAS-PETROLEO BRASILEIRO S.A. ADR-PREF	25.498,00	USD	18,140	364.458,06		0,72	0,72
<u>Canada</u>							
RESEARCH IN MOTION LTD. -	3.551,00	CAD	7,540	20.695,30		0,04	0,04
<u>Cayman Islands</u>							
GARMIN LTD -	6.987,00	USD	38,290	210.804,69		0,42	0,42
TENCENT HOLDINGS -	1.400,00	HKD	226,000	32.142,06		0,06	0,06
<u>China</u>							
ALIBABA.COM LTD -	54.500,00	HKD	13,440	74.410,29		0,15	0,15
BYD CO LTD -	35.500,00	HKD	14,620	52.724,56		0,11	0,10
CHINA HIGH SPEED TRANSMISSION EQUIP -	77.000,00	HKD	2,400	18.773,24		0,04	0,04
CHINA OILFIELD SERVICES LTD -	142.000,00	HKD	11,080	159.832,58		0,32	0,32
SHANDONG WEIGAO GP MEDICAL-H -	60.000,00	HKD	8,540	52.053,07		0,10	0,10
SOHU.COM INC. -	5.044,00	USD	44,640	177.420,35		0,35	0,35
<u>Denmark</u>							
ROCKWOOL INTERNATIONAL A/S -	3.200,00	DKK	540,000	232.433,01		0,46	0,46
SIMCORP AIS -	1.844,00	DKK	1.009,000	250.268,48		0,50	0,50
WILLIAM DEMANT HOLDING -	2.703,00	DKK	526,500	191.424,93		0,38	0,38

<u>Finland</u>							
NOKIA "A"	88.542,00	EUR	1,620	143.438,04		0,29	0,28
ORION OYJ "B"	9.545,00	EUR	14,960	142.793,20		0,28	0,28
VACON OYJ -	608,00	EUR	33,800	20.550,40		0,04	0,04
<u>France</u>							
LEGRAND (PAR)	724,00	EUR	26,755	19.370,62		0,04	0,04
SANOFI -	9.945,00	EUR	59,740	594.114,30		1,18	1,18
SCHNEIDER ELECTRIC SA -	10.107,00	EUR	43,730	441.979,11		0,88	0,87
<u>Germany</u>							
BAYERISCHE MOTOREN WERKE AG -	4.835,00	EUR	56,930	275.256,55		0,55	0,54
DAIMLER AG -	14.114,00	EUR	35,345	498.859,33		0,99	0,99
ELRINGKLINGER AG -	8.453,00	EUR	18,770	158.662,81		0,32	0,31
SAP AG -	12.286,00	EUR	46,545	571.851,87		1,14	1,13
SIEMENS AG REG	5.551,00	EUR	66,140	367.143,14		0,73	0,73
VOLKSWAGEN AG PREF	2.517,00	EUR	124,600	313.618,20		0,62	0,62
<u>Hong Kong</u>							
CNOOC LTD -	207.000,00	HKD	15,400	323.838,36		0,64	0,64
LENOVO GROUP LTD -	372.000,00	HKD	6,540	247.148,46		0,49	0,49
<u>India</u>							
LARSEN & TOUBRO LTD. GDR	7.115,00	USD	25,430	142.569,10		0,28	0,28
MAHINDRA & MAHINDRA GDR	23.385,00	USD	12,100	222.959,97		0,44	0,44
RELIANCE INDUSTRIES LTD SP GDR "144A"	12.515,00	USD	26,500	261.324,95		0,52	0,52
<u>Israel</u>							
CHECK POINT SOFTWARE TECHNOLOGIES -	3.701,00	USD	49,590	144.616,33		0,29	0,29
<u>Italy</u>							
DIASORIN SPA -	712,00	EUR	22,970	16.354,64		0,03	0,03
FIAT INDUSTRIAL SPA -	21.763,00	EUR	7,740	168.445,62		0,34	0,33
FIAT SPA -	23.189,00	EUR	3,968	92.013,95		0,18	0,18
<u>Japan</u>							
ASTELLAS PHARMA INC -	6.200,00	JPY	3.465,000	212.156,82		0,42	0,42
CANON INC -	20.200,00	JPY	3.165,000	631.374,68		1,26	1,25
DENSO CORP. -	17.000,00	JPY	2.693,000	452.113,37		0,90	0,89
DISCO CORP -	7.800,00	JPY	4.475,000	344.706,70		0,69	0,68
HAMAMATSU PHOTONICS KK -	6.500,00	JPY	2.686,000	172.417,54		0,34	0,34
HONDA MOTOR CO -	22.200,00	JPY	2.749,000	602.684,18		1,20	1,19
INPEX CORP -	59,00	JPY	444.500,000	258.991,70		0,52	0,51
JAPAN PETROLEUM EXPLORATION CO -	1.000,00	JPY	3.020,000	29.824,21		0,06	0,06
KAO CORP -	2.200,00	JPY	2.194,000	47.667,39		0,10	0,09
MURATA MANUFACTURING CO -	3.900,00	JPY	4.155,000	160.028,64		0,32	0,32
NIKON -	16.100,00	JPY	2.402,000	381.909,93		0,76	0,76
NINTENDO CO -	1.400,00	JPY	9.250,000	127.888,60		0,25	0,25
OBIC CO LTD -	170,00	JPY	15.270,000	25.635,99		0,05	0,05
ONO PHARMACEUTICAL CO LTD -	2.700,00	JPY	4.995,000	133.186,85		0,27	0,26
ROHM CORP. -	3.400,00	JPY	3.045,000	102.241,75		0,20	0,20
SONY CORP -	24.500,00	JPY	1.123,000	271.711,44		0,54	0,54
TAKEDA PHARMACEUTICAL CO LTD -	12.900,00	JPY	3.615,000	460.532,29		0,92	0,91
TOKYO ELECTRON -	10.000,00	JPY	3.695,000	364.902,23		0,73	0,72
TOYO TANSO CO LTD -	1.100,00	JPY	2.492,000	27.070,91		0,05	0,05
TOYOTA MOTOR_CREDIT -	24.600,00	JPY	3.190,000	774.975,31		1,54	1,53
TREND MICRO INC -	9.800,00	JPY	2.339,000	226.369,74		0,45	0,45
USHIO INC -	2.000,00	JPY	980,000	19.356,11		0,04	0,04

<u>Luxembourg</u>							
TENARIS SA -	10.254,00	EUR	13,790	141.402,66		0,28	0,28
<u>New Zealand</u>							
FISHER & PAYKEL HEALTHCARE CORP. -	93.428,00	NZD	1,970	116.570,50		0,23	0,23
<u>Norway</u>							
PETROLEUM GEO-SERVICES ASA -	28.800,00	NOK	72,200	275.638,27		0,55	0,55
STATOIL -	17.101,00	NOK	141,400	320.538,91		0,64	0,63
<u>Russia</u>							
GAZPROM ADR NEW	66.993,00	USD	9,430	497.788,98		0,99	0,98
<u>South Africa</u>							
SASOL LTD -	7.052,00	ZAR	342,400	232.643,30		0,46	0,46
<u>South Korea</u>							
HYUNDAI MOBIS -	1.083,00	KRW	274.500,000	204.528,00		0,41	0,40
HYUNDAI MOTOR -	1.842,00	KRW	232.500,000	294.641,94		0,59	0,58
LG ELECTRONICS INC NEW	3.587,00	KRW	61.000,000	150.536,98		0,30	0,30
LS INDUSTRIAL SYSTEMS -	709,00	KRW	64.700,000	31.559,67		0,06	0,06
SAMSUNG ELECTRONICS -	1.124,00	KRW	1.201.000,000	928.733,89		1,85	1,84
<u>Sweden</u>							
AUTOLIV INC -	3.463,00	USD	54,660	149.151,04		0,30	0,30
AXIS COMMUNICATIONS AB -	24.317,00	SEK	150,000	416.410,75		0,83	0,82
ERICSSON "B"	78.682,00	SEK	63,050	566.345,12		1,13	1,12
<u>Switzerland</u>							
NOBEL BIOCARE HOLDING AG -	21.489,00	CHF	9,790	175.146,58		0,35	0,35
NOVARTIS AG ADR	1.316,00	USD	55,900	57.965,80		0,12	0,12
NOVARTIS AG REG	14.319,00	CHF	52,900	630.624,90		1,25	1,25
PHONAK HOLDING -	188,00	CHF	91,450	14.313,45		0,03	0,03
ROCHE HOLDING GENOTS	5.216,00	CHF	163,600	710.433,83		1,41	1,41
SYNGENTA (NOM)	841,00	CHF	323,300	226.362,49		0,45	0,45
THE SWATCH GROUP AG -	117,00	CHF	373,500	36.381,38		0,07	0,07
<u>Taiwan</u>							
ADVANTECH CO LTD -	55.800,00	TWD	98,600	145.070,35		0,29	0,29
CATCHER TECHNOLOGY CO LTD -	47.000,00	TWD	198,500	245.994,79		0,49	0,49
DELTA ELECTRONIC INDUSTRIAL -	5.000,00	TWD	90,900	11.983,99		0,02	0,02
EVERLIGHT ELECTRONICS CO LTD -	13.000,00	TWD	50,700	17.378,76		0,04	0,03
HTC CORPORATION -	6.037,00	TWD	389,500	62.000,64		0,12	0,12
LARGAN PRECISION CO LTD -	3.000,00	TWD	618,000	48.885,19		0,10	0,10
MACRONIX INTL. -	174.000,00	TWD	9,370	42.988,90		0,09	0,09
MEDIATEK INCORPORATION -	16.031,00	TWD	273,000	115.396,01		0,23	0,23
MOTECH INDUSTRIES INC -	539,00	TWD	41,000	582,69		0,00	0,00
NOVATEK MICROELECTRONICS CORP -	86.000,00	TWD	91,400	207.258,42		0,41	0,41
PIXART IMAGING INC -	36.280,00	TWD	85,500	81.790,14		0,16	0,16
RICHTEK TECHNOLOGY CORP -	32.150,00	TWD	175,000	148.349,66		0,30	0,29
SIMPLO TECHNOLOGY CO LTD -	6.790,00	TWD	203,500	36.433,57		0,07	0,07
TAIWAN SEMICONDUCTOR -	141.000,00	TWD	81,300	302.257,58		0,60	0,60
<u>U.K.</u>							
ARM HOLDG -	88.876,00	GBP	5,055	555.269,04		1,10	1,10
ASTRAZENECA PLC -	14.899,00	GBP	28,530	525.359,62		1,04	1,04
AVEVA GROUP PLC -	20.423,00	GBP	16,300	411.438,51		0,82	0,81
COBHAM -	6.162,00	GBP	2,322	17.684,05		0,04	0,04
GLAXOSMITHKLINE PLC -	37.509,00	GBP	14,470	670.813,53		1,33	1,33
MEGGITT PLC -	51.784,00	GBP	3,853	246.599,62		0,49	0,49
MICRO FOCUS INTERNATIONAL PLC -	58.972,00	GBP	5,305	386.659,82		0,77	0,77

OPPORTUNITY INV MANAGEMENT PLC -	7.350,00	EUR	0,420	3.087,00		0,01	0,01
SPIRENT COMMUNICATIONS PLC -	199.140,00	GBP	1,605	395.031,15		0,79	0,78
ULTRA ELECTRONICS HOLDINGS -	704,00	GBP	15,870	13.808,53		0,03	0,03
<u>U.S.A.</u>							
ADOBE SYSTEMS -	15.525,00	USD	32,370	395.984,75		0,79	0,78
ADTRAN INC -	3.153,00	USD	30,190	75.005,18		0,15	0,15
ALKERMES INC -	27.328,00	USD	16,970	365.421,29		0,73	0,72
ALTERA CORP. -	13.138,00	USD	33,840	350.319,06		0,70	0,69
AMAZON COMM. INC. -	3.198,00	USD	228,350	575.418,25		1,14	1,14
AMETEK INC -	808,00	USD	49,910	31.776,28		0,06	0,06
AMGEN -	1.680,00	USD	73,040	96.688,36		0,19	0,19
ANALOG DEVICES, INC. -	11.171,00	USD	37,670	331.582,67		0,66	0,66
ANSYS INC -	2.267,00	USD	63,110	112.733,72		0,22	0,22
APPLE INC -	4.074,00	USD	584,000	1.874.726,97		3,73	3,71
BARD (C.R.) INC. -	1.501,00	USD	107,440	127.072,29		0,25	0,25
BAXTER INTL INC -	4.221,00	USD	53,150	176.775,79		0,35	0,35
BECTON DICKINSON -	425,00	USD	74,750	25.032,50		0,05	0,05
BIOGEN IDEC INC -	4.131,00	USD	144,380	469.965,94		0,93	0,93
BOEING -	11.361,00	USD	74,300	665.134,58		1,32	1,32
BRISTOL-MYERS SQUIBB CO -	19.150,00	USD	35,950	542.465,13		1,08	1,07
CELGENE CORPORATION -	3.507,00	USD	64,160	177.298,18		0,35	0,35
CERNER CORP -	3.125,00	USD	82,660	203.539,91		0,41	0,40
CISCO SYSTEMS INC -	44.688,00	USD	17,170	604.596,14		1,20	1,20
COMTECH TELECOMMUNICATIONS COR -	11.196,00	USD	28,580	252.132,76		0,50	0,50
CORNING INC -	23.493,00	USD	12,930	239.354,26		0,48	0,47
CUBIST PHARMACEUTICALS INC -	9.851,00	USD	37,910	294.264,76		0,59	0,58
DIGITAL RIVER INC -	5.521,00	USD	16,620	72.302,43		0,14	0,14
DOLBY LABORATORIES INC -	4.999,00	USD	41,300	162.681,19		0,32	0,32
DRIL-QUIP -	3.356,00	USD	65,590	173.445,78		0,35	0,34
DU PONT DE NEMOURS -	11.635,00	USD	50,570	463.621,42		0,92	0,92
EDWARDS LIFESCIENCES CORP. -	2.090,00	USD	103,300	170.118,19		0,34	0,34
ENDO HEALTH SOLUTIONS INC -	9.776,00	USD	30,980	238.641,94		0,47	0,47
FLIR SYSTEMS INC -	8.324,00	USD	19,500	127.900,09		0,25	0,25
FORD MOTOR CY -	48.096,00	USD	9,590	363.439,16		0,72	0,72
FOREST LABORATORIES "A"	3.639,00	USD	34,990	100.329,85		0,20	0,20
F5 NETWORKS INC -	3.953,00	USD	99,560	310.110,06		0,62	0,61
GEN-PROBE INC. -	2.118,00	USD	82,200	137.183,52		0,27	0,27
GENERAL ELEC CAP CORP -	61.227,00	USD	20,840	1.005.413,82		2,00	1,99
GOODRICH CORPORATION -	378,00	USD	126,900	37.797,02		0,08	0,08
GOOGLE INC -A-	1.549,00	USD	580,070	708.004,44		1,41	1,40
HAEMONETICS CORP -	585,00	USD	74,110	34.161,49		0,07	0,07
HALLIBURTON CY -	19.903,00	USD	28,390	445.233,76		0,89	0,88
HASBRO INC. -	470,00	USD	33,870	12.543,46		0,03	0,03
HEWLETT PACKARD -	20.816,00	USD	20,110	329.847,73		0,66	0,65
I.B.M. -	5.047,00	USD	195,580	777.789,19		1,55	1,54
IDEXX LABORATORIES INC. -	788,00	USD	96,130	59.688,31		0,12	0,12
INTEL CORP -	46.318,00	USD	26,650	972.637,85		1,93	1,92
INTUIT INC -	3.375,00	USD	59,350	157.833,31		0,31	0,31
INTUITIVE SURGICAL INC -	1.388,00	USD	553,790	605.673,72		1,20	1,20
JOHNSON & JOHNSON -	14.009,00	USD	67,560	745.763,17		1,48	1,48
MASIMO CORP -	8.659,00	USD	22,380	152.697,52		0,30	0,30
MATTEL INC -	7.663,00	USD	32,440	195.877,17		0,39	0,39
MEDICIS PHARMACEUTICAL CORP. -	3.690,00	USD	34,150	99.293,59		0,20	0,20
MEDTRONIC INC -	22.369,00	USD	38,730	682.650,20		1,36	1,35
MERCK & CO -	18.980,00	USD	41,750	624.391,30		1,24	1,24
MERIDIAN BIOSCIENCE INC -	6.175,00	USD	20,460	99.551,26		0,20	0,20
MICROSOFT CORP -	34.512,00	USD	30,590	831.866,74		1,65	1,65

MONSANTO NEW	8.860,00	USD	82,780	577.914,11		1,15	1,14
NIKE "B"	3.333,00	USD	87,780	230.534,03		0,46	0,46
ORACLE CORP -	23.928,00	USD	29,700	559.972,89		1,11	1,11
PFIZER -	42.236,00	USD	23,000	765.446,38		1,52	1,51
POLARIS INDUSTRIES INC -	6.239,00	USD	71,480	351.401,56		0,70	0,70
PROCTER & GAMBLE -	11.589,00	USD	61,250	559.314,67		1,11	1,11
Q LOGIC -	23.512,00	USD	13,690	253.627,99		0,50	0,50
QUALCOMM CORP -	13.369,00	USD	55,680	586.546,31		1,17	1,16
QUALITY SUSTEMS INC -	1.172,00	USD	27,510	25.405,18		0,05	0,05
RED HAT INC -	8.697,00	USD	56,480	387.051,11		0,77	0,77
ROCKWELL COLLINS -	2.133,00	USD	49,350	82.943,46		0,17	0,16
ROPER INDUSTRIES INC -	441,00	USD	98,580	34.255,60		0,07	0,07
SCHLUMBERGER -	10.136,00	USD	64,910	518.420,74		1,03	1,03
ST JUDE MEDICAL INC. -	4.458,00	USD	39,910	140.192,88		0,28	0,28
STRYKER CORPORATION -	4.017,00	USD	55,100	174.404,46		0,35	0,35
SURMODICS INC -	9.096,00	USD	17,300	123.994,01		0,25	0,25
VALEANT PHARMACEUTICALS INTERN -	5.096,00	CAD	45,670	179.891,26		0,36	0,36
VARIAN MEDICAL SYSTEMS -	1.901,00	USD	60,770	91.028,11		0,18	0,18
XILINX INC. -	13.827,00	USD	33,570	365.749,26		0,73	0,72
ZIMMER HOLDINGS INC. -	1.203,00	USD	64,360	61.007,86		0,12	0,12
3M CO -	4.510,00	USD	89,600	318.411,47		0,63	0,63
Total shares				50.179.750,49		99,73	99,22
Options and futures							
Exchange-listed futures							
<u>Belgium</u>							
EURO - STOXX 50 SEP 12	1,00	EUR	2.255,000	22.550,00		0,05	0,05
<u>U.S.A.</u>							
STAND & POORS EMINI SEP 12	2,00	USD	1.356,500	106.886,77		0,21	0,21
Suspense accounts (futures)							
<u>Belgium</u>							
EURO - STOXX 50 SEP 12	-21.600,00	EUR	1,000	-21.600,00		-0,04	-0,04
<u>U.S.A.</u>							
STAND & POORS SEP 12	-132.205,00	USD	1,000	-104.172,25		-0,21	-0,21
Total options and futures				3.664,52		0,01	0,01
Forward contracts		EUR		-1.272,21			0,00
TOTAL SECURITIES PORTFOLIO				50.315.296,70		100,00	99,48
COLLATERAL RECEIVED							
<u>Belgium</u>							
KBC GROUP COLLATERAL EUR	355.556,31	EUR	1,000	355.556,31			0,70
TOTAL RECEIVED COLLATERAL				355.556,31			0,70
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP AUD	7.144,17	AUD	1,000	5.770,50			0,01
KBC GROUP CAD	5.928,99	CAD	1,000	4.582,79			0,01
KBC GROUP CHF	28.448,36	CHF	1,000	23.684,27			0,05
KBC GROUP DKK	24.217,62	DKK	1,000	3.257,51			0,01
KBC GROUP EURO	185.820,75	EUR	1,000	185.820,75			0,37
KBC GROUP GBP	5.092,06	GBP	1,000	6.293,49			0,01

KBC GROUP HKD	92.949,79	HKD	1,000	9.442,47		0,02
KBC GROUP JPY	530.184,00	JPY	1,000	5.235,87		0,01
KBC GROUP NOK	34.819,86	NOK	1,000	4.615,69		0,01
KBC GROUP NZD	5.009,22	NZD	1,000	3.172,60		0,01
KBC GROUP SEK	48.845,59	SEK	1,000	5.576,30		0,01
KBC GROUP USD	28.481,90	USD	1,000	22.442,60		0,04
KBC GROUP ZAR	48.874,24	ZAR	1,000	4.708,95		0,01
Total demand accounts				284.603,79		0,56
Managed futures accounts						
<u>Belgium</u>						
KBC GROUP EURO FUT REK	-348,09	EUR	1,000	-348,09		0,00
KBC GROUP USD FUT REK	378,62	USD	1,000	298,34		0,00
Total managed futures accounts				-49,75		
TOTAL CASH AT BANK AND IN HAND				284.554,04		0,56
OTHER RECEIVABLES AND PAYABLES						
Receivables						
<u>Belgium</u>						
KBC GROUP EUR RECEIVABLE	133,62	EUR	1,000	133,62		
KBC GROUP USD RECEIVABLE	17.778,19	USD	1,000	14.008,50		0,03
KBC GROUP WHT TO BE RECOVERED EUR	2.496,24	EUR	1,000	2.496,24		0,01
Total receivables				16.638,36		0,03
Payables						
<u>Belgium</u>						
KBC GROUP COUNTERPART ENTRY COLLATERAL IN EUR	-355.556,31	EUR	1,000	-355.556,31		-0,70
KBC GROUP EUR PAYABLE	-76.268,02	EUR	1,000	-76.268,02		-0,15
Payables				-431.824,33		-0,85
TOTAL RECEIVABLES AND PAYABLES				-415.185,97		-0,82
OTHER						
Interest receivable		EUR		47.957,42		0,10
Accrued interest		EUR		3.226,10		0,01
Expenses payable		EUR		-27.471,16		-0,05
Expenses to be carried forward		EUR		12.368,87		0,03
TOTAL OTHER				36.081,23		0,07
TOTAL NET ASSETS				50.576.302,31		100,00

Geographic breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Australia	0,86	0,77	0,68	0,75
Austria	0,84	0,54	0,25	0,14
Belgium	1,17	1,25	1,20	0,93
Bermuda	0,42	0,45	0,50	0,58
Brazil	1,17	1,07	0,92	0,72
Canada	0,68	0,57	0,57	0,40
Switzerland	2,63	3,83	4,04	3,68
China	1,83	1,53	1,32	1,06
Cayman Islands	0,41	0,41	0,54	0,48
Germany	4,70	5,22	4,24	4,34
Denmark	1,19	1,27	1,29	1,34
Finland	1,58	1,20	1,06	0,61
France	2,11	2,42	2,05	2,10
U.K.	6,15	6,64	6,27	6,41
Hong Kong	1,03	0,97	0,96	1,13
India	1,98	1,63	1,30	1,25
Ireland	1,61	1,66	0,52	0,26
Israel	0,20	0,25	0,33	0,29
Italy	0,68	0,75	0,57	0,55
Japan	12,85	11,95	11,78	11,58
South Korea	2,84	2,82	3,16	3,20
Luxembourg	0,33	0,28	0,31	0,28
Norway	1,07	1,01	1,17	1,18
New Zealand	0,32	0,26	0,32	0,23
Russia	1,23	1,41	1,12	0,99
Sweden	2,96	2,67	2,35	2,25
Taiwan	3,35	3,13	2,99	2,91
U.S.A.	43,28	43,54	47,61	49,90
South Africa	0,53	0,50	0,58	0,46
Total	100,00	100,00	100,00	100,00

Sector breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Cyclicals	20,21	20,11	18,59	17,65
Consum(cycl)	15,43	15,24	13,99	14,23
Cons.goods	0,86	0,93	0,87	1,14
Pharma	23,25	24,88	26,95	26,69
Financials	2,31	2,40	2,82	2,61
Technology	37,21	35,74	36,02	36,76
Telecomm.	0,17	0,18	0,20	0,15
Various	0,56	0,52	0,56	0,77
Total	100,00	100,00	100,00	100,00

Currency breakdown (as a % of net assets)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
AUD	0,86	0,78	0,69	0,75
CAD	0,68	0,57	0,59	0,41
CHF	3,58	3,66	3,88	3,60
DKK	1,19	1,27	1,29	1,34
EUR	11,48	11,44	10,00	9,21
GBP	6,13	6,61	6,25	6,39
HKD	2,47	2,12	1,94	1,92
JPY	12,83	11,97	11,78	11,54
KRW	2,83	2,81	3,14	3,19
NOK	1,07	1,01	1,18	1,19
NZD	0,33	0,27	0,34	0,24
SEK	2,58	2,33	2,07	1,96
TWD	3,35	3,22	2,98	2,90
USD	50,09	51,39	53,28	54,89
ZAR	0,53	0,55	0,59	0,47
Total	100,00	100,00	100,00	100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC EQUITY FUND GROWTH BY INNOVATION (IN THE CURRENCY OF THE SUB-FUND)

	1st half of year	Year
Purchases	32.935.343,90	32.935.343,90
Sales	13.114.372,49	13.114.372,49
Total 1	46.049.716,40	46.049.716,40
Subscriptions	37.672.371,51	37.672.371,51
Redemptions	17.846.812,57	17.846.812,57
Total 2	55.519.184,08	55.519.184,08
Monthly average of total assets	50.004.021,02	50.004.021,02
Turnover rate	-18,94 %	-18,94 %

	1st half of year	Year
Purchases	32.935.343,90	32.935.343,90
Sales	13.114.372,49	13.114.372,49
Total 1	46.049.716,40	46.049.716,40
Subscriptions	37.672.371,51	37.672.371,51
Redemptions	17.846.812,57	17.846.812,57
Total 2	55.519.184,08	55.519.184,08
Monthly average of total assets	51.283.334,34	51.283.334,34
Corrected turnover rate	-18,46 %	-18,46 %

The table above shows the capital volume of portfolio transactions. This volume (adjusted to take account of total subscriptions and redemptions) is also compared to the average net assets at the beginning and end of the period.

A figure close to 0% implies that the transactions relating to the securities or transactions relating to the assets (excluding deposits and cash) in a given period only involve subscriptions and redemptions.

A negative percentage shows that subscriptions and redemptions entailed few, if any, transactions in the portfolio.

Active asset management may result in high turnover rates (monthly percentage >50%).

The detailed list of transactions is available for consultation free of charge at the registered office of the Bevek or fund at Havenlaan 2, 1080 Brussels.

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

NAME	Currency	Value in currency	In the currency of the sub-fund	Lot-size	Transaction date
KBC COLLATERAL EUR	EUR	355.556,31	355.556,31	N/A	29.06.2012
EUROSTOX 09/12/2012	EUR	22.550,00	22.550,00	10,00	11.06.2012
STPOORS EMINI SEP 12	USD	135.650,00	106.886,77	50,00	11.06.2012
KBC AK-VK USD-EUR 121214-120615 1.2552	USD	125.000,00	98.495,00	N/A	15.06.2012

2.4.4 CHANGES OF THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND THE NET ASSET VALUE

Classic Shares

Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2010 - 06	446.382,95	192,00	378.527,75	1.141,00	312.447,29	6.617,00	319.064,29
2011 - 06	286.482,67	379,00	279.120,82	973,00	319.809,14	6.023,00	325.832,14
2012 - 06	75.344,09	2.693,00	360.712,89	2.742,00	34.440,34	5.974,00	40.414,34

Period	Amounts received and paid by the UCI (in the currency of the class)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2010 - 06	53.949.053,79	24.229,40	47.665.764,99	135.263,67
2011 - 06	40.822.541,58	50.741,98	39.540.068,03	130.911,02
2012 - 06	10.662.323,77	375.152,75	48.260.311,60	384.667,76

Period	Net asset value End of period (in the currency of the class)		
Year	Of the class	Of one share	
		Capitalization	Distribution
2010 - 06	41.778.366,97	131,11	123,04
2011 - 06	46.945.705,47	144,24	135,42
2012 - 06	6.167.576,06	154,04	144,37

Institutional B Shares

Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2012 - 06	400.497,00		112.452,00		288.045,00		288.045,00

Period	Amounts received and paid by the UCI (in the currency of the class)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2012 - 06	58.682.744,79		17.271.530,07	

Period	Net asset value End of period (in the currency of the class)		
Year	Of the class	Of one share	
		Capitalization	Distribution
2012 - 06	44.408.726,24	154,17	

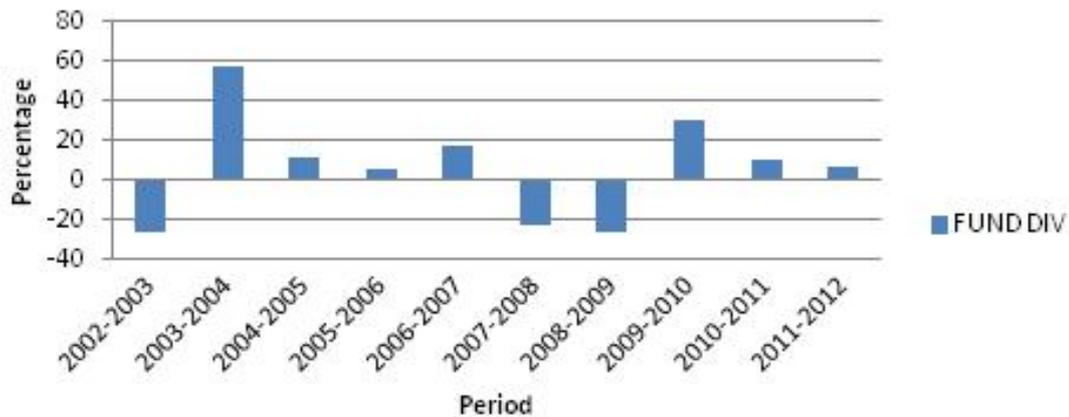
2.4.5 PERFORMANCE FIGURES

Classic Shares

BE0167681650

KBC Equity Fund - Growth by Innovation - DIV:

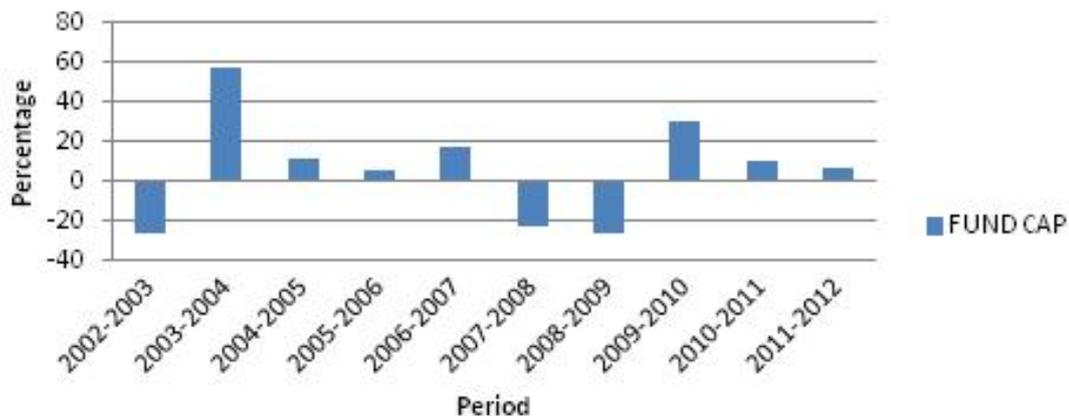
Annual performance on 30/06/2012 (in EUR)



BE0167682666

KBC Equity Fund - Growth by Innovation - CAP:

Annual performance on 30/06/2012 (in EUR)



Cap Div	ISIN code	Cur- rency	1 Year		3 Years*		5 Years*		10 Years*		Since launch*	
			Share classes	Bench mark	Launch Date	Share classes						
CAP	BE0167682666	EUR	6.79%		15.38%		-2.69%		3.44%		28/05/1998	-7.96%
DIV	BE0167681650	EUR	6.81%		15.40%		-2.67%		3.44%		28/05/1998	-7.96%

Risk warning: Past performance is not a guide to future performance.

* Return on annual basis.

Institutional B Shares

The cumulative returns are shown where they relate to a period of at least one year.

Classic Shares

- The bar chart shows the performance for full financial years.
- The figures do not take account of any restructuring.
- Calculated in EUR (ex BEF).
- The return is calculated as the change in the net asset value between two dates expressed as a percentage. In the case of units that pay dividends, the dividend is incorporated geometrically in the return.
- Calculation method for date D, where NAV stands for net asset value:

Capitalisation units (CAP)

Return on date D over a period of X years:

$$[\text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where $Y = D - X$

Return on date D since the start date S of the unit:

$$[\text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where $F = 1$ if the unit has existed for less than one year on date D

where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D

Distribution units (DIV)

Return on date D over a period of X years:

$$[C * \text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where $Y = D - X$

Return on date D since the start date S of the unit:

$$[C * \text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where $F = 1$ if the unit has existed for less than one year on date D

where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D

where C is a factor that is determined for all N dividends between the calculation date D and the reference date.

For dividend i on date Di with value Wi:

$$C_i = [W_i / \text{NIW}(D_i)] + 1$$

$i = 1 \dots N$

from which $C = C_0 * \dots * C_N$.

- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the n^{th} square root of 1 plus the total return of the unit.
- The return figures shown above do not take account of the fees and charges associated with the issue and redemption of units.

These are the performance figures for capitalisation and distribution shares.

2.4.6 COSTS

Total expense ratio (TER): *

Classic Shares Distribution: 1.673%
Classic Shares Capitalization: 1.673%
Institutional B Shares Capitalization: Not applicable

Percentage calculated at the end of the financial year: 31 December

* The following costs have not been included in the TER:

- Transaction charges
- Interest payments on loans taken out
- Payments in respect of financial derivatives
- Fees and charges paid directly by the investor
- Any soft commissions

SOFT COMMISSIONS

The management company or the appointed manager, as the case may be, is the recipient of soft commissions.

The recipient has laid down an internal policy as regards accepting soft commissions and avoiding possible conflicts of interest in this respect, and has put appropriate internal controls in place to ensure this policy is observed.

For more information, please see the 'General' section of the annual report.

	Commission gross in EUR paid during the period: 1-01-12 -	CSA Credits in EUR accrued during the period: 1-01-12 -	
Broker	30-06-12	30-06-12	Percentage
CITI	9,116	5,697	62.50%
CSFBSAS	1,699	1,148	67.58%
EQ CSA MACQUARIE	593	370	62.50%
MERRILL	6,716	4,693	69.87%
MORGAN STANLEY	3,000	1,781	59.38%
NOMURA	6,270	4,054	64.65%
UBSWDR	2,608	1,630	62.50%

FEE-SHARING AGREEMENTS AND REBATES:

The management company may share its fee with the distributor, and institutional and/or professional parties.

In principle, the percentage share amounts to between 35% and 60% if the distributor is an entity of KBC Group NV or to between 35% and 70% if the distributor is not an entity of KBC Group NV. However, in a small number of cases, the distributor's fee is less than 35%. Investors may, on request, obtain more information on these cases.

If the management company invests the assets of the undertaking for collective investment in units of undertakings for collective investment that are not managed by an entity of KBC Group NV, and receives a fee for doing so, it will pay this fee to the undertaking for collective investment.

Fee-sharing does not affect the amount of the management fee paid by the sub-fund to the management company. This management fee is subject to the limitations laid down in the articles of association. The limitations may only be amended after approval by the general meeting of shareholders.

The management company has concluded a distribution agreement with the distributor in order to facilitate the wider distribution of the sub-fund's units by using multiple distribution channels.

It is in the interests of the holders of units, the sub-fund and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund to be maximised in this way. In this respect, there is therefore no question of any conflict of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: 1.35% per annum calculated on the basis of the average total net assets of the sub-fund, excluding those assets invested in investment undertakings managed by a financial institution of the KBC group.

KBC Fund Management Limited receives a fee from the management company of max. 1.35% calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the average total net assets of the sub-fund.

Auditor's fee: 1 700 EUR per year. This fee is not including VAT and will be increased at the end of the 3-year mandate.

The custody fee is calculated on the value of the securities held in custody by the custodian on the final banking day of the preceding calendar year, except on those assets invested in investment undertakings managed by a financial institution of the KBC group. The custody fee is paid at the beginning of the calendar year.

Social, ethical and environmental aspects:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

Exercising voting rights

If necessary, relevant and in the interest of the shareholders, the management company will exercise the voting rights attached to the shares in the Bevek's portfolio.

The management company will adhere to the following criteria when determining how it stands relative to the items on the agenda that are put to the vote:

- Shareholder value may not be adversely affected.
- Corporate governance rules, especially with regard to the rights of minority shareholders, must be respected.
- The minimum standards with regard to sustainable business and corporate social responsibility must be met.

The list of companies for which voting rights are exercised is available at the registered office of the Bevek.

Financial derivatives on financial indices

The following financial indices were used as the underlying for financial derivatives:

The **Euro Stoxx 50** is a weighted equity index computed by Stoxx Ltd. The dividend is not reinvested. The main purpose of this index is to provide a continuous indication of market trends on the European stock markets. The base value of the index is 1000, calculated on the basis of the underlying prices recorded on 31 December 1991.

The Euro Stoxx 50 consists solely of shares from countries participating in the Economic and Monetary Union, with the exception of Luxembourg. On 10 April 1998, the following stock exchanges were included in the index: Austria (Vienna), Belgium (Brussels), Finland (Helsinki), France (Paris), Germany (Frankfurt), Italy (Milan), Ireland (Dublin), the Netherlands (Amsterdam), Portugal (Lisbon) and Spain (Madrid).

The index consists of the 50 largest European shares in terms of shares that are freely negotiable, and the shares are accordingly weighted on the basis of this criterion.

The Euro Stoxx 50 is published daily in L'Echo, De Tijd, The Financial Times and The Wall Street Journal Europe.

Stoxx Limited has all proprietary rights with respect to the index. In no way Stoxx Limited endorses, sponsors or is otherwise involved in the issue and offering the shares of this undertaking for collective investment. Stoxx Limited disclaims any liability for the issue and offering of the shares of this undertaking for collective investment.

The **S&P 500** is an equity index computed by Standard & Poor's that is made up of 500 shares. The dividend is not reinvested. The S&P 500 serves primarily as a continuous indicator of market trends on the US stock markets. The value of the S&P 500 index is calculated on the basis of the market value of the shares of 500 companies at a given point in time, compared to the market value of the shares of 500 similar companies during the reference period from 1941 to 1943. The index is published daily in L'Echo, De Tijd, The Financial Times and The Wall Street Journal Europe.

Standard & Poor's has all proprietary rights with respect to the index. In no way Standard & Poor's endorses, sponsors or is otherwise involved in the issue and offering the shares of this undertaking for collective investment. Standard & Poor's disclaims any liability for the issue and offering of the shares of this undertaking for collective investment

The value and, if available for distribution, the composition of the aforementioned financial indices may be obtained from the branches providing the financial service.

Securities lending

In accordance with the Royal Decree of 7 March 2006 concerning securities lending, the undertaking for collective investment has taken out securities loans with a principal to whom the full title of the loaned securities was transferred, without recording this transfer of ownership in the accounts.

For the period from 1 January 2012 to 30 June 2012, the fee for securities lent comes to 46.13 EUR. KBC Asset Management NV receives 50% of the net fee received for securities lent.

The detailed list of securities lending transactions carried out can be obtained from the registered office of the collective investment undertaking at 2 Havenlaan, 1080 Brussels.

Overview of securities lent as at 30/06/2012

Name	Currency	Quantity	Price	Value in currency of the portfolio
DISCO CORP	JPY	7.399	4.475,000	326.985,24
Total				326.985,24

Details of collateral received for securities lent

Name	Currency	Nominal value	Currency fund	Value in Currency fund
BUNDESREPUB.DTL. 2011 2.25% 04/09/21	EUR	52.000	EUR	56.847,28
FRANCE 2001 3% 25/07/2012	EUR	179.000	EUR	228.872,80
OAT FRANCE 2005 3% 25/10/15	EUR	20.000	EUR	21.763,24
FRANCE 2007 4,50% 12/07/2012	EUR	46.000	EUR	48.072,99
Total				355.556,31

For the valuation of the collateral received, indicative prices have been used in this detail list by the Collateral Management Division of KBC Bank.

TABLE OF CONTENTS

- 2. Information on KBC Equity Fund Buyback America
 - 2.1. Management report
 - 2.1.1. Launch date and subscription price
 - 2.1.2. Stock exchange listing
 - 2.1.3. Aim and distinctive features of the investment policy
 - 2.1.4. Financial portfolio management
 - 2.1.5. Distributors
 - 2.1.6. Index and benchmark
 - 2.1.7. Policy conducted during the financial year
 - 2.1.8. Future policy
 - 2.1.9. Synthetic risk and reward indicator (SRRI)
 - 2.2. Balance sheet
 - 2.3. Profit and loss account
 - 2.4. Composition of the assets and key figures
 - 2.4.1. Composition of the assets
 - 2.4.2. Change in the composition of the assets
 - 2.4.3. Value of commitments in respect of financial derivatives positions
 - 2.4.4. Evolution of the number of subscriptions, repayments and the net asset value
 - 2.4.5. Return figures
 - 2.4.6. Expenses
 - 2.4.7. Notes to the financial statements and other data

2 INFORMATION ON KBC EQUITY FUND BUYBACK AMERICA

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Classic Shares :

Launch date: 26 June 1998

Initial subscription price: 500 USD

Currency: USD

Institutional B Shares :

Launch date: 25 November 2011

Initial subscription price: 827.56 USD

Currency: USD

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

The main objective of this sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. To this end, the assets are invested, either directly or indirectly via correlated financial instruments, primarily in shares.

SUB-FUND'S INVESTMENT POLICY:

PERMITTED ASSET CLASSES:

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the sub-fund's object.

The sub-fund shall invest no more than 10% of its assets in units of other undertakings for collective investment.

RESTRICTIONS OF THE INVESTMENT POLICY:

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

PERMITTED DERIVATIVES TRANSACTIONS:

Derivates may be used either for hedging purposes or to achieve investment objectives.

Changes will be made to the investments at regular intervals to comply with the sub-fund's investment strategy. **In addition, listed and unlisted derivates may be used to achieve the objectives:** these may be forward contracts, options or swaps on securities, indices, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions. **Such derivatives may also be used to hedge the assets against exchange-rate fluctuations.** Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions.

STRATEGY SELECTED:

At least 75% of the assets are invested in the shares of US companies that pursue a policy of buying back their own shares. More particularly, companies are selected whose share buyback policy can be considered to be an important indicator for achieving a capital gain on the investment in the short or medium term.

RISK CONCENTRATION:

Shares in US companies that pursue a policy of buying back their own shares.

LENDING FINANCIAL INSTRUMENTS:

The sub-fund may lend financial instruments within the limits set by law and regulations.

This lending does not affect the sub-fund's risk profile since:

- it takes place within the framework of a securities lending system managed by a principal. In addition, the sub-fund has a relationship only with the principal of the securities lending system which acts as counterparty and to which title of the loaned securities is transferred. The choice of principal is subject to strict selection criteria. The return of securities similar to the securities that have been lent is guaranteed by the principal.
- through a margin management system, the sub-fund is always guaranteed financial security, the actual value of which always exceeds the actual value of the securities that have been lent, in case the principal does not return similar securities.

The return of securities similar to the securities that have been lent can be requested at any time, which means that the lending of securities does not affect the management of the sub-fund's assets.

By lending securities, the sub-fund can generate an additional return. The principal pays a fee to the management company. After deducting the fee for the margin management and clearing services of KBC Bank, most of this fee is paid to the sub-fund.

The relationship with the counterparty or counterparties is governed by standard international agreements.

More information is provided on the terms and conditions governing securities lending in the annual or half-yearly report for the sub-fund.

VOLATILITY OF THE NET ASSET VALUE:

The volatility of the net asset value may be high due to the composition of the portfolio.

GENERAL STRATEGY FOR HEDGING THE EXCHANGE RATE RISK:

In order to protect its assets against exchange rate fluctuations and within the limitations laid down in the articles of association, the sub-fund may perform transactions relating to the sale of forward currency contracts, as well as the sale of call options and the purchase of put options on currencies. The transactions in question may relate solely to contracts traded on a regulated market that operates regularly, is recognised and is open to the public or that are traded with a recognised, prime financial institution specialising in such transactions and dealing in the over-the-counter (OTC) market in options. With the same objective, the sub-fund may also sell currencies forward or exchange them in private transactions with prime financial institutions specialising in such transactions. The hedging objective of the aforementioned transactions suggests that there is a direct link between these transactions and the assets to be hedged, which implies that the transactions carried out in a particular currency may in principle not exceed, in terms of volume, either the valuation value of all the assets in the same currency or the holding period of those assets.

SOCIAL, ETHICAL AND ENVIRONMENTAL ASPECTS:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

THE EUROPEAN SAVINGS DIRECTIVE AND TAX ON DEBT CLAIM RETURNS OBTAINED THROUGH THE REDEMPTION OF OWN UNITS OR IN THE EVENT OF FULL OR PARTIAL DISTRIBUTION OF EQUITY CAPITAL.

The following information is of a general character and is not intended to cover all aspects of an investment in a UCITS. In certain cases entirely different rules might even apply. Moreover, both tax law and the interpretation of it can change. Investors who wish to have more information about the tax implications – in both Belgium and abroad – of acquiring, holding and transferring units should seek the advice of their usual financial and tax advisers.

This UCITS shall invest a maximum of 15% of its assets directly or indirectly in debt instruments as intended by the European Savings Directive.

A. European Savings Directive (Directive 2003/48/EC)

The European Savings Directive has been implemented in Belgium through:

- The Law of 17 May 2004 transposing into Belgian law Directive 2003/48/EC of 3 June 2003 of the Council of the European Union on taxation of savings income in the form of interest payments and amending Income Tax Code 1992 on withholding tax;
- The Royal Decree of 27 September 2009 implementing Article 338bis § 2 of Income Tax Code 1992;
- The Royal Decree of 27 September 2009 concerning the entry into effect of Article 338bis § 2, paragraphs one to three, of Income Tax Code 1992;

Since this UCITS invests a maximum of 15% of its assets directly or indirectly in debt claims as intended by the European Savings Directive, the income of this UCITS does not fall within the scope of this directive.

B. Tax on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital (Article 19bis Income Tax Code 1992).

The income from this UCITS is not subject to the tax on debt instrument returns as intended by Article 19bis, Income Tax Code 1992.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company has delegated the intellectual management, to KBC Fund Management Limited, Joshua Dawson House, Dawson Street , Dublin 2, IRELAND..

2.1.5 DISTRIBUTORS

KBC Asset Management S.A., 5, Place de la Gare, L-1616 Luxembourg.

2.1.6 INDEX AND BENCHMARK

See 'Sub-fund's investment policy'.

2.1.7 POLICY PERSUED DURING THE FINANCIAL YEAR

KBC Equity Fund Buyback America invests in US stocks that buy back their own shares. Research has shown that companies that buy back their own shares, for valuation reasons, tend to outperform their peers over a 3-4 year period. The fund therefore adopts a buy and hold strategy for that period. The fund aims at sector neutrality, in order to avoid unintended sector bets and is measured against the MSCI USA Index.

Equity markets moved considerably higher to at the start of 2012. The Fed's announcement that rates will remain low until at least late 2014, record results from Apple and positive US GDP growth numbers were the key support factors for equity markets. It was not all good news however, as major French banks were downgraded and concerns about the Greek 'private' debt restructuring continued to prevail. Into February and after a short pause, markets climbed higher again in the second half of the month. Regionally, the euro area markets strongly outperformed with investors becoming convinced that after two years of crisis, the region has succeeded in isolating the Greek question. The risks of severe damage to the European economy as a whole and for the financial sector in particular fell sharply. Towards the end of the first quarter, positive macroeconomic developments, especially in the US, the successful Greek debt restructuring and the liquidity injection by central banks drove equity markets modestly higher in March. Towards the end of the month, investors' optimism was tempered by worries over the risks for a hard landing in China and the rise in government bond yields throughout the world.

The beginning of the second quarter saw a global pullback on equity markets, prompted by a slowdown in Chinese growth to its lowest level since Q2 2009, poor EU and US economic data and confirmation that the UK and Spain had slide back into recession. The European debt crisis flared up again as yields surged on Spanish bonds, the Dutch government resigned and Presidential Election in France lead to much political uncertainty. Euro area concerns escalated in May as Greek exit fears rose after elections in the country produced a stalemate and the country was unable to form a government. Statements from various European officials alluding to the fact that an exit scenario had been discussed sent markets into a tailspin. Sentiment was further hit when periphery yields spiked after Spain partially nationalized Bankia, Spain's second largest mortgage lender. The EUR/USD rate fell sharply, breaking through 1.24 as safe-haven demand propelled USD gains during May. As the end of the second quarter approached, Equity markets surged on the final trading day of the June after unexpected policy responses from the EU Summit, involving an agreement to use the ESM to recapitalize banks directly and take steps towards banking union soothed market nerves and increased appetite for risk assets. Victory for the pro-EU/Bailout New Democrats in Greece also supported markets. The Euro gained 2.3% against the US dollar and 0.6% against sterling as the first half of the year came to a close.

In terms of the Buyback America fund performance, the first quarter of the year begun as quite a good one, continuing the rally that began in early January and sustaining this to quarter-end. The fund ending the quarter in positive territory on an absolute basis but disappointed in relative terms when compared to the broad index of US stocks. The main reason for the underperformance was attributed to the Technology Hardware & Equipment sector and in particular the absence of Apple Inc from the portfolio, which rose almost 50% in the quarter. On the positive side, Pharmaceuticals was the main driver of performance largely driven by stock selection particularly the exclusion of Johnson & Johnson, Merck and Bristol-Myers from the fund.

The second quarter was more volatile with the fund declining on an absolute basis but broadly in line with the index. Consumer Staples was the stand out performer in the fund in the second quarter with names such as Kimberly-Clark, Pepsico and Wal-Mart for which the fund has overweight positions all outperforming the index. At the other end of the spectrum, the Real Estate sector was the biggest detractor to performance as the main sector weighting, Forestar Group underperformed the index after disappointing Q1 earnings. The Healthcare sector was another notable detractor from performance, mainly due to stock picking as overweight names such as Health Net Inc, Aetna and Viropharma all underperformed. In further news, Apple announced a buyback in Quarter 2 for the purpose of cancelling shares and increasing shareholder value and on that basis the stock was added to the fund.

So overall, the markets were very volatile during the first half of 2012 and while some concerns eased towards the end of the period, the volatility is likely to continue going forward. For KBC Equity Fund Buyback America, the fund performed positively on an absolute basis ending up in mid single digits. This was in the context of a very strong rise in Q1 and losing some of these gains in Q2. In relative terms, over the half-year period the fund lagged the Benchmark.

2.1.8 FUTURE POLICY

Globally, while recent moves by policy makers have been positive, we still expect turbulence in markets going forward. Europe has clearly made some steps forward, however the problems are not yet resolved and the growth outlook continues to be a concern. Budgetary cuts to control spending across the region have negative implications on demand in the context of international trade. This is a concern for Asia, where it is driven by both domestic and international factors.

We do continue to believe however, that the global economic picture is stronger than currently perceived. Falling inflation (triggered by another significant drop in the oil price) and very accommodating monetary policies: the first rate cut in China, ECB likely to cut further, and the Fed announced continuation of "Operation Twist" and additional measures if needed, should jump start the global economy in the coming months. Our stance on the Euro crisis remains unchanged: all actions needed to safeguard the union will be taken because the costs and political risks of a break-up are immense.

In relation to the buyback theme, while recent buyback announcements has declined somewhat, the level still remains close to the seven-year average. For those companies that do buy back and cancel those shares, the signals are very strong. Companies are trying to signal to the market that their share price is undervalued and that they are in good health. We believe that a lot of these companies are right to time these recent buybacks if they feel their company is truly undervalued. However, it is important to ensure that we find those companies that are committed to cancelling these shares and returning value to shareholders.

In line with the theme, KBC Equity Fund Buyback America will continue to invest in a portfolio of American shares that are buying back their own shares with the intention to create shareholder value. We will continue to ensure that the portfolio is diversified, with region and sector allocation in line with the MSCI USA Index.

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

Classic Shares: 6 on a scale of 1 (lowest risk) to 7 (highest risk).

Institutional B Shares: 6 on a scale of 1 (lowest risk) to 7 (highest risk).

The value of a share can decrease or increase and the investor may not get back the amount invested.

In accordance with Commission Regulation (EU) No. 583/2010, a synthetic risk and reward indicator has been calculated. This indicator provides a quantitative measure of the sub-fund's potential return and the risk involved, calculated in the currency in which the sub-fund is denominated. It is given as a figure between 1 and 7. The higher the figure, the greater the potential return, but also the more difficult it is to predict this return. Losses are possible too. The lowest figure does not mean that the investment is entirely free of risk. However, it does indicate that, compared with the higher figures, this product will generally provide a lower, but more predictable return.

The synthetic risk and reward indicator is assessed regularly and can therefore go up or down based on data from the past. Data from the past is not always a reliable indicator of future risk and return.

The most recent indicator can be found under the 'Risk and reward profile' heading in the 'Key Investor Information' document.

2.2 BALANCE SHEET

Balance sheet layout	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
TOTAL NET ASSETS	62.296.100,82	159.308.702,09
II. Securities, money market instruments, UCIs and derivatives		
A. Bonds and other debt instruments		
a) Bonds	596.705,18	
C. Shares and similar instruments		
a) Shares	61.247.184,30	158.950.437,16
D. Other securities	12.481,32	21.333,32
F. Derivative financial instruments		
j) Foreign exchange		
Futures and forward contracts (+/-)	-8.718,71	
m) Financial indices		
Futures and forward contracts (+/-)	30.937,50	
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable	13.349,01	282.741,94
B. Payables		
a) Accounts payable (-)	-363.027,72	-119.044,23
c) Borrowings (-)		-119.014,42
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	706.341,78	204.567,31
VI. Accruals and deferrals		
A. Expense to be carried forward	41.557,92	67.621,03
B. Accrued income	81.890,38	135.001,77
C. Accrued expense (-)	-62.600,14	-114.941,79
TOTAL SHAREHOLDERS' EQUITY	62.296.100,82	159.308.702,09
A. Capital	58.392.515,29	150.276.078,41
B. Income equalization	-160.599,41	-313,45
D. Result for the period	4.064.184,94	9.032.937,13

Off-balance-sheet headings

III	Notional amounts of futures and forward contracts	
III.A	Purchased futures and forward contracts	1.421.075,00

2.3 PROFIT AND LOSS ACCOUNT

Income Statement	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
I. Net gains(losses) on investments		
A. Bonds and other debt instruments		
a) Bonds	-65.360,12	
C. Shares and similar instruments		
a) Shares	3.597.483,74	19.168.377,49
D. Other securities	1.858,92	85.762,12
F. Derivative financial instruments		
l) Financial indices		
Futures and forward contracts	198.792,50	
H. Foreign exchange positions and transactions		
a) Derivative financial instruments		
Futures and forward contracts	-10.948,96	
b) Other foreign exchange positions and transactions	13.697,27	-9.971.726,86
II. Investment income and expenses		
A. Dividends	1.301.691,90	1.268.746,64
B. Interests		
a) Securities and money market instruments	88.551,25	25.066,15
b) Cash at bank and in hand and deposits	429,25	201,02
C. Interest on borrowings (-)	-568,55	-443,90
III. Other income		
A. Income received to cover the acquisition and realization of assets, to discourage withdrawals and for delivery charges	252.771,92	
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-211.142,43	-145.427,42
B. Financial expenses (-)	-1.002,58	-2.839,68
C. Custodian's fee (-)	-39.004,92	-57.242,52
D. Manager's fee (-)		
a) Financial management		
Classic Shares	-330.161,06	-1.117.511,58
Institutional B Shares	-585.928,39	
b) Administration and accounting management	-66.977,38	-77.531,18
E. Administrative expenses (-)		18,88
F. Formation and organisation expenses (-)	-7.024,94	-7.133,10
G. Remuneration, social security charges and pension	-10,30	-31,81
H. Services and sundry goods (-)	-14.089,24	-14.005,28
J. Taxes		
Classic Shares	-17.520,20	-71.020,44
Institutional B Shares	-1.087,74	
K. Other expenses (-)	-40.265,00	-50.321,40
Income and expenditure for the period		
Subtotal II + III + IV	328.661,59	-249.475,62
V. Profit (loss) on ordinary activities before tax	4.064.184,94	9.032.937,13
VII. Result for the period	4.064.184,94	9.032.937,13

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC EQUITY FUND BUYBACK AMERICA

Name	Quantity on 30/06/2012	Currency	Price in currency	Evaluation (in the currency of the sub-fund)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
Bonds							
Corporate bonds							
<u>Ireland</u>							
D-STAR FINANCE PLC SUB 14/05/13	738.000,00	EUR	63,710	596.705,18		0,96	0,96
Total bonds				596.705,18		0,96	0,96
Shares							
Exchange-listed shares							
<u>Bermuda</u>							
ASPEN INSURANCE HOLDINGS LTD -	2.281,00	USD	28,900	65.920,90		0,11	0,11
WARNER CHILCOTT LTD -	2.985,00	USD	17,920	53.491,20		0,09	0,09
<u>China</u>							
SOHU.COM INC. -	1.375,00	USD	44,640	61.380,00		0,10	0,10
<u>Ireland</u>							
INGERSOLL RAND PLC -	7.724,00	USD	42,180	325.798,32		0,53	0,52
<u>South Africa</u>							
NET 1 UEPS TECHNOLOGIES INC -	7.193,00	USD	8,370	60.205,41		0,10	0,10
<u>Switzerland</u>							
ALLIED WORLD ASSURANCE CO HOLDING -	2.150,00	USD	79,470	170.860,50		0,28	0,27
<u>U.K.</u>							
AMDOCS -	5.582,00	USD	29,720	165.897,04		0,27	0,27
<u>U.S.A.</u>							
A SCHULMAN INC -	2.768,00	USD	19,850	54.944,80		0,09	0,09
ACTIVISION INC -	24.633,00	USD	11,990	295.349,67		0,48	0,47
ADOBE SYSTEMS -	11.450,00	USD	32,370	370.636,50		0,60	0,60
AECOM TECHNOLOGY CORP -	3.613,00	USD	16,450	59.433,85		0,10	0,10
AERCAP HOLDINGS NV -	5.276,00	USD	11,280	59.513,28		0,10	0,10
AETNA INC NEW	8.782,00	USD	38,770	340.478,14		0,55	0,55
AIRCASTLE LTD -	5.519,00	USD	12,050	66.503,95		0,11	0,11
ALLSTATE CORPORATION -	15.497,00	USD	35,090	543.789,73		0,88	0,87
AMERICAN CAPITAL LTD -	6.762,00	USD	10,070	68.093,34		0,11	0,11
AMERICAN FINANCIAL GROUP INC -	5.430,00	USD	39,230	213.018,90		0,34	0,34
AMERICAN ORIENTAL BIOENGINEERI -	60.038,00	USD	0,400	24.015,20		0,04	0,04
AMERIPRISE FINANCIAL INC -	6.437,00	USD	52,260	336.397,62		0,54	0,54
AMERISOURCEBERGEN CORP -	7.191,00	USD	39,350	282.965,85		0,46	0,45
AMGEN -	10.933,00	USD	73,040	798.546,32		1,29	1,28
AMKOR TECHNOLOGY INC -	12.968,00	USD	4,880	63.283,84		0,10	0,10
ANALOGIC CORP. -	1.479,00	USD	62,000	91.698,00		0,15	0,15
ANIXTER INTERNATIONAL INC. -	4.231,00	USD	53,050	224.454,55		0,36	0,36
AOL INC -	2.194,00	USD	28,080	61.607,52		0,10	0,10
APPLE INC -	1.725,00	USD	584,000	1.007.400,00		1,63	1,62

APPLIED MATERIALS -	14.875,00	USD	11,460	170.467,50		0,28	0,27
ARRIS GROUP INC -	4.991,00	USD	13,910	69.424,81		0,11	0,11
ARROW ELECTRONICS INC -	7.375,00	USD	32,810	241.973,75		0,39	0,39
ASHLAND, INC. -	2.809,00	USD	69,310	194.691,79		0,32	0,31
ASSURANT INC -	1.764,00	USD	34,840	61.457,76		0,10	0,10
AT&T INC -	42.467,00	USD	35,660	1.514.373,22		2,45	2,43
AUTONATION INC -	1.663,00	USD	35,280	58.670,64		0,10	0,09
AUTOZONE INC. -	1.531,00	USD	367,170	562.137,27		0,91	0,90
AVNET INC. -	10.207,00	USD	30,860	314.988,02		0,51	0,51
BANK OF NEW YORK MELLON CORP -	14.316,00	USD	21,950	314.236,20		0,51	0,50
BEMIS COMPANY, INC. -	1.929,00	USD	31,340	60.454,86		0,10	0,10
BENCHMARK ELECTRONICS INC -	4.431,00	USD	13,950	61.812,45		0,10	0,10
BEST BUY -	2.853,00	USD	20,960	59.798,88		0,10	0,10
BIG LOTS INC. -	1.746,00	USD	40,790	71.219,34		0,12	0,11
BIOGEN IDEC INC -	4.449,00	USD	144,380	642.346,62		1,04	1,03
BOB EVANS FARMS INC -	1.491,00	USD	40,200	59.938,20		0,10	0,10
BOSTON SCIENTIFIC -	10.874,00	USD	5,670	61.655,58		0,10	0,10
BRADY CORP -	2.203,00	USD	27,510	60.604,53		0,10	0,10
BRISTOW GROUP INC -	4.360,00	USD	40,670	177.321,20		0,29	0,29
BUNGE LTD. -	2.568,00	USD	62,740	161.116,32		0,26	0,26
CA INC -	15.123,00	USD	27,090	409.682,07		0,66	0,66
CABLEVISION SYSTEMS "A"	5.172,00	USD	13,290	68.735,88		0,11	0,11
CABOT MICROELECTRONIS CORP -	1.840,00	USD	29,210	53.746,40		0,09	0,09
CACI INTERNATIONAL INC A	1.381,00	USD	55,020	75.982,62		0,12	0,12
CALPINE CORP -	36.360,00	USD	16,510	600.303,60		0,97	0,96
CARDINAL HEALTH INC -	9.696,00	USD	42,000	407.232,00		0,66	0,65
CARE FUSION CORP -	2.422,00	USD	25,680	62.196,96		0,10	0,10
CBS CORP -	20.605,00	USD	32,780	675.431,90		1,09	1,08
CENTRAL GARDEN & PET CO -	6.323,00	USD	10,890	68.857,47		0,11	0,11
CENTURY ALUMINIUM COMP. -	8.493,00	USD	7,330	62.253,69		0,10	0,10
CHEVRON CORP -	21.349,00	USD	105,500	2.252.319,50		3,64	3,62
CHICO'S FAS INC. -	4.031,00	USD	14,840	59.820,04		0,10	0,10
CHILDREN'S PLACE -	1.307,00	USD	49,830	65.127,81		0,11	0,11
CINTAS CORPORATION -	10.667,00	USD	38,610	411.852,87		0,67	0,66
CISCO SYSTEMS INC -	55.753,00	USD	17,170	957.279,01		1,55	1,54
CLEARWATER PAPER CORP -	2.034,00	USD	34,120	69.400,08		0,11	0,11
CME GROUP INC -	1.103,00	USD	268,110	295.725,33		0,48	0,48
COHERENT INC. -	3.576,00	USD	43,300	154.840,80		0,25	0,25
COMPUTER SCIENCES -	2.256,00	USD	24,820	55.993,92		0,09	0,09
COMPUWARE CORP. (NASDAQ)	6.641,00	USD	9,290	61.694,89		0,10	0,10
COMTECH TELECOMMUNICATIONS COR -	2.056,00	USD	28,580	58.760,48		0,10	0,09
CONAGRA INC -	20.136,00	USD	25,930	522.126,48		0,84	0,84
CONSECO INC -	8.682,00	USD	7,800	67.719,60		0,11	0,11
CORNING INC -	19.618,00	USD	12,930	253.660,74		0,41	0,41
CORRECTIONS CORPORATION OF AMERICA I -	3.699,00	USD	29,450	108.935,55		0,18	0,18
CROWN CORK AND SEAL -	5.608,00	USD	34,490	193.419,92		0,31	0,31
CSX -	18.059,00	USD	22,360	403.799,24		0,65	0,65
CURTISS-WRIGHT CORP -	1.939,00	USD	31,050	60.205,95		0,10	0,10
CVS CAREMARK CORPORATION -	14.458,00	USD	46,730	675.622,34		1,09	1,09
CYTEC INDUSTRIES -	3.085,00	USD	58,640	180.904,40		0,29	0,29
DENBURY RESOURCES INC -	18.215,00	USD	15,110	275.228,65		0,45	0,44
DEVRY INC -	1.994,00	USD	30,970	61.754,18		0,10	0,10
DG FASTCHANNEL INC -	6.927,00	USD	12,370	85.686,99		0,14	0,14
DIGITAL RIVER INC -	4.139,00	USD	16,620	68.790,18		0,11	0,11
DILLARDS INC "A"	1.204,00	USD	63,680	76.670,72		0,12	0,12
DIRECTV GROUP INC -	11.849,00	USD	48,820	578.468,18		0,94	0,93
DUN & BRADSTREET -	2.515,00	USD	71,170	178.992,55		0,29	0,29
EASTMAN CHEMICAL CO -	9.244,00	USD	50,370	465.620,28		0,75	0,75

EATON VANCE CORP -	2.507,00	USD	26,950	67.563,65		0,11	0,11
ELECTRONIC ARTS -	4.255,00	USD	12,350	52.549,25		0,09	0,08
EMCOR GROUP INC -	2.800,00	USD	27,820	77.896,00		0,13	0,13
ENERGIZER HOLDINGS INC. -	1.738,00	USD	75,250	130.784,50		0,21	0,21
ENERSYS -	3.203,00	USD	35,070	112.329,21		0,18	0,18
ENTERGY CORPORATION -	13.381,00	USD	67,890	908.436,09		1,47	1,46
EQUINIX INC -	1.795,00	USD	175,650	315.291,75		0,51	0,51
EURONET WORLDWIDE INC -	3.137,00	USD	17,120	53.705,44		0,09	0,09
EXXON MOBIL CORP -	39.183,00	USD	85,570	3.352.889,31		5,43	5,38
FIDELITY NATIONAL FINANCIAL INC -	11.780,00	USD	19,260	226.882,80		0,37	0,36
FIDELITY NATIONAL INFORMATION -	8.635,00	USD	34,080	294.280,80		0,48	0,47
FIRST HORIZON NATL CORP -	7.760,00	USD	8,650	67.124,00		0,11	0,11
FISERV INC -	6.866,00	USD	72,220	495.862,52		0,80	0,80
FOREST LABORATORIES "A"	11.742,00	USD	34,990	410.852,58		0,66	0,66
FORESTAR REAL ESTATE GROUP -	64.784,00	USD	12,810	829.883,04		1,34	1,33
GAMESTOP CORPORATION -	2.977,00	USD	18,360	54.657,72		0,09	0,09
GAP INC -	9.547,00	USD	27,360	261.205,92		0,42	0,42
GOLDMAN SACHS -	3.991,00	USD	95,860	382.577,26		0,62	0,61
GRAFTECH INTERNATIONAL LTD -	5.658,00	USD	9,650	54.599,70		0,09	0,09
GROUP 1 AUTOMOTIVE INC. -	1.282,00	USD	45,610	58.472,02		0,09	0,09
HARTE-HANKS INC -	6.923,00	USD	9,140	63.276,22		0,10	0,10
HARTFORD FIN.SERV.GR. -	3.480,00	USD	17,630	61.352,40		0,10	0,10
HEALTH NET INC -	6.842,00	USD	24,270	166.055,34		0,27	0,27
HECLA MINING -	13.400,00	USD	4,750	63.650,00		0,10	0,10
HEWLETT PACKARD -	12.692,00	USD	20,110	255.236,12		0,41	0,41
HOSPIRA INC. -	1.699,00	USD	34,980	59.431,02		0,10	0,10
HUNTSMAN CORP -	4.687,00	USD	12,940	60.649,78		0,10	0,10
HYATT HOTELS CORP -	2.935,00	USD	37,160	109.064,60		0,18	0,18
ILLINOIS TOOL WORKS INC -	16.804,00	USD	52,890	888.763,56		1,44	1,43
INSIGHT ENTERPRISES INC -	5.840,00	USD	16,830	98.287,20		0,16	0,16
INTEGRATED DEVICE TECHNOLOGY INC -	10.924,00	USD	5,620	61.392,88		0,10	0,10
INTERMEC INC -	10.865,00	USD	6,200	67.363,00		0,11	0,11
INTERNATIONAL BANCSHARES CORP -	3.227,00	USD	19,520	62.991,04		0,10	0,10
INTERNATIONAL RECTIFIER -	2.928,00	USD	19,990	58.530,72		0,10	0,09
INVESTMENT TECHNOLOGY GROUP -	6.317,00	USD	9,200	58.116,40		0,09	0,09
JAKKS PACIFIC INC -	3.751,00	USD	16,010	60.053,51		0,10	0,10
JARDEN CORPORATION -	3.171,00	USD	42,020	133.245,42		0,22	0,21
JPMORGAN CHASE & CO -	40.237,00	USD	35,730	1.437.668,01		2,32	2,31
KBR INC -	8.529,00	USD	24,710	210.751,59		0,34	0,34
KEMPER CORPORATION -	2.114,00	USD	30,750	65.005,50		0,11	0,10
KIMBERLEY-CLARK CORP -	13.765,00	USD	83,770	1.153.094,05		1,86	1,85
KNIGHT TRANSPORTATION INC -	3.554,00	USD	15,990	56.828,46		0,09	0,09
KROGER CY -	2.544,00	USD	23,190	58.995,36		0,10	0,10
LEGG MASON INC. -	2.418,00	USD	26,370	63.762,66		0,10	0,10
LIFE TECHNOLOGIES CORP -	2.739,00	USD	44,990	123.227,61		0,20	0,20
LIFE TIME FITNESS INC -	1.405,00	USD	46,510	65.346,55		0,11	0,11
LIFEPOINT HOSPITALS INC -	1.713,00	USD	40,980	70.198,74		0,11	0,11
LIMITED BRANDS -	9.456,00	USD	42,530	402.163,68		0,65	0,65
LINCOLN NATIONAL CORPORATION -	2.835,00	USD	21,870	62.001,45		0,10	0,10
LORILLARD INC -	4.120,00	USD	131,950	543.634,00		0,88	0,87
LOWE'S CIE -	24.525,00	USD	28,440	697.491,00		1,13	1,12
MATTHEWS INTL CORP -	1.951,00	USD	32,490	63.387,99		0,10	0,10
MENTOR GRAPHICS CORP. -	5.251,00	USD	15,000	78.765,00		0,13	0,13
MEREDITH CORPORATION -	2.081,00	USD	31,940	66.467,14		0,11	0,11
MICROSOFT CORP -	62.660,00	USD	30,590	1.916.769,40		3,10	3,08
MINERALS TECHNOLOGIES INC -	2.075,00	USD	63,780	132.343,50		0,21	0,21
MKS INSTRUMENTS INC -	2.337,00	USD	28,930	67.609,41		0,11	0,11
MOLSON COORS BREWING CO "B"	3.638,00	USD	41,610	151.377,18		0,25	0,24

MOOG INC -	1.840,00	USD	41,350	76.084,00		0,12	0,12
MYLAN LABORATORIES -	8.364,00	USD	21,370	178.738,68		0,29	0,29
NASDAQ OMX GROUP INC -	2.733,00	USD	22,670	61.957,11		0,10	0,10
NAVISTAR INTERNATIONAL CORPORATION -	2.145,00	USD	28,370	60.853,65		0,10	0,10
NORTHROP GRUMMAN CORPORATION -	9.298,00	USD	63,790	593.119,42		0,96	0,95
NORTHWEST BANCORP INC -	5.136,00	USD	11,710	60.142,56		0,10	0,10
NRG ENERGY INC -	3.856,00	USD	17,360	66.940,16		0,11	0,11
OCCID. PETROLEUM -	10.727,00	USD	85,770	920.054,79		1,49	1,48
OMNIVISION TECHNOLOGIES INC -	4.250,00	USD	13,360	56.780,00		0,09	0,09
ORCHARD SUPPLY HARDWARE STORES -	56,00	USD	1,950	109,20			
ORCHARD SUPPLY HARDWARE STORES -	56,00	USD	16,630	931,28		0,00	0,00
ORION MARINE GROUP INC -	8.993,00	USD	6,960	62.591,28		0,10	0,10
OWENS CORNING -	3.748,00	USD	28,540	106.967,92		0,17	0,17
P.F.CHANG'S CHINA BISTRO,INC. -	2.370,00	USD	51,470	121.983,90		0,20	0,20
PARTNERRE LTD -	834,00	USD	75,670	63.108,78		0,10	0,10
PENNEY -	2.362,00	USD	23,310	55.058,22		0,09	0,09
PEPSICO -	23.428,00	USD	70,660	1.655.422,48		2,68	2,66
PERKINELMER, INC. -	4.340,00	USD	25,800	111.972,00		0,18	0,18
PFIZER -	95.907,00	USD	23,000	2.205.861,00		3,57	3,54
PIPER JAFFRAY CO -	2.831,00	USD	23,430	66.330,33		0,11	0,11
PLEXUS CORP -	3.329,00	USD	28,200	93.877,80		0,15	0,15
PMC-SIERRA INC -	9.343,00	USD	6,140	57.366,02		0,09	0,09
PNC FINANCIAL SERVICES GROUP -	12.283,00	USD	61,110	750.614,13		1,21	1,21
PRINCIPAL FINANCIAL GROUP INC -	2.467,00	USD	26,230	64.709,41		0,11	0,10
PROTECTIVE LIFE CORP -	2.158,00	USD	29,410	63.466,78		0,10	0,10
QUANTA SERVICES INC -	6.907,00	USD	24,070	166.251,49		0,27	0,27
QUEST SOFTWARE INC -	2.618,00	USD	27,850	72.911,30		0,12	0,12
R.R. DONNELLEY & SONS COMPANY -	5.452,00	USD	11,770	64.170,04		0,10	0,10
RADIOSHACK -	12.161,00	USD	3,840	46.698,24		0,08	0,08
RAILAMERICA INC -	6.347,00	USD	24,200	153.597,40		0,25	0,25
REN-A-CENTER INC -	1.723,00	USD	33,740	58.134,02		0,09	0,09
ROWAN -	5.501,00	USD	32,330	177.847,33		0,29	0,29
SAFEWAY INC. -	3.217,00	USD	18,150	58.388,55		0,09	0,09
SCHWEITZER-MAUDIT INTL INC -	950,00	USD	68,140	64.733,00		0,11	0,10
SEARS HOLDINGS CORP -	1.061,00	USD	59,700	63.341,70		0,10	0,10
SEASPAN CORP -	3.895,00	USD	17,350	67.578,25		0,11	0,11
SERVICE CORP. INTL. -	5.276,00	USD	12,370	65.264,12		0,11	0,11
SHAW GROUP INC -	2.130,00	USD	27,310	58.170,30		0,09	0,09
SLM CORP -	7.376,00	USD	15,710	115.876,96		0,19	0,19
SMITHFIELD FOODS INC -	3.067,00	USD	21,630	66.339,21		0,11	0,11
SOUTHWEST AIRLINES -	6.884,00	USD	9,220	63.470,48		0,10	0,10
SPARTAN STORES INC -	3.391,00	USD	18,130	61.478,83		0,10	0,10
STAPLES INC -	4.497,00	USD	13,050	58.685,85		0,10	0,09
STATE STREET CORPORATION -	10.188,00	USD	44,640	454.792,32		0,74	0,73
SYMANTEC CORPORATION -	9.597,00	USD	14,610	140.212,17		0,23	0,23
SYNCHRONOSS TECHNOLOGIES INC -	3.378,00	USD	18,470	62.391,66		0,10	0,10
TECH DATA CORP -	4.418,00	USD	48,170	212.815,06		0,34	0,34
TELETECH HOLDINGS INC -	3.963,00	USD	16,000	63.408,00		0,10	0,10
TELLABS INC. DEL -	17.064,00	USD	3,330	56.823,12		0,09	0,09
TEXAS INSTRUMENTS -	24.105,00	USD	28,690	691.572,45		1,12	1,11
THE FINISH LINE INC -A-	2.754,00	USD	20,910	57.586,14		0,09	0,09
THE JM SMUCKER CO -	5.597,00	USD	75,520	422.685,44		0,68	0,68
THE MEN'S WEARHOUSE INC -	1.986,00	USD	28,140	55.886,04		0,09	0,09
THE VALSPAR CORPORATION -	15.040,00	USD	52,490	789.449,60		1,28	1,27
THERMO ELECTRONIC -	6.184,00	USD	51,910	321.011,44		0,52	0,52
TIDEWATER -	5.532,00	USD	46,360	256.463,52		0,41	0,41
TIME WARNER INC -	16.356,00	USD	38,500	629.706,00		1,02	1,01
TRAVELERS COS INC -	10.861,00	USD	63,840	693.366,24		1,12	1,11

TUESDAY MORNING CORP -	14.926,00	USD	4,290	64.032,54		0,10	0,10
TYCO INTERNATIONAL -	16.999,00	USD	52,850	898.397,15		1,45	1,44
TYSON FOODS INC -A-	3.746,00	USD	18,830	70.537,18		0,11	0,11
UMPOUA HOLDINGS CORP -	10.181,00	USD	13,160	133.981,96		0,22	0,22
UNITED FIRE GROUP INC -	2.852,00	USD	21,330	60.833,16		0,10	0,10
UNIVERSAL CORPORATION -	1.317,00	USD	46,330	61.016,61		0,10	0,10
UNUM GROUP -	2.759,00	USD	19,130	52.779,67		0,09	0,09
URS CORP -	1.804,00	USD	34,880	62.923,52		0,10	0,10
VERIZON COMMUNICATIONS INC -	24.532,00	USD	44,440	1.090.202,08		1,76	1,75
VIACOM B	7.763,00	USD	47,020	365.016,26		0,59	0,59
VIROPHARMA -	6.294,00	USD	23,700	149.167,80		0,24	0,24
VISA INC -	7.800,00	USD	123,630	964.314,00		1,56	1,55
WAL-MART STORES -	17.199,00	USD	69,720	1.199.114,28		1,94	1,93
WALGREEN COMPANY -	2.010,00	USD	29,580	59.455,80		0,10	0,10
WEBMD HEALTH CORP -	2.866,00	USD	20,510	58.781,66		0,10	0,09
WEIGHT WATCHERS INTERNATIONAL -	1.095,00	USD	51,560	56.458,20		0,09	0,09
WELLPOINT INC -	4.796,00	USD	63,790	305.936,84		0,49	0,49
WEST UNION COMPANY -	6.779,00	USD	16,840	114.158,36		0,18	0,18
WYNDHAM WORLDWIDE CORP -	5.612,00	USD	52,740	295.976,88		0,48	0,48
XL GROUP PLC "A"	2.998,00	USD	21,040	63.077,92		0,10	0,10
YAHOO INC. -	12.563,00	USD	15,830	198.872,29		0,32	0,32
YUM! BRANDS INC -	15.284,00	USD	64,420	984.595,28		1,59	1,58
Total shares				61.247.184,30		98,98	98,32
Options and futures							
Exchange-listed futures							
<u>U.S.A.</u>							
STAND & POORS EMINI SEP 12	11,00	USD	1.356,500	746.075,00		1,21	1,20
Suspense accounts (futures)							
<u>U.S.A.</u>							
STAND & POORS SEP 12	-715.137,50	USD	1,000	-715.137,50		-1,16	-1,15
Total options and futures				30.937,50		0,05	0,05
Rights							
<u>France</u>							
SANOFI CVR	8.852,00	USD	1,410	12.481,32		0,02	0,02
Total rights				12.481,32		0,02	0,02
Forward contracts		USD		-8.718,71			-0,01
TOTAL SECURITIES PORTFOLIO				61.878.589,59		100,00	99,33
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP EURO	10.761,10	EUR	1,000	13.656,91			0,02
KBC GROUP USD	702.582,10	USD	1,000	702.582,10			1,13
Total demand accounts				716.239,01			1,15
Managed futures accounts							
<u>Belgium</u>							
KBC GROUP USD FUT REK	-9.897,23	USD	1,000	-9.897,23			-0,02
Total managed futures accounts				-9.897,23			-0,02
TOTAL CASH AT BANK AND IN HAND				706.341,78			1,13

OTHER RECEIVABLES AND PAYABLES							
Receivables							
<u>Belgium</u>							
KBC GROUP USD RECEIVABLE	13.349,01	USD	1,000	13.349,01			0,02
Total receivables				13.349,01			0,02
Payables							
<u>Belgium</u>							
KBC GROUP EUR PAYABLE	-114.735,19	EUR	1,000	-145.610,43			-0,23
KBC GROUP USD PAYABLE	-217.417,29	USD	1,000	-217.417,29			-0,35
Payables				-363.027,72			-0,58
TOTAL RECEIVABLES AND PAYABLES				-349.678,71			-0,56
OTHER							
Interest receivable		USD		81.674,84			0,13
Accrued interest		USD		215,54			
Expenses payable		USD		-62.600,14			-0,10
Expenses to be carried forward		USD		41.557,92			0,07
TOTAL OTHER				60.848,16			0,10
TOTAL NET ASSETS				62.296.100,82			100,00

Geographic breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Belgium	0,00	0,00	0,00	-0,01
Bermuda	0,84	0,64	0,34	0,19
Switzerland	0,11	0,09	0,09	0,28
China	0,00	0,00	0,08	0,10
France	0,00	0,01	0,01	0,02
U.K.	0,29	0,12	0,36	0,27
Ireland	0,00	0,72	0,60	1,49
U.S.A.	98,62	98,32	98,41	97,56
South Africa	0,14	0,10	0,11	0,10
Total	100,00	100,00	100,00	100,00

Sector breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Cyclicals	24,32	24,23	23,13	21,78
Consum(cycl)	14,51	13,27	13,56	12,58
Cons.goods	13,15	12,56	15,63	14,62
Pharma	10,00	11,05	10,49	10,89
Financials	12,13	13,44	11,12	12,96
Technology	18,87	17,56	17,50	18,89
Telecomm.	3,22	4,26	4,46	4,21
Utilities	2,29	2,30	2,86	2,55
Real est.	1,51	1,33	1,25	1,52
Total	100,00	100,00	100,00	100,00

Currency breakdown (as a % of net assets)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
CAD	0,00	0,01	0,02	0,00
EUR	0,00	-0,07	0,20	-0,35
USD	100,00	100,06	99,78	100,35
Total	100,00	100,00	100,00	100,00

**2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC EQUITY FUND BUYBACK AMERICA
(IN THE CURRENCY OF THE SUB-FUND)**

	1st half of year	Year
Purchases	99.645.187,68	99.645.187,68
Sales	138.059.893,27	138.059.893,27
Total 1	237.705.080,96	237.705.080,96
Subscriptions	92.603.360,56	92.603.360,56
Redemptions	130.985.156,08	130.985.156,08
Total 2	223.588.516,64	223.588.516,64
Monthly average of total assets	137.048.652,30	137.048.652,30
Turnover rate	10,30 %	10,30 %

	1st half of year	Year
Purchases	99.645.187,68	99.645.187,68
Sales	138.059.893,27	138.059.893,27
Total 1	237.705.080,96	237.705.080,96
Subscriptions	92.603.360,56	92.603.360,56
Redemptions	130.985.156,08	130.985.156,08
Total 2	223.588.516,64	223.588.516,64
Monthly average of total assets	123.073.795,28	123.073.795,28
Corrected turnover rate	11,47 %	11,47 %

The table above shows the capital volume of portfolio transactions. This volume (adjusted to take account of total subscriptions and redemptions) is also compared to the average net assets at the beginning and end of the period.

A figure close to 0% implies that the transactions relating to the securities or transactions relating to the assets (excluding deposits and cash) in a given period only involve subscriptions and redemptions.

A negative percentage shows that subscriptions and redemptions entailed few, if any, transactions in the portfolio.

Active asset management may result in high turnover rates (monthly percentage >50%).

The detailed list of transactions is available for consultation free of charge at the registered office of the Bevek or fund at Havenlaan 2, 1080 Brussels.

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

NAME	Currency	Value in currency	In the currency of the sub-fund	Lot-size	Transaction date
STPOORS EMINI SEP 12	USD	746.075,00	746.075,00	50,00	12.06.2012
KBC AK-VK USD-EUR 121214-120615 1.2552	USD	675.000,00	675.000,00	N/A	15.06.2012

2.4.4 CHANGES OF THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND THE NET ASSET VALUE

Classic Shares

Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2010 - 06	67.854,92	1.937,29	63.041,66	2.497,00	53.835,38	8.900,29	62.735,67
2011 - 06	251.231,04	4.485,75	149.855,91	2.017,00	155.210,51	11.369,04	166.579,55
2012 - 06	43.236,28	1.723,00	161.840,77	2.997,00	36.606,02	10.095,04	46.701,06

Period	Amounts received and paid by the UCI (in the currency of the class)				
Year	Subscriptions		Redemptions		
	Capitalization	Distribution	Capitalization	Distribution	
2010 - 06	53.533.401,79	1.387.095,17	50.657.915,88	1.808.603,93	
2011 - 06	219.670.076,31	3.797.699,54	136.044.648,94	1.589.965,67	
2012 - 06	38.936.759,63	1.410.939,06	138.313.514,30	2.472.454,87	

Period	Net asset value End of period (in the currency of the class)			
Year	Of the class	Of one share		
		Capitalization	Distribution	
2010 - 06	45.746.500,18	739,73	665,48	
2011 - 06	159.308.702,09	962,93	866,52	
2012 - 06	43.876.893,71	960,36	863,98	

Institutional B Shares

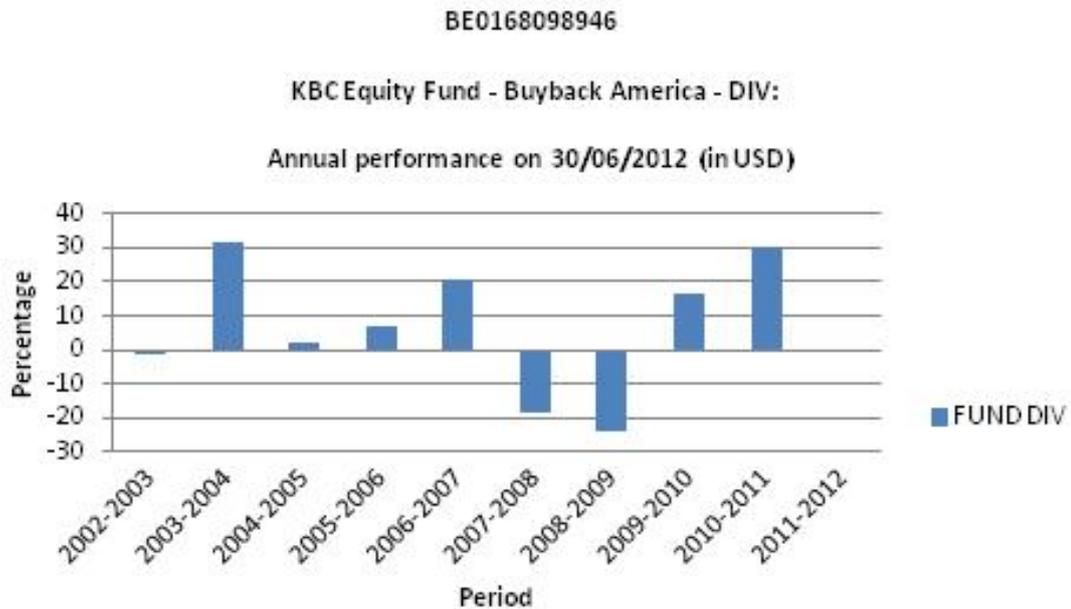
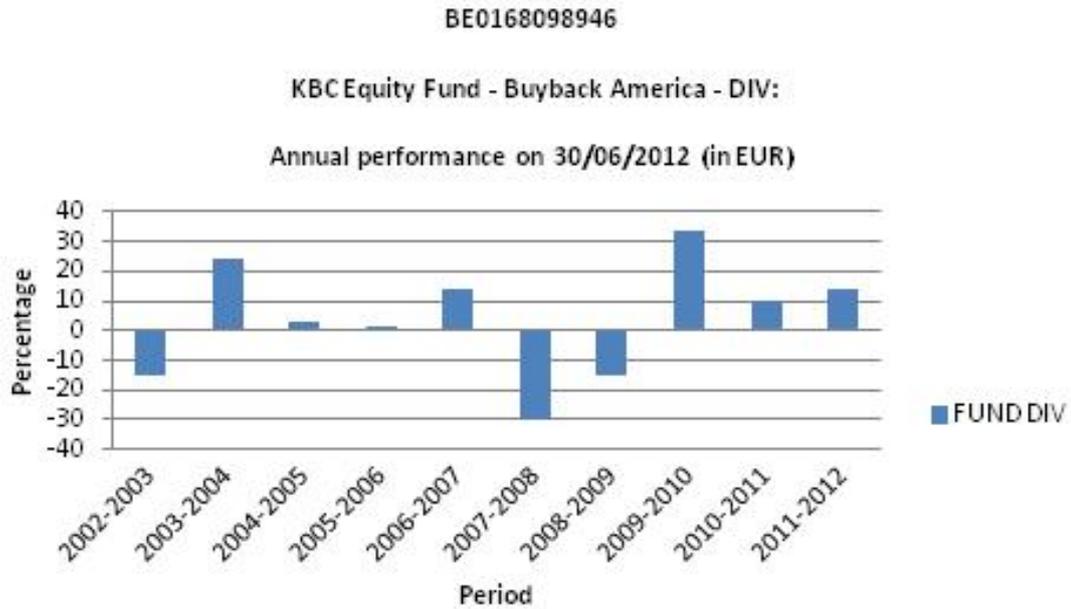
Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2012 - 06	148.564,00		129.399,00		19.165,00		19.165,00

Period	Amounts received and paid by the UCI (in the currency of the class)				
Year	Subscriptions		Redemptions		
	Capitalization	Distribution	Capitalization	Distribution	
2012 - 06	137.066.330,01		121.829.124,47		

Period	Net asset value End of period (in the currency of the class)			
Year	Of the class	Of one share		
		Capitalization	Distribution	
2012 - 06	18.419.207,11	961,09		

2.4.5 PERFORMANCE FIGURES

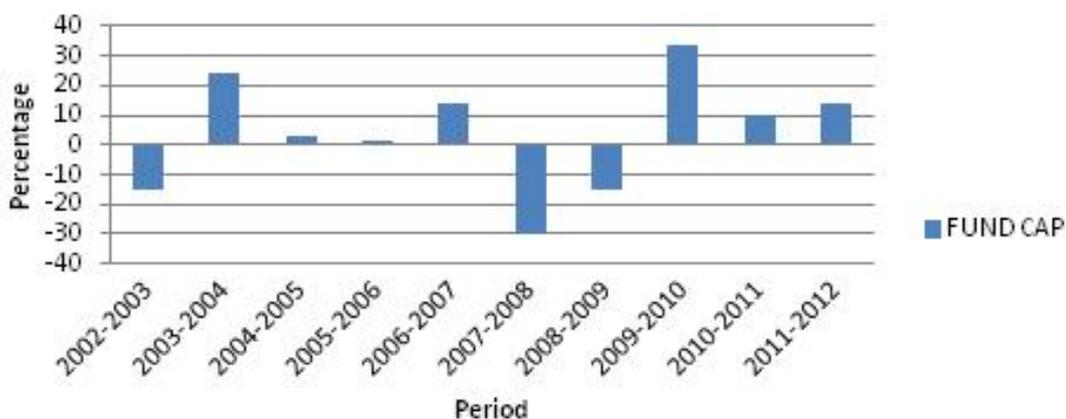
Classic Shares



BE0168099951

KBC Equity Fund - Buyback America - CAP:

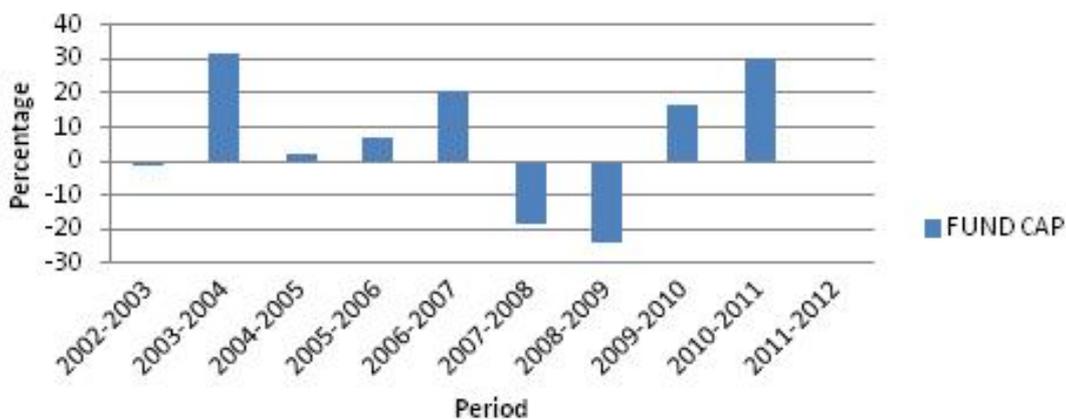
Annual performance on 30/06/2012 (in EUR)



BE0168099951

KBC Equity Fund - Buyback America - CAP:

Annual performance on 30/06/2012 (in USD)



Cap Div	ISIN code	Currency	1 Year		3 Years*		5 Years*		10 Years*		Since launch*	
			Share classes	Bench mark	Launch Date	Share classes						
CAP	BE0168099951	EUR	13.94%		18.75%		-0.13%		2.22%		26/06/1998	3.72%
CAP	BE0168099951	USD	-0.27%		14.86%		-1.36%		4.81%		26/06/1998	4.77%
DIV	BE0168098946	EUR	13.91%		18.78%		-0.12%		2.22%		26/06/1998	-4.13%
DIV	BE0168098946	USD	-0.29%		14.88%		-1.35%		4.82%		26/06/1998	-3.16%

Risk warning: Past performance is not a guide to future performance.

* Return on annual basis.

Institutional B Shares

The cumulative returns are shown where they relate to a period of at least one year.

Classic Shares

- The bar chart shows the performance for full financial years.
- The figures do not take account of any restructuring.
- Calculated in USD and in EUR.
- The return is calculated as the change in the net asset value between two dates expressed as a percentage. In the case of units that pay dividends, the dividend is incorporated geometrically in the return.
- Calculation method for date D, where NAV stands for net asset value:

Capitalisation units (CAP)

Return on date D over a period of X years:

$$[\text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where $Y = D - X$

Return on date D since the start date S of the unit:

$$[\text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where $F = 1$ if the unit has existed for less than one year on date D

where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D

Distribution units (DIV)

Return on date D over a period of X years:

$$[C * \text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where $Y = D - X$

Return on date D since the start date S of the unit:

$$[C * \text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where $F = 1$ if the unit has existed for less than one year on date D

where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D

where C is a factor that is determined for all N dividends between the calculation date D and the reference date.

For dividend i on date Di with value Wi:

$$C_i = [W_i / \text{NIW}(D_i)] + 1$$

$i = 1 \dots N$

from which $C = C_0 * \dots * C_N$.

- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the n^{th} square root of 1 plus the total return of the unit.
- The return figures shown above do not take account of the fees and charges associated with the issue and redemption of units.

These are the performance figures for capitalisation and distribution shares.

2.4.6 COSTS

Total expense ratio (TER): *

Classic Shares Distribution: 1.677%
Classic Shares Capitalization: 1.677%
Institutional B Shares Capitalization: Not applicable

Percentage calculated at the end of the financial year: 31 December

* The following costs have not been included in the TER:

- Transaction charges
- Interest payments on loans taken out
- Payments in respect of financial derivatives
- Fees and charges paid directly by the investor
- Any soft commissions

SOFT COMMISSIONS

The management company or the appointed manager, as the case may be, is the recipient of soft commissions.

The recipient has laid down an internal policy as regards accepting soft commissions and avoiding possible conflicts of interest in this respect, and has put appropriate internal controls in place to ensure this policy is observed.

For more information, please see the 'General' section of the annual report.

	Commission gross in EUR paid during the period: 1-01-12 -	CSA Credits in EUR accrued during the period: 1-01-12 -	
Broker	30-06-12	30-06-12	Percentage
CITI	32,173	20,108	62.50%
CSFBSAS	13,107	8,192	62.50%
EQ CSA MACQUARIE	8,187	5,117	62.50%
JP MORGAN	38,293	23,921	62.47%
MERRILL	19,257	12,035	62.50%
MORGAN STANLEY	13,809	8,574	62.09%
NOMURA	13,297	8,311	62.50%
UBSWDR	12	6	55.56%

FEE-SHARING AGREEMENTS AND REBATES:

The management company may share its fee with the distributor, and institutional and/or professional parties.

In principle, the percentage share amounts to between 35% and 60% if the distributor is an entity of KBC Group NV or to between 35% and 70% if the distributor is not an entity of KBC Group NV. However, in a small number of cases, the distributor's fee is less than 35%. Investors may, on request, obtain more information on these cases.

If the management company invests the assets of the undertaking for collective investment in units of undertakings for collective investment that are not managed by an entity of KBC Group NV, and receives a fee for doing so, it will pay this fee to the undertaking for collective investment.

Fee-sharing does not affect the amount of the management fee paid by the sub-fund to the management company. This management fee is subject to the limitations laid down in the articles of association. The limitations may only be amended after approval by the general meeting of shareholders.

The management company has concluded a distribution agreement with the distributor in order to facilitate the wider distribution of the sub-fund's units by using multiple distribution channels.

It is in the interests of the holders of units, the sub-fund and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund to be maximised in this way. In this respect, there is therefore no question of any conflict of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: 1.35% per annum calculated on the basis of the average total net assets of the sub-fund, excluding those assets invested in investment undertakings managed by a financial institution of the KBC group.

KBC Fund Management Limited receives a fee from the management company of max. 1.35% calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the average total net assets of the sub-fund.

Auditor's fee: 1 700 EUR per year. This fee is not including VAT and will be increased at the end of the 3-year mandate.

The custody fee is calculated on the value of the securities held in custody by the custodian on the final banking day of the preceding calendar year, except on those assets invested in investment undertakings managed by a financial institution of the KBC group. The custody fee is paid at the beginning of the calendar year.

Social, ethical and environmental aspects:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

Exercising voting rights

If necessary, relevant and in the interest of the shareholders, the management company will exercise the voting rights attached to the shares in the Bevek's portfolio.

The management company will adhere to the following criteria when determining how it stands relative to the items on the agenda that are put to the vote:

- Shareholder value may not be adversely affected.
- Corporate governance rules, especially with regard to the rights of minority shareholders, must be respected.
- The minimum standards with regard to sustainable business and corporate social responsibility must be met.

The list of companies for which voting rights are exercised is available at the registered office of the Bevek.

Financial derivatives on financial indices

The following financial indices were used as the underlying for financial derivatives:

The **S&P 500** is an equity index computed by Standard & Poor's that is made up of 500 shares. The dividend is not reinvested. The S&P 500 serves primarily as a continuous indicator of market trends on the US stock markets. The value of the S&P 500 index is calculated on the basis of the market value of the shares of 500 companies at a given point in time, compared to the market value of the shares of 500 similar companies during the reference period from 1941 to 1943. The index is published daily in L'Echo, De Tijd, The Financial Times and The Wall Street Journal Europe.

Standard & Poor's has all proprietary rights with respect to the index. In no way Standard & Poor's endorses, sponsors or is otherwise involved in the issue and offering the shares of this undertaking for collective investment. Standard & Poor's disclaims any liability for the issue and offering of the shares of this undertaking for collective investment

The value and, if available for distribution, the composition of the aforementioned financial indices may be obtained from the branches providing the financial service.

TABLE OF CONTENTS

- 2. Information on KBC Equity Fund Food & Personal Products
 - 2.1. Management report
 - 2.1.1. Launch date and subscription price
 - 2.1.2. Stock exchange listing
 - 2.1.3. Aim and distinctive features of the investment policy
 - 2.1.4. Financial portfolio management
 - 2.1.5. Distributors
 - 2.1.6. Index and benchmark
 - 2.1.7. Policy conducted during the financial year
 - 2.1.8. Future policy
 - 2.1.9. Synthetic risk and reward indicator (SRRI)
 - 2.2. Balance sheet
 - 2.3. Profit and loss account
 - 2.4. Composition of the assets and key figures
 - 2.4.1. Composition of the assets
 - 2.4.2. Change in the composition of the assets
 - 2.4.3. Value of commitments in respect of financial derivatives positions
 - 2.4.4. Evolution of the number of subscriptions, repayments and the net asset value
 - 2.4.5. Return figures
 - 2.4.6. Expenses
 - 2.4.7. Notes to the financial statements and other data

2 INFORMATION ON KBC EQUITY FUND FOOD & PERSONAL PRODUCTS

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Classic Shares :

Launch date: 26 February 1999
Initial subscription price: 500 EUR
Currency: EUR

Institutional B Shares :

Launch date: 25 November 2011
Initial subscription price: 887.07 EUR
Currency: EUR

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

The main objective of this sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. To this end, the assets are invested, either directly or indirectly via correlated financial instruments, primarily in shares.

SUB-FUND'S INVESTMENT POLICY:

PERMITTED ASSET CLASSES:

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the sub-fund's object. The sub-fund shall invest no more than 10% of its assets in units of other undertakings for collective investment.

RESTRICTIONS OF THE INVESTMENT POLICY:

The investment policy will be implemented within the limits set by law and regulations. The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

PERMITTED DERIVATIVES TRANSACTIONS:

Derivates may be used either for hedging purposes or to achieve investment objectives.

Changes will be made to the investments at regular intervals to comply with the sub-fund's investment strategy. **In addition, listed and unlisted derivates may be used to achieve the objectives:** these may be forward contracts, options or swaps on securities, indices, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions. **Such derivatives may also be used to hedge the assets against exchange-rate fluctuations.** Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions.

Strategy selected

The assets are invested mainly in shares, primarily of companies operating in the 1) food & staples retailing, 2) food, beverages & tobacco and 3) household & personal products sectors, so that all sub-sectors of the Consumer Staples sector are included. The geographic allocation may change over time. In principle, the sub-fund is invested worldwide.

LENDING FINANCIAL INSTRUMENTS:

The sub-fund may lend financial instruments within the limits set by law and regulations.

This lending does not affect the sub-fund's risk profile since:

- it takes place within the framework of a securities lending system managed by a principal. In addition, the sub-fund has a relationship only with the principal of the securities lending system which acts as counterparty and to which title of the loaned securities is transferred. The choice of principal is subject to strict selection criteria. The return of securities similar to the securities that have been lent is guaranteed by the principal.
- through a margin management system, the sub-fund is always guaranteed financial security, the actual value of which always exceeds the actual value of the securities that have been lent, in case the principal does not return similar securities.

The return of securities similar to the securities that have been lent can be requested at any time, which means that the lending of securities does not affect the management of the sub-fund's assets. By lending securities, the sub-fund can generate an additional return. The principal pays a fee to the management company. After deducting the fee for the margin management and clearing services of KBC Bank, most of this fee is paid to the sub-fund.

The relationship with the counterparty or counterparties is governed by standard international agreements.

More information is provided on the terms and conditions governing securities lending in the annual or half-yearly report for the sub-fund.

GENERAL STRATEGY FOR HEDGING THE EXCHANGE RATE RISK:

In order to protect its assets against exchange rate fluctuations and within the limitations laid down in the articles of association, the sub-fund may perform transactions relating to the sale of forward currency contracts, as well as the sale of call options and the purchase of put options on currencies. The transactions in question may relate solely to contracts traded on a regulated market that operates regularly, is recognised and is open to the public or that are traded with a recognised, prime financial institution specialising in such transactions and dealing in the over-the-counter (OTC) market in options. With the same objective, the sub-fund may also sell currencies forward or exchange them in private transactions with prime financial institutions specialising in such transactions. The hedging objective of the aforementioned transactions suggests that there is a direct link between these transactions and the assets to be hedged, which implies that the transactions carried out in a particular currency may in principle not exceed, in terms of volume, either the valuation value of all the assets in the same currency or the holding period of those assets.

SOCIAL, ETHICAL AND ENVIRONMENTAL ASPECTS:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

THE EUROPEAN SAVINGS DIRECTIVE AND TAX ON DEBT CLAIM RETURNS OBTAINED THROUGH THE REDEMPTION OF OWN UNITS OR IN THE EVENT OF FULL OR PARTIAL DISTRIBUTION OF EQUITY CAPITAL.

The following information is of a general character and is not intended to cover all aspects of an investment in a UCITS. In certain cases entirely different rules might even apply. Moreover, both tax law and the interpretation of it can change. Investors who wish to have more information about the tax implications – in both Belgium and abroad – of acquiring, holding and transferring units should seek the advice of their usual financial and tax advisers.

This UCITS shall invest a maximum of 15% of its assets directly or indirectly in debt instruments as intended by the European Savings Directive.

A. European Savings Directive (Directive 2003/48/EC)

The European Savings Directive has been implemented in Belgium through:

- The Law of 17 May 2004 transposing into Belgian law Directive 2003/48/EC of 3 June 2003 of the Council of the European Union on taxation of savings income in the form of interest payments and amending Income Tax Code 1992 on withholding tax;
- The Royal Decree of 27 September 2009 implementing Article 338bis § 2 of Income Tax Code 1992;
- The Royal Decree of 27 September 2009 concerning the entry into effect of Article 338bis § 2, paragraphs one to three, of Income Tax Code 1992;

Since this UCITS invests a maximum of 15% of its assets directly or indirectly in debt claims as intended by the European Savings Directive, the income of this UCITS does not fall within the scope of this directive.

B. Tax on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital (Article 19bis Income Tax Code 1992).

The income from this UCITS is not subject to the tax on debt instrument returns as intended by Article 19bis, Income Tax Code 1992.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

There is no delegation of the portfolio.

2.1.5 DISTRIBUTORS

KBC Asset Management S.A., 5, Place de la Gare, L-1616 Luxembourg.

2.1.6 INDEX AND BENCHMARK

See 'Sub-fund's investment policy'.

2.1.7 POLICY PERSUED DURING THE FINANCIAL YEAR

The global economy emerged from a deep recession in mid-2009, but the recovery was highly dependent on massive government budgetary and monetary stimuli. Doubts about the sustainability of the economic recovery continued to dominate the investment climate in the past period under review. In Europe the debt crisis continued to rage unabated. Five euro countries needed a bail-out from the European emergency fund. Greece reached agreements with its private sector creditors on restructuring the bond debt it owes them. The continued existence of the euro was even called into question. Fortunately, this was offset to some extent by the boom in Asia.

Although more jobs have been created than lost in the US since 2010, the rate of employment growth has remained on the low side. And wages increased very little: household purchasing power remained very modest and managed to support only scant growth. Economic growth (barely 1.6% year-on-year in the first half of 2012) was further hampered by the financial restructuring undertaken by states and local authorities and the increase in imports.

The euro is teetering on the brink of recession. The strong growth figures of 2010 and 2011 couldn't be sustained, and the euro crisis started taking its toll from the second half of 2011. Europe suffered under the strain of austerity measures and more restrictive lending policy of the banks. The reduction in the value of their sovereign bond portfolios threatened their solvency so that action had to be taken to compensate this. Greater divergence within Europe resulted in a further decline in unemployment in Germany and an alarmingly rapid rise in unemployment in countries such as Greece, Spain and Portugal. Belgium was closer to the strong core of the euro area than to the weak periphery.

The recession of the 2008-2009 period and the initial phase of the recovery have taught us much about the role of the emerging markets in the global economy. Exports to the Old World are still important, but that exclusive dependency is decreasing. Domestic demand (due to a rapidly growing middle class with a high consumption ratio) and inter-regional trade within Asia are playing an increasingly important role. The economic recovery in Asia since the second quarter of 2009 was just as pronounced as the slump. And that recovery has continued through 2010, 2011 and into 2012. As a result of pressure from rising oil and food prices, inflation increased sharply in 2011, and monetary policy was tightened in response to this. Higher interest rates have slowed growth somewhat since mid-2011.

The region is better armed to deal with financial crises than it was in the past. Public finances are healthy, the balance of payments is generally neutral (China actually has an astronomical surplus) and the domestic savings buffer is high. Asia's economic development no longer depends on fickle foreign capital.

The initial phase of the economic recovery went hand in hand with a fine stock-market rally, resulting in the S&P 500 being 75% higher at the end of April 2010 than its low point on 9 March 2009. Since then, the equity markets have struggled to find fresh impetus. The euro crisis and fear that the European banking sector would collapse naturally continued to cast a dark cloud over the market. On top of this, the stock markets were affected by changeable sentiment about the economic situation, and the same is true of 2012. Relative optimism about the economy caused the stock markets to improve in the first quarter, but they have since run out of steam. On 30 June 2012, the MSCI All Countries (the broadest global index) recorded a return of 8.7% in EUR over the past six months.

Of the traditional markets, the underperformance of Western Europe (MSCI Europe return index over the past six months: -5.2%) remained relatively limited. Nevertheless, the problems in the EMU kept stacking up: they include the Greek debt crisis, the threat of an extremist separatist party winning the Greek elections, the undercapitalisation of Spanish banks, the referendum in Ireland, and the financial collapse in Cyprus. Apparently the underperformance of European shares over many years has increased the valuation gap with US shares so much that fresh events in the euro crisis have less impact on the stock markets. In any event, the gap that had opened up in Europe in comparison with the US in recent years widened slightly during the reporting period. Wall Street closed the year under review up considerably (S&P 500: +8.6%, Dow Jones: +6.4%), while European investors also benefited from an increase in the value of the dollar (return MSCI USA in euros: +11.9%).

2.1.8 FUTURE POLICY

Business confidence indicators in the US and Europe hit new highs in spring 2011 and have dipped to more neutral levels over the past twelve months. Considerable divergence between the US and Europe has developed since September. At the moment, the US producer confidence index points to some optimism about the economy. In Europe confidence is continuing to slip and has entered the twilight zone of recession. We expect growth in the US to remain positive but modest (around 1.5-2% y-o-y in the next couple of quarters), given the dearth of new jobs, the downward pressure on pay increases and the absence of a recovery in the housing market. Budgetary plans will depress growth in Europe. However, the indicators do suggest that the fears of deflation and depression that are currently dominating the financial markets are unwarranted.

In 2010 and 2011 the foundations were laid for more sustainable growth in 2012 and 2013. US households have trimmed back their debt level significantly, the savings rate has already increased considerably and loan servicing (instalments and interest payments combined) now accounts for only 11% of household budgets (the lowest level in fifteen years – it was at 14% three years ago). Households are gradually moving towards a position where they can spend more of their money on consumption. The explosion in earnings growth in 2010 and 2011 bolstered companies' already substantial cash positions. During the crisis investments were scaled back heavily, with the foundations being laid for a catch-up process.

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

Classic Shares: 6 on a scale of 1 (lowest risk) to 7 (highest risk).

Institutional B Shares: 6 on a scale of 1 (lowest risk) to 7 (highest risk).

The value of a share can decrease or increase and the investor may not get back the amount invested.

In accordance with Commission Regulation (EU) No. 583/2010, a synthetic risk and reward indicator has been calculated. This indicator provides a quantitative measure of the sub-fund's potential return and the risk involved, calculated in the currency in which the sub-fund is denominated. It is given as a figure between 1 and 7. The higher the figure, the greater the potential return, but also the more difficult it is to predict this return. Losses are possible too. The lowest figure does not mean that the investment is entirely free of risk. However, it does indicate that, compared with the higher figures, this product will generally provide a lower, but more predictable return.

The synthetic risk and reward indicator is assessed regularly and can therefore go up or down based on data from the past. Data from the past is not always a reliable indicator of future risk and return.

The most recent indicator can be found under the 'Risk and reward profile' heading in the 'Key Investor Information' document.

2.2 BALANCE SHEET

Balance sheet layout	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
TOTAL NET ASSETS	182.538.869,01	70.000.970,17
II. Securities, money market instruments, UCIs and derivatives		
A. Bonds and other debt instruments		
a) Bonds	821.859,00	
a) Collateral received in the form of bonds	4.264.329,25	897.055,36
C. Shares and similar instruments		
a) Shares	179.647.974,16	69.002.288,55
Of which securities lent	4.019.733,74	800.787,75
D. Other securities	700,00	
F. Derivative financial instruments		
m) Financial indices		
Futures and forward contracts (+/-)	29.992,92	
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable	86.469,66	109.845,09
b) Tax assets	27.888,75	10.850,36
B. Payables		
a) Accounts payable (-)	-1.024.059,15	-72.722,81
c) Borrowings (-)	-821.069,04	-420.814,41
d) Collateral (-)	-4.264.329,25	-897.055,36
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	3.336.676,03	1.275.095,70
VI. Accruals and deferrals		
A. Expense to be carried forward	37.925,96	24.523,36
B. Accrued income	511.422,06	128.266,94
C. Accrued expense (-)	-116.911,34	-56.362,63
TOTAL SHAREHOLDERS' EQUITY	182.538.869,01	70.000.970,17
A. Capital	165.449.090,37	70.775.925,58
B. Income equalization	123.846,43	136.109,20
D. Result for the period	16.965.932,21	-911.064,61

Off-balance-sheet headings

I	Collateral (+/-)		
I.A	Collateral (+/-)		
I.A.A	Securities/market instruments	4.264.329,25	897.055,36
III	Notional amounts of futures and forward contracts		
III.A	Purchased futures and forward contracts	941.619,28	
IX	Financial instruments lent	4.019.733,74	800.787,75

2.3 PROFIT AND LOSS ACCOUNT

Income Statement	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
I. Net gains(losses) on investments		
A. Bonds and other debt instruments		
a) Bonds	-43.311,00	
C. Shares and similar instruments		
a) Shares	12.507.453,80	1.571.491,40
D. Other securities	-0,06	
F. Derivative financial instruments		
l) Financial indices		
Option contracts	34.248,38	
Futures and forward contracts	45.366,63	
G. Receivables, deposits, cash at bank and in hand and payables		0,01
H. Foreign exchange positions and transactions		
a) Derivative financial instruments		
Futures and forward contracts	65.081,72	
b) Other foreign exchange positions and transactions	3.216.997,61	-2.826.712,49
II. Investment income and expenses		
A. Dividends	2.399.300,70	812.766,57
B. Interests		
a) Securities and money market instruments	77.155,45	28.700,19
b) Cash at bank and in hand and deposits	4.701,72	1.049,35
C. Interest on borrowings (-)	-4.625,82	-3.434,89
III. Other income		
A. Income received to cover the acquisition and realization of assets, to discourage withdrawals and for delivery charges	244.024,75	
B. Other		87.486,72

IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-368.025,14	-106.437,15
B. Financial expenses (-)	-884,89	-1.472,74
C. Custodian's fee (-)	-34.443,73	-20.883,62
D. Manager's fee (-)		
a) Financial management		
Classic Shares	-275.810,16	-364.120,06
Institutional B Shares	-720.680,92	
b) Administration and accounting management	-71.758,69	-30.225,93
E. Administrative expenses (-)	-83,43	-151,31
F. Formation and organisation expenses (-)	-13.056,95	-3.406,26
G. Remuneration, social security charges and pension	-15,32	-10,65
H. Services and sundry goods (-)	-12.485,30	-4.300,45
J. Taxes		
Classic Shares	-18.865,45	-26.485,88
Institutional B Shares	-5.618,60	
K. Other expenses (-)	-58.733,09	-24.917,42
Income and expenditure for the period		
Subtotal II + III + IV	1.140.095,13	344.156,47
V. Profit (loss) on ordinary activities before tax	16.965.932,21	-911.064,61
VII. Result for the period	16.965.932,21	-911.064,61

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC EQUITY FUND FOOD & PERSONAL PRODUCTS

Name	Quantity on 30/06/2012	Currency	Price in currency	Evaluation (in the currency of the sub-fund)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
Bonds							
Corporate bonds							
<u>Ireland</u>							
D-STAR FINANCE PLC SUB 14/05/13	1.290.000,00	EUR	63,710	821.859,00		0,46	0,45
Total bonds				821.859,00		0,46	0,45
Shares							
Exchange-listed shares							
<u>Australia</u>							
COCA-COLA AMATIL LTD -	33.500,00	AUD	13,380	362.045,15		0,20	0,20
WESFARMERS -	18.000,00	AUD	29,900	434.715,88		0,24	0,24
WOOLWORTH CORP -	18.000,00	AUD	26,800	389.645,01		0,22	0,21
<u>Belgium</u>							
ANHEUSER-BUSCH INBEV NV -	75.000,00	EUR	61,300	4.597.500,00		2,55	2,52
ANHEUSER-BUSCH INBEV NV STRIP-VVPR	32.632,00	EUR	0,001	32,63			
DELHAIZE GROEP -	12.000,00	EUR	28,880	346.560,00		0,19	0,19
SIPEF (BRU)	9.000,00	EUR	56,900	512.100,00		0,28	0,28
<u>Brazil</u>							
AMBEV-CIA DE BEBIDAS DAS AMERICAS CP 02/05/11	187,00	BRL	74,870	5.465,82		0,00	0,00
AMBEV-CIA DE BEBIDAS DAS AMERICAS PREF	70.000,00	BRL	77,300	2.112.434,12		1,17	1,16
BRF - BRASIL FOODS SA -	64.000,00	BRL	30,390	759.305,09		0,42	0,42
CIA BRAS DISTRIB GRUPO PAO DE ACUCAR PREF B	9.572,00	BRL	80,000	298.949,83		0,17	0,16
COSAN SA INDUSTRIA COMERCIO -	18.817,00	BRL	30,990	227.655,21		0,13	0,13
NATURA COSMETICOS SA -	14.600,00	BRL	47,000	267.889,91		0,15	0,15
RAIA DROGASIL SA -	32.500,00	BRL	20,250	256.929,53		0,14	0,14
SOUZA CRUZ S.A. -	38.635,00	BRL	29,480	444.645,64		0,25	0,24
<u>Canada</u>							
ALIMENTATION COUCHE-TARD INC -	14.200,00	CAD	44,460	487.986,09		0,27	0,27
SAPUTO INC -	7.500,00	CAD	42,330	245.391,30		0,14	0,13
<u>Cayman Islands</u>							
HENGAN INT GROUP COMPANY LTD -	58.500,00	HKD	74,950	445.414,88		0,25	0,24
HERBALIFE LTD -	13.000,00	USD	48,330	495.067,37		0,27	0,27
TINGYI HOLDING CORP -	183.741,00	HKD	19,820	369.953,33		0,21	0,20
<u>Chile</u>							
COMP. CERVEC. UNIDAS ADS	5.500,00	USD	62,360	270.254,51		0,15	0,15
<u>China</u>							
CHINA FOODS LTD -	190.000,00	HKD	7,610	146.884,33		0,08	0,08
TSINGTAO BREWERY COMPANY LTD. -	68.000,00	HKD	44,050	304.293,06		0,17	0,17
WANT WANT CHINA HOLDINGS LTD -	963.000,00	HKD	9,500	929.366,71		0,52	0,51

<u>Denmark</u>							
CARLSBERG A/S B	14.000,00	DKK	461,200	868.503,17		0,48	0,48
<u>France</u>							
DANONE -	43.000,00	EUR	49,015	2.107.645,00		1,17	1,16
ETAB ECON CASINO GUICH-P (PAR)	9.000,00	EUR	69,310	623.790,00		0,35	0,34
NATUREX -	7.000,00	EUR	46,630	326.410,00		0,18	0,18
PERNOD-RICARD -	27.500,00	EUR	84,260	2.317.150,00		1,28	1,27
REMY COINTREAU SA -	3.000,00	EUR	86,580	259.740,00		0,14	0,14
<u>Germany</u>							
BEIERSDORF AG -	11.400,00	EUR	51,150	583.110,00		0,32	0,32
HENKEL KGAA (FRA)	50.000,00	EUR	43,780	2.189.000,00		1,21	1,20
HENKEL KGAA PREF	16.000,00	EUR	52,370	837.920,00		0,46	0,46
<u>Hong Kong</u>							
CHINA AGRI-INDUSTRIES HOLDINGS -	134.500,00	HKD	4,230	57.796,28		0,03	0,03
CHINA MENGNIU DAIRY CO LTD -	183.000,00	HKD	20,350	378.314,27		0,21	0,21
CHINA YURUN FOOD GROUP LTD -	117.500,00	HKD	6,750	80.571,02		0,05	0,04
MAGIC HOLDINGS INTERNATIONAL LTD -	650.000,00	HKD	2,700	178.284,81		0,10	0,10
<u>India</u>							
ITC LTD. -	92.000,00	INR	258,900	336.151,20		0,19	0,18
<u>Indonesia</u>							
PP LONDON SUMATRA INDONES PT -	932.318,00	IDR	2.675,000	209.231,07		0,12	0,12
PT GUDANG GARAM FOREIGN	73.000,00	IDR	61.500,000	376.648,55		0,21	0,21
<u>Ireland</u>							
C&C GROUP PLC -	20.000,00	EUR	3,390	67.800,00		0,04	0,04
GLANBIA PLC -	120.000,00	EUR	5,840	700.800,00		0,39	0,38
KERRY GROUP PLC -	31.000,00	EUR	34,600	1.072.600,00		0,59	0,59
<u>Israel</u>							
FRUTAROM INDUSTRIES LTD -	26.915,00	ILS	36,530	198.290,77		0,11	0,11
<u>Japan</u>							
AJINOMOTO -	29.891,00	JPY	1.107,000	326.775,99		0,18	0,18
ASAHI GROUP HOLDINGS LTD -	24.005,00	JPY	1.709,000	405.140,68		0,22	0,22
JAPAN TOBACCO -	170.000,00	JPY	2.361,000	3.963.756,67		2,20	2,17
KIKKOMAN CORP -	20.000,00	JPY	984,000	194.351,18		0,11	0,11
KIRIN BREWERY -	57.954,00	JPY	936,000	535.699,62		0,30	0,29
MEIJI HOLDINGS CO LTD -	1.911,00	JPY	3.655,000	68.977,93		0,04	0,04
NIPPON MEAT PACKERS -	11.665,00	JPY	1.053,000	121.304,02		0,07	0,07
NISSHIN SEIFUN GROUP INC -	7.500,00	JPY	931,000	68.956,15		0,04	0,04
NISSIN FOOD PRODUCTS -	4.700,00	JPY	3.035,000	140.870,04		0,08	0,08
SEVEN & I HOLDINGS CO LTD -	67.000,00	JPY	2.397,000	1.586.006,32		0,88	0,87
TOYO SUISAN KAISHA LTD -	17.500,00	JPY	2.127,000	367.593,32		0,20	0,20
YAKULT HONSA -	8.200,00	JPY	3.120,000	252.656,53		0,14	0,14
<u>Malaysia</u>							
GENTING PLANTATIONS BERHAD -	41.000,00	MYR	9,300	94.617,73		0,05	0,05
IOI CORP BERHAD -	265.863,00	MYR	5,190	342.397,82		0,19	0,19
KUALA LUMPUR KEPONG BERHAD -	42.620,00	MYR	22,940	242.612,17		0,13	0,13
<u>Mexico</u>							
FEMSA -	173.000,00	MXN	119,030	1.208.589,52		0,67	0,66
GRUPO MODELA "C"	63.500,00	MXN	117,960	439.627,43		0,24	0,24
WAL-MART DE MEXICO SA DE CV "V"	741.000,00	MXN	35,750	1.554.785,72		0,86	0,85

<u>Netherlands</u>							
DE MASTER BLENDERS 1753 NV -	61.000,00	EUR	8,910	543.510,00		0,30	0,30
HEINEKEN -	25.000,00	EUR	41,145	1.028.625,00		0,57	0,56
KON. AHOLD -	84.000,00	EUR	9,774	821.016,00		0,46	0,45
NUTRECO NV -	23.000,00	EUR	54,930	1.263.390,00		0,70	0,69
UNILEVER CVA	113.000,00	EUR	26,385	2.981.505,00		1,65	1,63
<u>Poland</u>							
KERNEL HOLDING SA -	3.100,00	PLN	60,950	44.613,01		0,03	0,02
<u>Russia</u>							
MAGNIT OSJC -	18.000,00	USD	30,080	426.633,05		0,24	0,23
<u>Singapore</u>							
GOLDEN AGRI-RESOURCES LTD -	389.000,00	SGD	0,670	162.113,58		0,09	0,09
WILMAR INTERNATIONAL LTD -	107.000,00	SGD	3,610	240.262,49		0,13	0,13
<u>South Africa</u>							
SHOPRITE HOLDINGS LTD -	39.000,00	ZAR	150,670	566.155,70		0,31	0,31
TIGER BRANDS LTD. -	20.000,00	ZAR	244,990	472.087,87		0,26	0,26
<u>South Korea</u>							
CJ CHEILJEDANG CORP -	792,00	KRW	325.500,000	177.361,01		0,10	0,10
KT&G CORPORATION -	15.200,00	KRW	81.200,000	849.144,48		0,47	0,47
LG HOUSEHOLD & HEALTH CARE LTD -	1.700,00	KRW	617.000,000	721.632,46		0,40	0,40
LOTTE CONFECTIONERY CO LTD -	100,00	KRW	1.564.000,000	107.601,60		0,06	0,06
ORION CORP/REPUBLIC OF SOUTH K -	1.450,00	KRW	948.000,000	945.710,73		0,52	0,52
<u>Sweden</u>							
AARHUSKARLSHAMN AB -	10.000,00	SEK	236,500	269.992,58		0,15	0,15
SWEDISH MATCH AB -	40.000,00	SEK	278,700	1.272.675,38		0,71	0,70
<u>Switzerland</u>							
ARYZTA AG -	5.204,00	CHF	47,100	204.061,44		0,11	0,11
NESTLE AG REG	240.000,00	CHF	56,550	11.299.171,63		6,26	6,19
<u>Taiwan</u>							
PRESIDENT CHAIN STORE CORP -	21.000,00	TWD	158,500	87.763,94		0,05	0,05
<u>Thailand</u>							
CHAROEN POKHAND FOODS PCL -	781.000,00	THB	38,500	746.022,22		0,41	0,41
CPSEVEN ELEVEN PCL FOREIGN	726.000,00	THB	35,500	639.447,61		0,35	0,35
<u>Turkey</u>							
ANADOLU EFES BIRACILIK VE -	32.500,00	TRY	23,150	327.775,12		0,18	0,18
BIM BIRLESIK MAGAZALAR AS -	15.500,00	TRY	74,500	503.071,36		0,28	0,28
BIZIM TOPTAN SATIS MAGAALARI -	17.000,00	TRY	25,250	187.004,44		0,10	0,10
COCA-COLA ICECEK URETIM AS -	30.000,00	TRY	28,000	365.949,29		0,20	0,20
<u>U.K.</u>							
ASIAN CITRUS HOLDINGS LTD -	313.000,00	HKD	4,350	138.315,49		0,08	0,08
ASSOCIATED BRITISH FOODS PLC -	50.000,00	GBP	12,820	792.238,29		0,44	0,43
BAT HOLDINS BV -	169.000,00	GBP	32,415	6.770.652,58		3,75	3,71
BOOKER GROUP PLC -	136.000,00	GBP	0,910	152.960,08		0,09	0,08
CRODA INTERNATIONAL -	12.000,00	GBP	22,630	335.632,18		0,19	0,18
DIAGEO -	207.000,00	GBP	16,420	4.200.889,88		2,33	2,30
IMPERIAL TOBACCO GR PLC -	160.000,00	GBP	24,550	4.854.776,91		2,69	2,66
RECKITT BENCKISER PLC -	58.000,00	GBP	33,650	2.412.186,38		1,34	1,32
SABMILLER PLC -	85.000,00	GBP	25,550	2.684.155,23		1,49	1,47
TATE&LYLE PLC -	95.000,00	GBP	6,475	760.258,31		0,42	0,42
TESCO -	237.000,00	GBP	3,101	908.192,44		0,50	0,50

UNILEVER PLC -	37.000,00	GBP	21,440	980.447,41		0,54	0,54
<u>U.S.A.</u>							
ARCHER DANIEL -	39.000,00	USD	29,520	907.162,56		0,50	0,50
AVON PRODUCTS INC -	33.000,00	USD	16,210	421.503,43		0,23	0,23
BEAM INC -	31.000,00	USD	62,490	1.526.428,18		0,85	0,84
BROWN-FORMAN CORPORATION "B"	12.500,00	USD	96,850	953.924,04		0,53	0,52
BUNGE LTD. -	15.000,00	USD	62,740	741.549,13		0,41	0,41
CHURCH & DWIGHT CO. INC. -	9.976,00	USD	55,470	436.032,40		0,24	0,24
CLOROX COMPANY -	3.130,00	USD	72,460	178.709,16		0,10	0,10
COCA-COLA CO -	163.000,00	USD	78,190	10.042.526,20		5,56	5,50
COCA-COLA ENTERPRISE -	21.000,00	USD	28,040	463.982,35		0,26	0,25
COLGATE - PALMOLIVE -	49.000,00	USD	104,100	4.019.305,02		2,23	2,20
CONSTELLATION BRANDS INC "A"	28.000,00	USD	27,060	597.021,51		0,33	0,33
COSTCO WHOLESALE CORPORATION -	25.000,00	USD	95,000	1.871.404,93		1,04	1,03
CVS CAREMARK CORPORATION -	111.000,00	USD	46,730	4.087.172,01		2,26	2,24
DEANFOODS CO -	12.000,00	USD	17,030	161.027,50		0,09	0,09
DOLLAR GENERAL CORPORATION -	8.500,00	USD	54,390	364.285,71		0,20	0,20
DR.PEPPER SNAPPLE GROUP INC -	18.000,00	USD	43,750	620.518,48		0,34	0,34
ENERGIZER HOLDINGS INC. -	11.500,00	USD	75,250	681.880,86		0,38	0,37
ESTEE LAUDER -	53.000,00	USD	54,120	2.260.152,86		1,25	1,24
GNC HOLDINGS INC -	40.000,00	USD	39,200	1.235.521,24		0,68	0,68
GREEN MOUNTAIN COFFEE ROASTERS -	19.000,00	USD	21,780	326.073,60		0,18	0,18
H.J. HEINZ CO -	21.000,00	USD	54,380	899.834,53		0,50	0,49
HILLSHIRE BRANDS CO/THE -	12.200,00	USD	28,990	278.684,11		0,15	0,15
KIMBERLEY-CLARK CORP -	32.000,00	USD	83,770	2.112.237,02		1,17	1,16
KRAFT FOODS INC. "A"	139.000,00	USD	38,620	4.229.910,96		2,34	2,32
KROGER CY -	73.000,00	USD	23,190	1.333.913,80		0,74	0,73
LORILLARD INC -	14.000,00	USD	131,950	1.455.598,46		0,81	0,80
MC DONALD'S CORP -	3.700,00	USD	88,530	258.104,96		0,14	0,14
MEAD JOHNSON NUTRITION CO -	36.000,00	USD	80,510	2.283.791,66		1,27	1,25
MICROSOFT CORP -	28.000,00	USD	30,590	674.903,47		0,37	0,37
MOLSON COORS BREWING CO "B"	8.500,00	USD	41,610	278.689,62		0,15	0,15
MONSTER BEVERAGE CORP -	45.000,00	USD	71,200	2.524.623,75		1,40	1,38
NU SKIN ENTERPRISES INC "A"	48.000,00	USD	46,900	1.773.855,49		0,98	0,97
PEPSICO -	133.000,00	USD	70,660	7.405.074,46		4,10	4,06
PHILIP MORRIS INTERNATIONAL INC. -	192.000,00	USD	87,260	13.201.418,33		7,32	7,24
PRICELINE.COM INC. -	2.250,00	USD	664,520	1.178.134,11		0,65	0,65
PROCTER & GAMBLE -	140.000,00	USD	61,250	6.756.756,76		3,74	3,70
RALCORP HOLDINGS INC -	2.000,00	USD	66,740	105.176,90		0,06	0,06
SODASTREAM INTERNATIONAL LTD -	15.000,00	USD	40,970	484.240,80		0,27	0,27
STARBUCKS CORP -	9.000,00	USD	53,320	378.126,23		0,21	0,21
TYSON FOODS INC -A-	23.000,00	USD	18,830	341.257,58		0,19	0,19
WAL-MART STORES -	95.000,00	USD	69,720	5.218.974,08		2,89	2,86
WALGREEN COMPANY -	30.000,00	USD	29,580	699.235,68		0,39	0,38
WHOLE FOODS MARKET INC. -	16.500,00	USD	95,320	1.239.287,68		0,69	0,68
Total shares				179.647.974,16		99,53	98,42
Options and futures							
Exchange-listed futures							
<u>Switzerland</u>							
NESTLE AG SEP 12	200,00	CHF	56,551	941.619,28		0,52	0,52
Suspense accounts (futures)							
<u>Switzerland</u>							
NESTLE AG SEP 12	-1.095.000,00	CHF	1,000	-911.626,36		-0,51	-0,50
Total options and futures				29.992,92		0,02	0,02

Rights							
<u>France</u>							
NATUREX CP 15/06/12	7.000,00	EUR	0,100	700,00			
Total rights				700,00			
TOTAL SECURITIES PORTFOLIO				180.500.526,08		100,00	98,88
COLLATERAL RECEIVED							
<u>Belgium</u>							
KBC GROUP COLLATERAL EUR	4.264.329,25	EUR	1,000	4.264.329,25			2,34
TOTAL RECEIVED COLLATERAL				4.264.329,25			2,34
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP AUD	165.394,27	AUD	1,000	133.592,56			0,07
KBC GROUP CAD	67.760,18	CAD	1,000	52.375,02			0,03
KBC GROUP CHF	277.306,66	CHF	1,000	230.867,64			0,13
KBC GROUP DKK	485.952,71	DKK	1,000	65.365,42			0,04
KBC GROUP EURO	-821.069,04	EUR	1,000	-821.069,04			-0,45
KBC GROUP GBP	133.664,62	GBP	1,000	165.201,61			0,09
KBC GROUP HKD	235.108,68	HKD	1,000	23.883,94			0,01
KBC GROUP JPY	7.309.852,00	JPY	1,000	72.188,94			0,04
KBC GROUP MXN	492.733,97	MXN	1,000	28.919,37			0,02
KBC GROUP NOK	53.750,16	NOK	1,000	7.125,08			0,00
KBC GROUP PLN	1.501,41	PLN	1,000	354,51			
KBC GROUP SEK	604.599,86	SEK	1,000	69.022,19			0,04
KBC GROUP SGD	32.654,97	SGD	1,000	20.311,61			0,01
KBC GROUP TRY	39.284,55	TRY	1,000	17.114,47			0,01
KBC GROUP USD	3.112.085,92	USD	1,000	2.452.199,13			1,34
KBC GROUP ZAR	38.395,47	ZAR	1,000	3.699,34			0,00
Total demand accounts				2.521.151,79			1,38
Managed futures accounts							
<u>Belgium</u>							
KBC GROUP EURO FUT REK	249,87	EUR	1,000	249,87			
KBC GROUP FUT.REK.CHF	-6.963,75	CHF	1,000	-5.797,57			0,00
KBC GROUP FUT.REK.GBP	2,35	GBP	1,000	2,90			
Total managed futures accounts				-5.544,80			0,00
TOTAL CASH AT BANK AND IN HAND				2.515.606,99			1,38
OTHER RECEIVABLES AND PAYABLES							
Receivables							
<u>Belgium</u>							
KBC GROUP EUR RECEIVABLE	86.469,66	EUR	1,000	86.469,66			0,05
KBC GROUP WHT TO BE RECOVERED EUR	27.888,75	EUR	1,000	27.888,75			0,02
Total receivables				114.358,41			0,06
Payables							
<u>Belgium</u>							
KBC GROUP COUNTERPART ENTRY COLLATERAL IN EUR	-4.264.329,25	EUR	1,000	-4.264.329,25			-2,34
KBC GROUP EUR PAYABLE	-233.874,61	EUR	1,000	-233.874,61			-0,13

KBC GROUP USD PAYABLE	-1.002.823,20	USD	1,000	-790.184,54			-0,43
Payables				-5.288.388,40			-2,90
TOTAL RECEIVABLES AND PAYABLES				-5.174.029,99			-2,83
OTHER							
Interest receivable		EUR		507.199,08			0,28
Accrued interest		EUR		4.222,98			0,00
Expenses payable		EUR		-116.911,34			-0,07
Expenses to be carried forward		EUR		37.925,96			0,02
TOTAL OTHER				432.436,68			0,24
TOTAL NET ASSETS				182.538.869,01			100,00

Geographic breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Australia	1,22	0,90	0,26	0,66
Belgium	3,55	3,47	3,07	3,02
Brazil	3,61	2,34	2,85	2,42
Canada	0,21	0,25	0,19	0,41
Switzerland	9,61	7,79	7,03	6,39
Chile	0,00	0,00	0,00	0,15
China	0,51	0,49	0,87	0,68
Cayman Islands	0,48	0,48	0,39	0,73
Germany	0,00	1,42	0,93	2,00
Denmark	2,40	1,69	0,57	0,48
France	2,75	2,55	1,43	3,12
U.K.	16,53	15,06	14,58	13,85
Greece	0,00	0,34	0,00	0,00
Hong Kong	0,63	0,62	0,18	0,47
India	0,43	0,43	0,25	0,19
Indonesia	0,17	0,16	0,14	0,32
Ireland	0,68	0,99	1,31	1,48
Israel	0,00	0,00	0,00	0,11
Italy	0,00	0,48	0,00	0,00
Japan	4,02	3,82	4,64	4,45
South Korea	0,90	0,35	1,95	1,55
Mexico	1,59	1,66	2,39	1,77
Malaysia	0,83	0,72	0,60	0,38
Netherlands	5,47	3,50	4,61	3,68
Poland	0,00	0,07	0,04	0,02
Portugal	0,00	0,46	0,32	0,00
Russia	0,15	0,91	0,18	0,24
Singapore	0,88	0,41	0,41	0,22
Sweden	0,50	0,48	0,78	0,85
Thailand	0,00	0,00	0,29	0,77
Turkey	0,19	1,08	0,76	0,77
Taiwan	0,00	0,00	0,10	0,05
U.S.A.	42,17	46,64	48,45	48,19
South Africa	0,52	0,44	0,43	0,58
Total	100,00	100,00	100,00	100,00

Sector breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Cyclicals	0,93	2,45	3,26	3,13
Consum(cycl)	0,67	13,20	9,20	13,46
Cons.goods	98,40	84,09	87,10	82,41
Pharma	0,00	0,26	0,00	0,00
Financials	0,00	0,00	0,44	0,46
Technology	0,00	0,00	0,00	0,37
Utilities	0,00	0,00	0,00	0,17
Total	100,00	100,00	100,00	100,00

Currency breakdown (as a % of net assets)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
AUD	1,22	0,89	0,29	0,72
BRL	1,71	1,42	2,85	2,40
CAD	0,27	0,24	0,19	0,43
CHF	9,59	7,69	7,14	6,46
DKK	2,40	1,67	0,58	0,51
EUR	12,11	14,77	11,77	12,66
GBP	16,48	14,86	14,65	13,74
HKD	1,61	1,57	1,46	1,68
IDR	0,17	0,15	0,14	0,32
ILS	0,00	0,00	0,00	0,11
INR	0,43	0,43	0,25	0,18
JPY	4,00	3,77	3,51	4,45
KRW	0,90	0,35	1,95	1,54
MXN	0,60	1,10	2,40	1,77
MYR	0,83	0,71	0,60	0,37
NOK	0,00	0,01	0,01	0,00
PLN	0,00	0,07	0,05	0,02
SEK	0,50	0,48	0,79	0,89
SGD	0,88	0,41	0,44	0,23
THB	0,00	0,00	0,29	0,76
TRY	0,18	1,07	0,77	0,77
TWD	0,00	0,00	0,10	0,05
USD	45,61	47,90	49,33	49,37
ZAR	0,51	0,44	0,44	0,57
Total	100,00	100,00	100,00	100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC EQUITY FUND FOOD & PERSONAL PRODUCTS (IN THE CURRENCY OF THE SUB-FUND)

	1st half of year	Year
Purchases	155.999.601,00	155.999.601,00
Sales	82.549.981,82	82.549.981,82
Total 1	238.549.582,82	238.549.582,82
Subscriptions	129.441.709,49	129.441.709,49
Redemptions	52.003.659,26	52.003.659,26
Total 2	181.445.368,75	181.445.368,75
Monthly average of total assets	148.836.339,22	148.836.339,22
Turnover rate	38,37 %	38,37 %

	1st half of year	Year
Purchases	155.999.601,00	155.999.601,00
Sales	82.549.981,82	82.549.981,82
Total 1	238.549.582,82	238.549.582,82
Subscriptions	129.441.709,49	129.441.709,49
Redemptions	52.003.659,26	52.003.659,26
Total 2	181.445.368,75	181.445.368,75
Monthly average of total assets	142.145.754,79	142.145.754,79
Corrected turnover rate	40,17 %	40,17 %

The table above shows the capital volume of portfolio transactions. This volume (adjusted to take account of total subscriptions and redemptions) is also compared to the average net assets at the beginning and end of the period.

A figure close to 0% implies that the transactions relating to the securities or transactions relating to the assets (excluding deposits and cash) in a given period only involve subscriptions and redemptions.

A negative percentage shows that subscriptions and redemptions entailed few, if any, transactions in the portfolio.

Active asset management may result in high turnover rates (monthly percentage >50%).

The detailed list of transactions is available for consultation free of charge at the registered office of the Bevek or fund at Havenlaan 2, 1080 Brussels.

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

NAME	Currency	Value in currency	In the currency of the sub-fund	Lot-size	Transaction date
KBC COLLATERAL EUR	EUR	4.264.329,25	4.264.329,25	N/A	29.06.2012
NESTLE 09/12/2012	CHF	1.131.026,00	941.619,28	100,00	11.06.2012

2.4.4 CHANGES OF THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND THE NET ASSET VALUE

Classic Shares

Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2010 - 06	145.361,75	1.066,12	145.559,39	3.306,00	68.101,41	3.371,12	71.472,53
2011 - 06	65.123,03	563,00	56.741,30	815,00	76.483,14	3.119,12	79.602,26
2012 - 06	78.743,61	3.942,71	109.410,88	2.919,00	45.815,86	4.142,83	49.958,69

Period	Amounts received and paid by the UCI (in the currency of the class)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2010 - 06	107.419.835,79	677.037,42	110.641.202,99	1.920.406,20
2011 - 06	56.997.354,14	406.039,33	48.673.799,93	581.287,25
2012 - 06	75.808.802,14	3.212.167,42	99.786.105,12	2.312.441,25

Period	Net asset value End of period (in the currency of the class)		
Year	Of the class	Of one share	
		Capitalization	Distribution
2010 - 06	58.409.659,93	823,69	686,85
2011 - 06	70.000.970,17	885,60	727,03
2012 - 06	53.335.590,53	1.084,40	881,77

Institutional B Shares

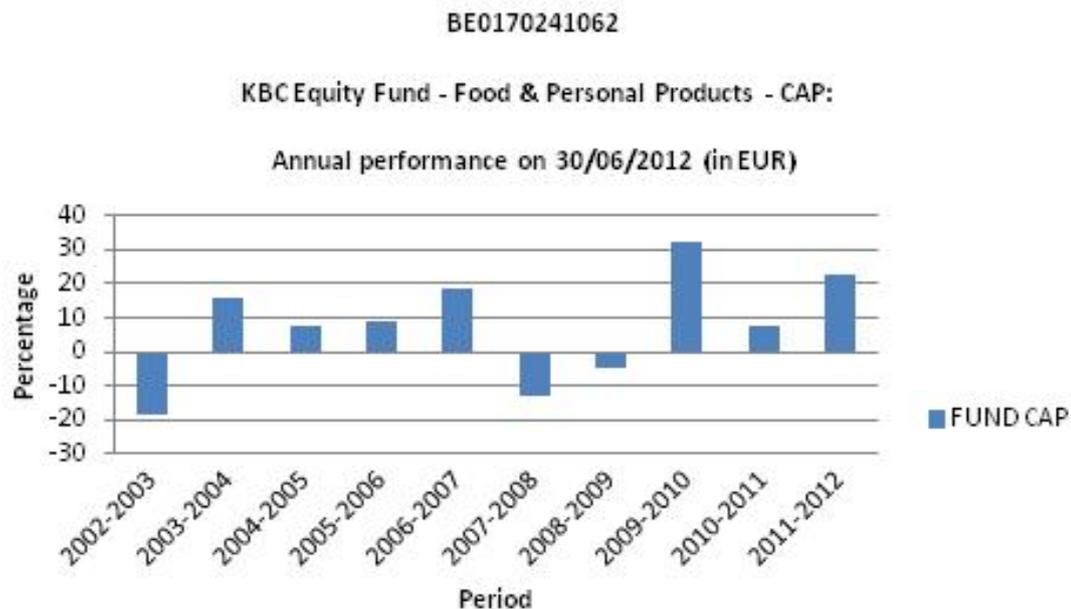
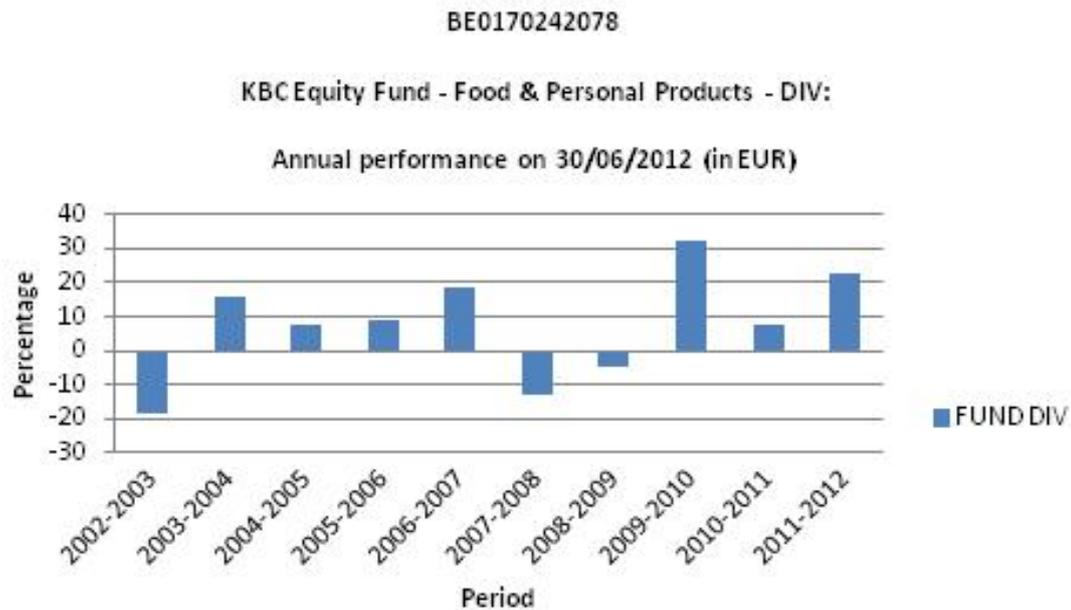
Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2012 - 06	151.050,00		32.013,00		119.037,00		119.037,00

Period	Amounts received and paid by the UCI (in the currency of the class)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2012 - 06	146.578.703,66		33.160.257,16	

Period	Net asset value End of period (in the currency of the class)		
Year	Of the class	Of one share	
		Capitalization	Distribution
2012 - 06	129.203.278,48	1.085,40	

2.4.5 PERFORMANCE FIGURES

Classic Shares



Cap Div	ISIN code	Currency	1 Year		3 Years*		5 Years*		10 Years*		Since launch*	
			Share classes	Bench mark	Launch Date	Share classes						
CAP	BE0170241062	EUR	22.45%		20.29%		7.60%		6.52%		26/02/1999	5.97%
DIV	BE0170242078	EUR	22.45%		20.30%		7.61%		6.52%		26/02/1999	5.97%

Risk warning: Past performance is not a guide to future performance.

* Return on annual basis.

Institutional B Shares

The cumulative returns are shown where they relate to a period of at least one year.

Classic Shares

- The bar chart shows the performance for full financial years.
- The figures do not take account of any restructuring.
- Calculated in EUR.
- The return is calculated as the change in the net asset value between two dates expressed as a percentage. In the case of units that pay dividends, the dividend is incorporated geometrically in the return.
- Calculation method for date D, where NAV stands for net asset value:

Capitalisation units (CAP)

Return on date D over a period of X years:

$$[\text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where $Y = D - X$

Return on date D since the start date S of the unit:

$$[\text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where $F = 1$ if the unit has existed for less than one year on date D

where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D

Distribution units (DIV)

Return on date D over a period of X years:

$$[C * \text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where $Y = D - X$

Return on date D since the start date S of the unit:

$$[C * \text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where $F = 1$ if the unit has existed for less than one year on date D

where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D

where C is a factor that is determined for all N dividends between the calculation date D and the reference date.

For dividend i on date Di with value Wi:

$$C_i = [W_i / \text{NIW}(D_i)] + 1$$

$i = 1 \dots N$

from which $C = C_0 * \dots * C_N$.

- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the n^{th} square root of 1 plus the total return of the unit.
- The return figures shown above do not take account of the fees and charges associated with the issue and redemption of units.

These are the performance figures for capitalisation and distribution shares.

2.4.6 COSTS

Total expense ratio (TER): *

Classic Shares Distribution: 1.554%
Classic Shares Capitalization: 1.554%
Institutional B Shares Capitalization: Not applicable

Percentage calculated at the end of the financial year: 31 December

* The following costs have not been included in the TER:

- Transaction charges
- Interest payments on loans taken out
- Payments in respect of financial derivatives
- Fees and charges paid directly by the investor
- Any soft commissions

SOFT COMMISSIONS

The management company or the appointed manager, as the case may be, is the recipient of soft commissions.

The recipient has laid down an internal policy as regards accepting soft commissions and avoiding possible conflicts of interest in this respect, and has put appropriate internal controls in place to ensure this policy is observed.

For more information, please see the 'General' section of the annual report.

Broker	Commission gross in EUR paid during the period: 1-01-12 - 30-06-12	CSA Credits in EUR accrued during the period: 1-01-12 - 30-06-12	Percentage
CITI	16,478	10,299	62.50%
CSFBSAS	18,239	10,045	55.08%
DEUTSCHE	4,702	2,367	50.35%
EQ CSA MACQUARIE	2,269	1,418	62.50%
HSBC	4,856	2,478	51.03%
JP MORGAN	36,064	20,035	55.56%
MERRILL	10,422	6,514	62.50%
MORGAN STANLEY	34,285	19,523	56.94%
NOMURA	18,034	9,181	50.91%
SOCGEN	1,821	910	50.00%
UBSWDR	46,115	26,730	57.96%

FEE-SHARING AGREEMENTS AND REBATES:

The management company may share its fee with the distributor, and institutional and/or professional parties.

In principle, the percentage share amounts to between 35% and 60% if the distributor is an entity of KBC Group NV or to between 35% and 70% if the distributor is not an entity of KBC Group NV. However, in a small number of cases, the distributor's fee is less than 35%. Investors may, on request, obtain more information on these cases.

If the management company invests the assets of the undertaking for collective investment in units of undertakings for collective investment that are not managed by an entity of KBC Group NV, and receives a fee for doing so, it will pay this fee to the undertaking for collective investment.

Fee-sharing does not affect the amount of the management fee paid by the sub-fund to the management company. This management fee is subject to the limitations laid down in the articles of association. The limitations may only be amended after approval by the general meeting of shareholders.

The management company has concluded a distribution agreement with the distributor in order to facilitate the wider distribution of the sub-fund's units by using multiple distribution channels. It is in the interests of the holders of units, the sub-fund and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund to be maximised in this way. In this respect, there is therefore no question of any conflict of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: 1.35% per annum calculated on the basis of the average total net assets of the sub-fund, excluding those assets invested in investment undertakings managed by a financial institution of the KBC group.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the average total net assets of the sub-fund.

Auditor's fee: 1 700 EUR per year. This fee is not including VAT and will be increased at the end of the 3-year mandate.

The custody fee is calculated on the value of the securities held in custody by the custodian on the final banking day of the preceding calendar year, except on those assets invested in investment undertakings managed by a financial institution of the KBC group. The custody fee is paid at the beginning of the calendar year.

Social, ethical and environmental aspects:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

Exercising voting rights

If necessary, relevant and in the interest of the shareholders, the management company will exercise the voting rights attached to the shares in the Bevek's portfolio.

The management company will adhere to the following criteria when determining how it stands relative to the items on the agenda that are put to the vote:

- Shareholder value may not be adversely affected.
- Corporate governance rules, especially with regard to the rights of minority shareholders, must be respected.
- The minimum standards with regard to sustainable business and corporate social responsibility must be met.

The list of companies for which voting rights are exercised is available at the registered office of the Bevek.

Securities lending

In accordance with the Royal Decree of 7 March 2006 concerning securities lending, the undertaking for collective investment has taken out securities loans with a principal to whom the full title of the loaned securities was transferred, without recording this transfer of ownership in the accounts.

For the period from 1 January 2012 to 30 June 2012, the fee for securities lent comes to 13,605.70 EUR. KBC Asset Management NV receives 50% of the net fee received for securities lent. The detailed list of securities lending transactions carried out can be obtained from the registered office of the collective investment undertaking at 2 Havenlaan, 1080 Brussels.

Overview of securities lent as at 30/06/2012

Name	Currency	Quantity	Price	Value in currency of the portfolio
ARYZTA AG -REG	CHF	4.070	47,100	159.594,56
KIKKOMAN CORP	JPY	13.950	984,000	135.559,94
PERNOD-RICARD	EUR	27.499	84,260	2.317.065,74
SAPUTO INC	CAD	7.400	42,330	242.119,42
TIGER BRANDS LTD	ZAR	19.999	244,990	472.064,27
TSINGTAO BREWERY -H-	HKD	18.000	44,050	80.548,16
WANT WANT CHINA HOLDINGS LTD	HKD	153.290	9,500	147.936,26
WILMAR INTERNATIONAL LTD	SGD	100.000	3,610	224.544,38
YAKULT HONSHA	JPY	7.799	3.120,000	240.301,01
Total				4.019.733,74

Details of collateral received for securities lent

Name	Currency	Nominal value	Currency fund	Value in Currency fund
OESTERREICH 2009 3.40% 20/10/14	EUR	235.000	EUR	256.377,01
FRANCE 2001 3% 25/07/2012	EUR	15.000	EUR	19.179,29
FRANCE 2004 4% 25/04/55	EUR	210.000	EUR	229.019,91
OAT FRANCE 2005 3% 25/10/15	EUR	2.977.000	EUR	3.239.458,27
FRANCE 2007 4,50% 12/07/2012	EUR	90.000	EUR	94.055,85
NETHERLANDS 2008 4% 15/07/2018	EUR	360.000	EUR	426.238,92
Total				4.264.329,25

For the valuation of the collateral received, indicative prices have been used in this detail list by the Collateral Management Division of KBC Bank.

TABLE OF CONTENTS

- 2. Information on KBC Equity Fund Commodities & Materials
 - 2.1. Management report
 - 2.1.1. Launch date and subscription price
 - 2.1.2. Stock exchange listing
 - 2.1.3. Aim and distinctive features of the investment policy
 - 2.1.4. Financial portfolio management
 - 2.1.5. Distributors
 - 2.1.6. Index and benchmark
 - 2.1.7. Policy conducted during the financial year
 - 2.1.8. Future policy
 - 2.1.9. Synthetic risk and reward indicator (SRRI)
 - 2.2. Balance sheet
 - 2.3. Profit and loss account
 - 2.4. Composition of the assets and key figures
 - 2.4.1. Composition of the assets
 - 2.4.2. Change in the composition of the assets
 - 2.4.3. Value of commitments in respect of financial derivatives positions
 - 2.4.4. Evolution of the number of subscriptions, repayments and the net asset value
 - 2.4.5. Return figures
 - 2.4.6. Expenses
 - 2.4.7. Notes to the financial statements and other data

2 INFORMATION ON KBC EQUITY FUND COMMODITIES & MATERIALS

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Classic Shares :

Launch date: 25 June 1999

Initial subscription price: 500 EUR

Currency: EUR

Institutional B Shares :

Launch date: 24 November 2011

Initial subscription price: 414.27 EUR

Currency: EUR

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

The main objective of this sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. To this end, the assets are invested, either directly or indirectly via correlated financial instruments, primarily in shares.

SUB-FUND'S INVESTMENT POLICY:

PERMITTED ASSET CLASSES:

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the sub-fund's object.

The sub-fund shall invest no more than 10% of its assets in units of other undertakings for collective investment.

RESTRICTIONS OF THE INVESTMENT POLICY:

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

PERMITTED DERIVATIVES TRANSACTIONS:

Derivates may be used either for hedging purposes or to achieve investment objectives.

Changes will be made to the investments at regular intervals to comply with the sub-fund's investment strategy. **In addition, listed and unlisted derivates may be used to achieve the objectives:** these may be forward contracts, options or swaps on securities, indices, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions. **Such derivatives may also be used to hedge the assets against exchange-rate fluctuations.** Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions.

STRATEGY SELECTED

The assets are primarily invested in shares of industrial groups in the Materials sector.

The Materials sector includes steel, iron, paper, non-ferrous metals, chemicals and construction materials.

The sub-fund focuses on what are known as 'highly cyclical materials', which are therefore more sensitive to market fluctuations.

The regional allocation may change from time to time.

In principle, the sub-fund invests worldwide.

LENDING FINANCIAL INSTRUMENTS:

The sub-fund may lend financial instruments within the limits set by law and regulations.

This lending does not affect the sub-fund's risk profile since:

- it takes place within the framework of a securities lending system managed by a principal. In addition, the sub-fund has a relationship only with the principal of the securities lending system which acts as counterparty and to which title of the loaned securities is transferred. The choice of principal is subject to strict selection criteria. The return of securities similar to the securities that have been lent is guaranteed by the principal.
- through a margin management system, the sub-fund is always guaranteed financial security, the actual value of which always exceeds the actual value of the securities that have been lent, in case the principal does not return similar securities.

The return of securities similar to the securities that have been lent can be requested at any time, which means that the lending of securities does not affect the management of the sub-fund's assets.

By lending securities, the sub-fund can generate an additional return. The principal pays a fee to the management company. After deducting the fee for the margin management and clearing services of KBC Bank, most of this fee is paid to the sub-fund.

The relationship with the counterparty or counterparties is governed by standard international agreements.

More information is provided on the terms and conditions governing securities lending in the annual or half-yearly report for the sub-fund.

VOLATILITY OF THE NET ASSET VALUE:

The volatility of the net asset value may be high due to the composition of the portfolio.

GENERAL STRATEGY FOR HEDGING THE EXCHANGE RATE RISK:

In order to protect its assets against exchange rate fluctuations and within the limitations laid down in the articles of association, the sub-fund may perform transactions relating to the sale of forward currency contracts, as well as the sale of call options and the purchase of put options on currencies. The transactions in question may relate solely to contracts traded on a regulated market that operates regularly, is recognised and is open to the public or that are traded with a recognised, prime financial institution specialising in such transactions and dealing in the over-the-counter (OTC) market in options. With the same objective, the sub-fund may also sell currencies forward or exchange them in private transactions with prime financial institutions specialising in such transactions. The hedging objective of the aforementioned transactions suggests that there is a direct link between these transactions and the assets to be hedged, which implies that the transactions carried out in a particular currency may in principle not exceed, in terms of volume, either the valuation value of all the assets in the same currency or the holding period of those assets.

SOCIAL, ETHICAL AND ENVIRONMENTAL ASPECTS:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

THE EUROPEAN SAVINGS DIRECTIVE AND TAX ON DEBT CLAIM RETURNS OBTAINED THROUGH THE REDEMPTION OF OWN UNITS OR IN THE EVENT OF FULL OR PARTIAL DISTRIBUTION OF EQUITY CAPITAL.

The following information is of a general character and is not intended to cover all aspects of an investment in a UCITS. In certain cases entirely different rules might even apply. Moreover, both tax law and the interpretation of it can change. Investors who wish to have more information about the tax implications – in both Belgium and abroad – of acquiring, holding and transferring units should seek the advice of their usual financial and tax advisers.

This UCITS shall invest a maximum of 15% of its assets directly or indirectly in debt instruments as intended by the European Savings Directive.

A. European Savings Directive (Directive 2003/48/EC)

The European Savings Directive has been implemented in Belgium through:

- The Law of 17 May 2004 transposing into Belgian law Directive 2003/48/EC of 3 June 2003 of the Council of the European Union on taxation of savings income in the form of interest payments and amending Income Tax Code 1992 on withholding tax;
- The Royal Decree of 27 September 2009 implementing Article 338bis § 2 of Income Tax Code 1992;
- The Royal Decree of 27 September 2009 concerning the entry into effect of Article 338bis § 2, paragraphs one to three, of Income Tax Code 1992;

Since this UCITS invests a maximum of 15% of its assets directly or indirectly in debt claims as intended by the European Savings Directive, the income of this UCITS does not fall within the scope of this directive.

B. Tax on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital (Article 19bis Income Tax Code 1992).

The income from this UCITS is not subject to the tax on debt instrument returns as intended by Article 19bis, Income Tax Code 1992.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

There is no delegation of the portfolio.

2.1.5 DISTRIBUTORS

KBC Asset Management S.A., 5, Place de la Gare, L-1616 Luxembourg.

2.1.6 INDEX AND BENCHMARK

See 'Sub-fund's investment policy'.

2.1.7 POLICY PERSUED DURING THE FINANCIAL YEAR

Just like last year, doubts about the strength of the recovery of the world economy persisted during the period under review. Confidence indicators began faltering again virtually everywhere. The debt crisis in Europe continues to rage unabated. The US economy is growing but sluggishly and job growth is disappointing. While the US economy remains outside the danger zone of a recession, Europe is headed for several quarters of negative growth, driven to a large extent by the need and pressure for cost savings.

We could speak of a two-speed world. The established economies (US, Europe, Japan) find themselves in a low-growth environment, with no inflationary pressure, low interest rates and large public deficits. Growth is robust in the New World. China, for instance, had to rein in growth last year to prevent inflation. Now fears of inflation there are being replaced by concern about a hard landing. By the end of the period under review, China had lowered its key rate for the first time. The European Central Bank, the Bank of England and the Chinese central bank all cut interest rates on 5 July 2012.

The MSCI Materials Index underperformed the broad market. The gap is entirely due to the faltering economy. Figures on the Chinese economy indicated a further weakening, putting pressure on stock prices and commodities.

There were differences, however, between the various sub-groups. For instance, the chemical and construction sectors performed best of the sub-sectors. Mining companies suffered as a result of fears of a hard landing for the Chinese economy and paper manufacturers had to contend with higher energy costs.

Anticipating a recovery in the Chinese economy in the second half of the year, shares in out-of-favour mining companies were picked up during the period under review. Within this group, we prefer producers of coal, iron ore and copper.

We are holding a slightly overweight position in the paper and construction sectors. Whereas the European construction sector is relatively weak, we anticipate a recovery in North America and a number of emerging countries. In particular North America. Fertilisers are an important theme within the chemical sector, which we are underweighting. Global stocks of numerous crops are at historically low levels. Their high prices will stimulate increased production, with use of fertiliser one means of achieving this. We are also seeking out niche players like Arkema and Lanxess.

In the gold sector, profit was taken at the start of the period under review on gold mining stocks, which had risen sharply in value. Following the correction, these were picked up again at the end of the period. We are cautious about the steel sector at present, although it has also already factored in a recession. The paper sector may yet provide opportunity provided it continues to consolidate.

2.1.8 FUTURE POLICY

Despite the recent monetary easing, there are still concerns about the strength of the Chinese economy, and, as a result, about the trend in prices on the global commodity markets, too. Additionally, the European debt crisis continues to hang like the sword of Damocles above the sector. With the US driver of growth beginning to falter, too, investors are very concerned that we are heading for another slowdown in global growth.

The fund's risk profile will be raised further on the first signs of a recovery in the global economy. The fundamental long-term outlook for commodities is good.

The fund took profits on the chemical sector to pick up out-of-favour mining shares. Sentiment towards mining companies remains weak, but their shares are very cheap. We tend to be neutral towards the paper and construction sectors.

The growing global population, rising food consumption and increasing use of a number of agricultural commodities as alternative sources of energy are keeping food prices high. We believe that these are more resistant to a slowdown in growth than metals. The rise in the world's population is demanding ever more from agricultural production. Since fertilizers are needed to increase such production, we remain positive about this segment.

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

Classic Shares: 7 on a scale of 1 (lowest risk) to 7 (highest risk).

Institutional B Shares: 7 on a scale of 1 (lowest risk) to 7 (highest risk).

The value of a share can decrease or increase and the investor may not get back the amount invested.

In accordance with Commission Regulation (EU) No. 583/2010, a synthetic risk and reward indicator has been calculated. This indicator provides a quantitative measure of the sub-fund's potential return and the risk involved, calculated in the currency in which the sub-fund is denominated. It is given as a figure between 1 and 7. The higher the figure, the greater the potential return, but also the more difficult it is to predict this return. Losses are possible too. The lowest figure does not mean that the investment is entirely free of risk. However, it does indicate that, compared with the higher figures, this product will generally provide a lower, but more predictable return.

The synthetic risk and reward indicator is assessed regularly and can therefore go up or down based on data from the past. Data from the past is not always a reliable indicator of future risk and return.

The most recent indicator can be found under the 'Risk and reward profile' heading in the 'Key Investor Information' document.

2.2 BALANCE SHEET

Balance sheet layout	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
TOTAL NET ASSETS	65.614.229,71	147.899.383,31
II. Securities, money market instruments, UCIs and derivatives		
A. Bonds and other debt instruments		
a) Bonds		
a) Collateral received in the form of bonds	5.258.395,24	3.685.823,14
C. Shares and similar instruments		
a) Shares	64.513.906,48	152.527.753,16
Of which securities lent	4.615.222,85	3.390.481,90
D. Other securities	19.124,00	548,78
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable	2.278,78	17.198.709,20
b) Tax assets	14.050,79	6.391,50
B. Payables		
a) Accounts payable (-)	-578.332,12	-16.949.054,19
c) Borrowings (-)		-22.702.916,34
d) Collateral (-)	-5.258.395,24	-3.685.823,14
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	1.583.025,30	17.695.375,11
VI. Accruals and deferrals		
A. Expense to be carried forward	22.648,12	106.980,61
B. Accrued income	95.074,05	158.945,67
C. Accrued expense (-)	-57.545,69	-143.350,19
TOTAL SHAREHOLDERS' EQUITY	65.614.229,71	147.899.383,31
A. Capital	71.117.288,39	146.494.324,21
B. Income equalization	-137.105,08	287.648,01
D. Result for the period	-5.365.953,60	1.117.411,09

Off-balance-sheet headings

I	Collateral (+/-)		
I.A	Collateral (+/-)		
I.A.A	Securities/market instruments	5.258.395,24	3.685.823,14
IX	Financial instruments lent	4.615.222,85	3.390.481,90

2.3 PROFIT AND LOSS ACCOUNT

Income Statement	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
I. Net gains(losses) on investments		
C. Shares and similar instruments		
a) Shares	-7.091.907,41	8.136.667,81
D. Other securities	-45.291,63	-92,16
F. Derivative financial instruments		
m) Derivative financial instruments		
Swap contracts (+/-)		514.800,00
H. Foreign exchange positions and transactions		
b) Other foreign exchange positions and transactions	1.257.532,18	-7.501.780,92
II. Investment income and expenses		
A. Dividends	1.113.228,75	1.620.300,88
B. Interests		
a) Securities and money market instruments	15.995,08	179.952,53
b) Cash at bank and in hand and deposits	6.519,24	28.894,95
c) Collateral (+/-)	0,31	
C. Interest on borrowings (-)	-2.321,46	-8.425,96
III. Other income		
A. Income received to cover the acquisition and realization of assets, to discourage withdrawals and for delivery charges	158.060,91	
B. Other		113.946,69
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-108.270,23	-425.916,70
B. Financial expenses (-)	-602,69	-2.503,22
C. Custodian's fee (-)	-25.175,30	-90.561,48
D. Manager's fee (-)		
a) Financial management		
Classic Shares	-185.084,81	-1.190.734,57
Institutional B Shares	-358.733,85	
b) Administration and accounting management	-41.140,07	-66.019,90
E. Administrative expenses (-)	-26,36	-27,87
F. Formation and organisation expenses (-)	-8.612,19	-9.757,90
G. Remuneration, social security charges and pension	-6,16	-25,56
H. Services and sundry goods (-)	-8.029,79	-11.876,31
J. Taxes		
Classic Shares	-9.141,05	-58.863,26
Institutional B Shares	-2.051,63	
K. Other expenses (-)	-30.895,44	-110.565,96
Income and expenditure for the period		
Subtotal II + III + IV	513.713,26	-32.183,64
V. Profit (loss) on ordinary activities before tax	-5.365.953,60	1.117.411,09
VII. Result for the period	-5.365.953,60	1.117.411,09

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC EQUITY FUND COMMODITIES & MATERIALS

Name	Quantity on 30/06/2012	Currency	Price in currency	Evaluation (in the currency of the sub-fund)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
Shares							
Exchange-listed shares							
<u>Australia</u>							
ALUMINA LTD -	336.853,00	AUD	0,790	214.945,98		0,33	0,33
AMCOR -	34.421,00	AUD	7,090	197.120,38		0,31	0,30
BHP BILLITON LTD -	159.634,00	AUD	31,450	4.055.158,76		6,29	6,18
BLUESCOPE STEEL LTD -	55.097,00	AUD	0,300	13.350,91		0,02	0,02
BORAL LTD -	78.047,00	AUD	2,950	185.968,78		0,29	0,28
CSR LTD -	6.371,00	AUD	1,400	7.204,39		0,01	0,01
DULUX GROUP LTD -	15.496,00	AUD	3,010	37.674,54		0,06	0,06
FORTESCUE METALS GROUP -	113.886,00	AUD	4,900	450.742,22		0,70	0,69
ILUKA RESOURCES LTD -	34.848,00	AUD	11,320	318.629,59		0,49	0,49
INCITEC PIVOT LTD -	122.655,00	AUD	2,850	282.352,69		0,44	0,43
JAMES HARDIE INDUSTRIES NV -	54.973,00	AUD	7,960	353.447,02		0,55	0,54
NEWCREST MINING -	43.377,00	AUD	22,610	792.176,38		1,23	1,21
ONESTEEL LIMITED -	31.523,00	AUD	0,865	22.024,47		0,03	0,03
ORICA LTD -	14.557,00	AUD	24,690	290.305,18		0,45	0,44
RIO TINTO LTD -	30.192,00	AUD	56,500	1.377.850,65		2,14	2,10
<u>Austria</u>							
VOESTALPINE AG -	1.345,00	EUR	20,855	28.049,98		0,04	0,04
<u>Belgium</u>							
NYRSTAR -	50.311,00	EUR	4,478	225.292,66		0,35	0,34
NYRSTAR STRIP VVPR	22.652,00	EUR	0,001	22,65			
RECTICEL -	15.264,00	EUR	4,940	75.404,16		0,12	0,12
SOLVAY -	7.308,00	EUR	77,780	568.416,24		0,88	0,87
TESSENDERLO -	16.579,00	EUR	20,100	333.237,90		0,52	0,51
UMICORE -	4.481,00	EUR	36,370	162.973,97		0,25	0,25
UMICORE STRIP VVPR	844,00	EUR	0,004	3,38			
<u>Bermuda</u>							
NINE DRAGONS PAPER HOLDINGS -	228.300,00	HKD	4,310	99.958,65		0,16	0,15
SINOCHEM HONG KONG HOLDINGS -	380.000,00	HKD	1,190	45.937,54		0,07	0,07
<u>Brazil</u>							
BRASKEM SA PREF	11.100,00	BRL	13,380	57.980,87		0,09	0,09
CSN-CIA SIDERURGICA NACIONAL S.A. -	13.836,00	BRL	11,380	61.469,33		0,10	0,09
CVRD-CIA VALE DO RIO DOCE PREF A	120.080,00	BRL	39,160	1.835.773,10		2,85	2,80
FIBRIA CELULOSE SA -	30.559,00	BRL	14,880	177.520,17		0,28	0,27
GERDAU SA PREF	8.823,00	BRL	17,700	60.967,05		0,09	0,09
USIMINAS-USINAS SIDER. MINAS GERAIS PREF	21.036,00	BRL	6,320	51.902,21		0,08	0,08
VALE SA -	39.398,00	BRL	40,130	617.232,77		0,96	0,94
<u>Canada</u>							
AGNICO EAGLE MINES -	12.326,00	CAD	41,240	392.907,63		0,61	0,60
AGRIUM INC -	5.565,00	CAD	90,230	388.119,77		0,60	0,59

BARRICK GOLD CORP -	41.751,00	CAD	38,350	1.237.604,52		1,92	1,89
ELDORADO GOLD CORP -	10.308,00	CAD	12,540	99.912,90		0,16	0,15
ENCANA CORP -	6.935,00	CAD	21,200	113.640,19		0,18	0,17
FIRST QUANTUM MINERALS LTD -	24.492,00	CAD	18,000	340.758,26		0,53	0,52
GOLDCORP INC -	32.635,00	CAD	38,330	966.878,88		1,50	1,47
KINROSS GOLD -	114.487,00	CAD	8,310	735.371,57		1,14	1,12
OSISKO MINING CORP -	12.660,00	CAD	7,000	68.498,55		0,11	0,10
PAN AMERICAN SILVER CORP -	11.455,00	CAD	17,230	152.556,25		0,24	0,23
POTASH CORP SASKATCH -	70.143,00	CAD	44,500	2.412.648,12		3,74	3,68
SILVER WHEATON CORP -	10.071,00	CAD	27,370	213.057,60		0,33	0,33
TECK RESOURCES CLASS B	24.565,00	CAD	31,530	598.673,97		0,93	0,91
YAMANA GOLD INC -	9.543,00	CAD	15,710	115.880,60		0,18	0,18
<u>China</u>							
ALIMINUM CORP OF CHINA LTD -	202.000,00	HKD	3,300	67.717,75		0,11	0,10
ANHUI CONCH CEMENT CO LTD -	96.000,00	HKD	20,950	204.311,34		0,32	0,31
CHINA BLUECHEMICAL LTD -	162.000,00	HKD	4,400	72.411,06		0,11	0,11
FUJIAN ZIJIN MINING IND -	270.000,00	HKD	2,600	71.313,92		0,11	0,11
SINOPEC SHANGHAI PETROCHEM CO -	368.000,00	HKD	2,260	84.487,70		0,13	0,13
<u>Finland</u>							
OUTOKUMPU A -	6.536,00	EUR	0,766	5.006,58		0,01	0,01
STORA ENSO OYJ "R"	33.602,00	EUR	4,840	162.633,68		0,25	0,25
UPM-KYMMENE CORP -	73.184,00	EUR	8,900	651.337,60		1,01	0,99
<u>France</u>							
AIR LIQUIDE (L') -	9.077,00	EUR	90,050	817.383,85		1,27	1,25
ARKEMA -	6.123,00	EUR	51,550	315.640,65		0,49	0,48
IMERYS (PAR)	789,00	EUR	40,090	31.631,01		0,05	0,05
LAFARGE -	19.244,00	EUR	35,155	676.522,82		1,05	1,03
<u>Germany</u>							
BASF SE -	21.467,00	EUR	54,700	1.174.244,90		1,82	1,79
HEIDELBERGCEMENT AG -	4.120,00	EUR	37,765	155.591,80		0,24	0,24
HEIDELBERGCEMENT AG STRIP-VVPR	3.560,00	EUR	0,010	35,60			
K+S AG (FRA)	12.319,00	EUR	36,000	443.484,00		0,69	0,68
KLOECKNER & CO -	37.481,00	EUR	8,062	302.171,82		0,47	0,46
LANXESS -	2.129,00	EUR	49,720	105.853,88		0,16	0,16
LINDE AG -	4.092,00	EUR	122,650	501.883,80		0,78	0,77
SALZGITTER AG -	448,00	EUR	32,375	14.504,00		0,02	0,02
THYSSENKRUPP AG -	15.197,00	EUR	12,835	195.053,50		0,30	0,30
WACKER CHEMIE AG -	5.000,00	EUR	54,200	271.000,00		0,42	0,41
<u>Ireland</u>							
C.R.H. PLC -	33.906,00	EUR	15,110	512.319,66		0,79	0,78
<u>Italy</u>							
ITALCEMENTI (MIL)	3.331,00	EUR	3,858	12.851,00		0,02	0,02
<u>Japan</u>							
ASAHI KASEI CORP -	48.300,00	JPY	430,000	205.105,67		0,32	0,31
JFE HOLDINGS INC -	16.679,00	JPY	1.318,000	217.093,84		0,34	0,33
JSR CORPORATION -	25.000,00	JPY	1.373,000	338.978,87		0,53	0,52
KOBE STEEL -	157.000,00	JPY	95,000	147.294,09		0,23	0,22
mitsubishi chemical holdings corp -	35.600,00	JPY	349,000	122.698,01		0,19	0,19
NIPPON PAPER GROUP -	11.400,00	JPY	1.264,000	142.302,98		0,22	0,22
NIPPON STEEL CORP -	285.570,00	JPY	179,000	504.809,70		0,78	0,77
NISSHIN STEEL -	250.000,00	JPY	111,000	274.047,01		0,43	0,42
NITTO DENKO -	8.000,00	JPY	3.375,000	266.640,33		0,41	0,41
SHIN-ETSU CHEM CO -	14.630,00	JPY	4.360,000	629.930,87		0,98	0,96

SUMITOMO CHEMICAL CO. -	86.000,00	JPY	243,000	206.379,62		0,32	0,32
SUMITOMO METAL IND. -	78.700,00	JPY	130,000	101.036,93		0,16	0,15
SUMITOMO METAL MINING -	18.517,00	JPY	891,000	162.933,51		0,25	0,25
TAIHEIYO CEMENT CORP -	38.700,00	JPY	182,000	69.557,57		0,11	0,11
TORAY INDUSTRIES -	92.000,00	JPY	541,000	491.526,76		0,76	0,75
TOYO SEIKAN -	11.200,00	JPY	959,000	106.071,50		0,16	0,16
UBE INDUSTRIES LTD. -	55.700,00	JPY	184,000	101.212,72		0,16	0,15
<u>Jersey/The Channel Islands</u>							
RANDGOLD RESOURCES LTD -	4.510,00	GBP	57,350	319.674,33		0,50	0,49
<u>Luxembourg</u>							
ARCELORMITTAL -	83.962,00	EUR	12,110	1.016.779,82		1,58	1,55
TENARIS SA -	30.000,00	EUR	13,790	413.700,00		0,64	0,63
<u>Mexico</u>							
CEMEX S.A. DE C.V. CPO	672.263,00	MXN	8,970	353.922,31		0,55	0,54
GRUPOMEXICO SA -B-	77.683,00	MXN	39,590	180.504,39		0,28	0,28
<u>Netherlands</u>							
A.K.Z.O. NOBEL -	19.308,00	EUR	37,040	715.168,32		1,11	1,09
ADVANCED METALLURGICAL GROUP -	37.070,00	EUR	6,630	245.774,10		0,38	0,38
KONINKLIJKE D.S.M. NV (AMS)	6.311,00	EUR	38,800	244.866,80		0,38	0,37
<u>Norway</u>							
YARA INTL ASA -	18.911,00	NOK	258,800	648.766,78		1,01	0,99
<u>Peru</u>							
SOUTHERN COPPER CORP (NYSE)	9.234,00	USD	31,510	229.267,47		0,36	0,35
<u>Poland</u>							
KGHM POLSKA MIEDZ SA -	6.365,00	PLN	145,000	217.917,69		0,34	0,33
<u>Portugal</u>							
CIMPOR CIMENTOS DE PORTUGAL (LIS)	18.995,00	EUR	3,080	58.504,60		0,09	0,09
<u>Russia</u>							
JSC MMC NORILSK NICKEL ADR NEW	18.183,00	USD	16,520	236.689,91		0,37	0,36
MECHEL OAO - ADR	36.960,00	USD	6,450	187.843,35		0,29	0,29
SEVERSTAL -	10.980,00	USD	11,730	101.485,62		0,16	0,16
URALKALI -	17.782,00	USD	38,280	536.360,38		0,83	0,82
<u>South Africa</u>							
ANGLO AMERICAN PLATINUM LTD -	3.738,00	ZAR	484,790	174.597,27		0,27	0,27
ANGLOGOLD ASHANTI LTD -	28.718,00	ZAR	279,000	771.974,37		1,20	1,18
EQSTRA HOLDINGS LTD -	11.238,00	ZAR	6,950	7.525,20		0,01	0,01
GOLD FIELDS LTD -	13.441,00	ZAR	103,850	134.487,70		0,21	0,21
IMPALA PLATINUM HOLDINGS LTD. -	11.382,00	ZAR	135,250	148.320,21		0,23	0,23
PRETORIA PORTLAND CEMENT CO LTD -	32.966,00	ZAR	26,750	84.963,92		0,13	0,13
<u>South Korea</u>							
DC CHEMICAL CO LTD -	1.084,00	KRW	225.500,000	168.173,59		0,26	0,26
HONAM PETROCHEMICAL CORP -	1.367,00	KRW	236.500,000	222.423,99		0,35	0,34
HYUNDAI STEEL CO -	3.197,00	KRW	84.000,000	184.758,27		0,29	0,28
LG CHEM LTD -	3.452,00	KRW	292.000,000	693.482,67		1,08	1,06
POSCO -	2.578,00	KRW	363.500,000	644.717,27		1,00	0,98
<u>Spain</u>							
ACERINOX (MAD)	4.529,00	EUR	8,818	39.936,72		0,06	0,06
<u>Sweden</u>							
SCA-SVENSKA CELLULOSA AB "B"	34.425,00	SEK	103,500	406.756,95		0,63	0,62
SSAB AB "A"	2.891,00	SEK	57,100	18.845,38		0,03	0,03

<u>Switzerland</u>							
GIVAUDAN (NOM)	265,00	CHF	929,500	205.068,06		0,32	0,31
HOLCIM LTD (NOM)	9.900,00	CHF	52,350	431.474,00		0,67	0,66
SYNGENTA (NOM)	509,00	CHF	323,300	137.001,79		0,21	0,21
<u>Taiwan</u>							
CHINA STEEL CORP -	72.773,00	TWD	28,000	53.727,40		0,08	0,08
FORMOSA CHEM & FIBRE -	28.680,00	TWD	78,400	59.287,45		0,09	0,09
FORMOSA PLASTICS -	39.480,00	TWD	79,800	83.070,64		0,13	0,13
NAN YA PLASTIC -	72.532,00	TWD	53,400	102.126,50		0,16	0,16
<u>U.K.</u>							
ANGLO AMERICAN PLC PLC	51.290,00	GBP	20,885	1.323.929,86		2,05	2,02
ANTOFAGASTA PLC -	10.112,00	GBP	10,880	135.976,47		0,21	0,21
BILLITON PLC -	25.688,00	GBP	18,060	573.384,35		0,89	0,87
EURASAIN NATURAL RESOURCES COR -	11.296,00	GBP	4,154	57.994,79		0,09	0,09
GLENCORE INTERNATIONAL PLC -	64.854,00	GBP	2,956	236.900,26		0,37	0,36
JOHNSON MATTHEY PLC -	3.722,00	GBP	22,080	101.571,82		0,16	0,16
KAZAKHMYS PLC -	18.705,00	GBP	7,215	166.798,39		0,26	0,25
LONMIN PLC -	19.316,00	GBP	7,745	184.899,79		0,29	0,28
MONDI PLC -	5.015,00	GBP	5,450	33.780,44		0,05	0,05
PERSIMMON -	17.338,00	GBP	6,090	130.501,08		0,20	0,20
REXAM PLC -	18.902,00	GBP	4,210	98.353,01		0,15	0,15
RIO TINTO PLC -	71.231,00	GBP	30,190	2.657.846,85		4,12	4,05
ROYAL DUTCH SHELL PLC -A-	960,00	EUR	26,605	25.540,80		0,04	0,04
VEDANTA RESOURCES PLC -	35.032,00	GBP	9,120	394.873,12		0,61	0,60
XSTRATA PLC -	87.738,00	GBP	7,986	865.993,90		1,34	1,32
<u>U.S.A.</u>							
AIR PRODUCTS & CHEMICALS -	7.513,00	USD	80,730	477.917,02		0,74	0,73
ALCOA INCORPORATED -	57.874,00	USD	8,750	399.020,96		0,62	0,61
ALLEGHENY TECHNOLOGIES INC -	2.423,00	USD	31,890	60.885,25		0,09	0,09
BALL CORPORATION -	5.322,00	USD	41,050	172.144,12		0,27	0,26
CELANESE CORPORATION -A-	3.892,00	USD	34,620	106.170,55		0,17	0,16
CLEVELAND-CLIFFS INC -	11.194,00	USD	49,290	434.758,70		0,67	0,66
CONSOL ENERGY INC -	3.506,00	USD	30,240	83.540,65		0,13	0,13
DOMTAR CORP -	139,00	CAD	78,000	8.380,29		0,01	0,01
DOW CHEMICAL COMPANY -	59.264,00	USD	31,500	1.470.976,28		2,28	2,24
DU PONT DE NEMOURS -	30.766,00	USD	50,570	1.225.936,98		1,90	1,87
EASTMAN CHEMICAL CO -	4.547,00	USD	50,370	180.468,36		0,28	0,28
ECOLAB, INC. -	605,00	USD	68,530	32.669,33		0,05	0,05
FREEPORT-MCMORAN COPPER & GOLD, INC. -	36.635,00	USD	34,070	983.495,75		1,52	1,50
INTL FLAVORS & FRAG. -	3.044,00	USD	54,800	131.440,55		0,20	0,20
INTL PAPER COMP. -	22.476,00	USD	28,910	512.001,54		0,79	0,78
MARTIN MARIETTA MATERIALS -	1.131,00	USD	78,820	70.243,02		0,11	0,11
METHANEX CORPORATION -	2.775,00	CAD	28,360	60.830,14		0,09	0,09
MONSANTO NEW	34.660,00	USD	82,780	2.260.779,13		3,50	3,45
NEWMONT MINING CORP HOLDING CO -	26.961,00	USD	48,510	1.030.555,60		1,60	1,57
NUCOR CORPORATION -	18.739,00	USD	37,900	559.615,55		0,87	0,85
PPG INDUSTRIES -	8.264,00	USD	106,120	691.021,73		1,07	1,05
PRAXAIR -	13.157,00	USD	108,730	1.127.224,50		1,75	1,72
SEALED AIR CORPORATION -	7.103,00	USD	15,440	86.415,82		0,13	0,13
SHERWIN-WILLIAMS COMPANY -	241,00	USD	132,350	25.133,05		0,04	0,04
SIGMA-ALDRICH CORPORATION -	2.748,00	USD	73,930	160.081,66		0,25	0,24
THE MOSAIC COMPANY -	46.667,00	USD	54,760	2.013.619,83		3,12	3,07
UNITED STATES STEEL CORP. -	21.435,00	USD	20,600	347.932,39		0,54	0,53
VULCAN MATERIALS COMPANY -	17.825,00	USD	39,710	557.742,30		0,86	0,85
Total shares				64.513.906,48		99,97	98,32

Rights							
<u>Belgium</u>							
TESSENDERLO CP 07/06/12	19.124,00	EUR	1,000	19.124,00		0,03	0,03
Total rights				19.124,00		0,03	0,03
TOTAL SECURITIES PORTFOLIO				64.533.030,48		100,00	98,35
COLLATERAL RECEIVED							
<u>Belgium</u>							
KBC GROUP COLLATERAL EUR	5.258.395,24	EUR	1,000	5.258.395,24			8,02
TOTAL RECEIVED COLLATERAL				5.258.395,24			8,01
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP AUD	66.284,73	AUD	1,000	53.539,62			0,08
KBC GROUP CAD	98.099,82	CAD	1,000	75.825,95			0,12
KBC GROUP CHF	1.606,87	CHF	1,000	1.337,78			0,00
KBC GROUP DKK	215.114,99	DKK	1,000	28.935,08			0,04
KBC GROUP EURO	205.821,60	EUR	1,000	205.821,60			0,31
KBC GROUP GBP	239.868,14	GBP	1,000	296.462,91			0,45
KBC GROUP HKD	36.624,54	HKD	1,000	3.720,57			0,01
KBC GROUP HUF	575.510,19	HUF	1,000	2.013,96			0,00
KBC GROUP JPY	1.101.417,00	JPY	1,000	10.877,12			0,02
KBC GROUP MXN	8.469,90	MXN	1,000	497,11			0,00
KBC GROUP NOK	1.029.971,72	NOK	1,000	136.532,21			0,21
KBC GROUP NZD	5.391,49	NZD	1,000	3.414,71			0,01
KBC GROUP PLN	238.803,27	PLN	1,000	56.385,36			0,09
KBC GROUP SEK	4.123,05	SEK	1,000	470,69			0,00
KBC GROUP SGD	923,19	SGD	1,000	574,23			0,00
KBC GROUP TRY	3.629,87	TRY	1,000	1.581,37			0,00
KBC GROUP USD	893.109,07	USD	1,000	703.734,20			1,07
KBC GROUP ZAR	13.501,36	ZAR	1,000	1.300,83			0,00
Total demand accounts				1.583.025,30			2,41
TOTAL CASH AT BANK AND IN HAND				1.583.025,30			2,41
OTHER RECEIVABLES AND PAYABLES							
Receivables							
<u>Belgium</u>							
KBC GROUP EUR RECEIVABLE	2.278,78	EUR	1,000	2.278,78			0,00
KBC GROUP WHT TO BE RECOVERED EUR	14.050,79	EUR	1,000	14.050,79			0,02
Total receivables				16.329,57			0,03
Payables							
<u>Belgium</u>							
KBC GROUP COUNTERPART ENTRY COLLATERAL IN EUR	-5.258.395,24	EUR	1,000	-5.258.395,24			-8,01
KBC GROUP EUR PAYABLE	-112.905,35	EUR	1,000	-112.905,35			-0,17
KBC GROUP USD PAYABLE	-590.673,12	USD	1,000	-465.426,77			-0,71
Payables				-5.836.727,36			-8,90
TOTAL RECEIVABLES AND PAYABLES				-5.820.397,79			-8,87
OTHER							
Interest receivable		EUR		88.809,29			0,14

Accrued interest		EUR		6.264,76			0,01
Expenses payable		EUR		-57.545,69			-0,09
Expenses to be carried forward		EUR		22.648,12			0,04
TOTAL OTHER				60.176,48			0,09
TOTAL NET ASSETS				65.614.229,71			100,00

Geographic breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Australia	4,09	13,31	14,40	13,32
Austria	0,27	0,08	0,06	0,04
Belgium	0,06	1,98	1,33	2,15
Bermuda	0,27	0,30	0,34	0,23
Brazil	3,55	6,56	5,73	4,44
Canada	5,36	11,39	9,69	12,14
Switzerland	2,54	1,08	1,80	1,20
China	1,46	0,95	1,01	0,78
Germany	6,05	8,12	6,20	4,90
Denmark	0,48	0,00	0,00	0,00
Spain	0,92	0,11	0,10	0,06
Finland	1,18	0,96	0,94	1,27
France	6,21	2,03	2,41	2,85
U.K.	11,53	13,85	13,75	10,83
Greece	0,03	0,00	0,00	0,00
Hong Kong	1,15	0,00	0,00	0,00
Hungary	0,20	0,00	0,00	0,00
India	0,51	0,00	0,00	0,00
Ireland	1,99	0,79	0,89	0,79
Italy	1,52	0,02	0,03	0,02
Jersey/The Channel Islands	0,23	0,38	0,58	0,50
Japan	11,88	5,49	6,86	6,33
South Korea	3,29	4,83	3,45	2,97
Luxembourg	0,89	1,76	0,98	2,22
Mexico	0,43	1,48	0,71	0,83
Netherlands	2,28	1,78	2,12	1,87
Norway	0,48	1,09	1,05	1,01
Peru	0,00	0,32	0,46	0,36
Poland	0,29	1,41	0,28	0,34
Portugal	0,11	0,15	0,21	0,09
Russia	1,56	2,60	1,18	1,65
Singapore	0,12	0,00	0,00	0,00
Sweden	0,95	0,20	0,71	0,66
Thailand	0,21	0,00	0,00	0,00
Turkey	0,10	0,00	0,00	0,00
Taiwan	0,29	0,47	0,63	0,46
U.S.A.	26,35	14,60	19,41	23,64
South Africa	1,17	1,91	2,69	2,05
Total	100,00	100,00	100,00	100,00

Sector breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Cyclicals	74,78	99,51	99,41	99,06
Consum(cycl)	22,22	0,46	0,54	0,69
Cons.goods	0,03	0,02	0,03	0,04
Financials	1,89	0,01	0,02	0,01
Technology	0,54	0,00	0,00	0,00
Telecomm.	0,03	0,00	0,00	0,00
Utilities	0,06	0,00	0,00	0,00
Real est.	0,29	0,00	0,00	0,20
Various	0,16	0,00	0,00	0,00
Total	100,00	100,00	100,00	100,00

Currency breakdown (as a % of net assets)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
AUD	4,11	13,75	14,12	13,20
BRC	2,01	0,00	0,00	0,00
BRL	1,48	6,77	5,61	4,37
CAD	5,10	11,86	9,63	12,18
CHF	2,50	1,12	1,77	1,18
DKK	0,48	0,02	0,06	0,04
EUR	22,43	14,49	16,75	16,22
GBP	10,11	14,66	14,01	11,56
HKD	2,83	1,29	1,33	0,99
HUF	0,20	0,00	0,00	0,00
INR	0,50	0,00	0,00	0,00
JPY	11,68	5,85	6,79	6,25
KRW	3,23	4,99	3,38	2,92
MXN	0,42	1,52	0,75	0,82
NOK	0,61	1,12	1,03	1,20
NZD	0,00	0,00	0,01	0,01
PLN	0,29	1,46	0,28	0,42
SEK	1,05	0,21	0,70	0,65
SGD	0,12	0,18	0,00	0,00
THB	0,21	0,00	0,00	0,00
TRY	0,10	0,16	0,00	0,00
TWD	0,28	0,49	0,62	0,45
USD	29,11	18,09	20,52	25,52
ZAR	1,15	1,97	2,64	2,02
Total	100,00	100,00	100,00	100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC EQUITY FUND COMMODITIES & MATERIALS (IN THE CURRENCY OF THE SUB-FUND)

	1st half of year	Year
Purchases	50.273.247,26	50.273.247,26
Sales	29.984.128,59	29.984.128,59
Total 1	80.257.375,85	80.257.375,85
Subscriptions	54.464.586,04	54.464.586,04
Redemptions	34.339.828,47	34.339.828,47
Total 2	88.804.414,51	88.804.414,51
Monthly average of total assets	80.777.842,31	80.777.842,31
Turnover rate	-10,58 %	-10,58 %

	1st half of year	Year
Purchases	50.273.247,26	50.273.247,26
Sales	29.984.128,59	29.984.128,59
Total 1	80.257.375,85	80.257.375,85
Subscriptions	54.464.586,04	54.464.586,04
Redemptions	34.339.828,47	34.339.828,47
Total 2	88.804.414,51	88.804.414,51
Monthly average of total assets	95.754.410,30	95.754.410,30
Corrected turnover rate	-8,93 %	-8,93 %

The table above shows the capital volume of portfolio transactions. This volume (adjusted to take account of total subscriptions and redemptions) is also compared to the average net assets at the beginning and end of the period.

A figure close to 0% implies that the transactions relating to the securities or transactions relating to the assets (excluding deposits and cash) in a given period only involve subscriptions and redemptions.

A negative percentage shows that subscriptions and redemptions entailed few, if any, transactions in the portfolio.

Active asset management may result in high turnover rates (monthly percentage >50%).

The detailed list of transactions is available for consultation free of charge at the registered office of the Bevek or fund at Havenlaan 2, 1080 Brussels.

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

NAME	Currency	Value in currency	In the currency of the sub-fund	Lot-size	Transaction date
KBC COLLATERAL EUR	EUR	5.258.395,24	5.258.395,24	N/A	29.06.2012

2.4.4 CHANGES OF THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND THE NET ASSET VALUE

Classic Shares

Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2010 - 06	549.902,99	1.411,97	495.544,98	2.584,00	394.547,60	3.340,97	397.888,56
2011 - 06	432.722,51	41.949,55	562.940,93	23.904,00	264.329,17	21.386,52	285.715,69
2012 - 06	29.472,34	2.344,57	252.793,87	7.032,00	41.007,64	16.699,09	57.706,73

Period	Amounts received and paid by the UCI (in the currency of the class)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2010 - 06	227.632.916,25	476.931,21	211.096.337,08	933.657,71
2011 - 06	217.476.840,52	18.979.208,03	290.768.916,44	10.408.535,13
2012 - 06	14.286.765,37	984.206,06	124.014.540,01	2.772.377,89

Period	Net asset value End of period (in the currency of the class)		
Year	Of the class	Of one share	
		Capitalization	Distribution
2010 - 06	171.338.193,96	431,13	370,39
2011 - 06	147.899.383,31	523,30	447,81
2012 - 06	24.235.956,09	438,70	374,03

Institutional B Shares

Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2012 - 06	164.578,45		70.336,45		94.242,00		94.242,00

Period	Amounts received and paid by the UCI (in the currency of the class)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2012 - 06	77.406.909,81		31.227.951,09	

Period	Net asset value End of period (in the currency of the class)		
Year	Of the class	Of one share	
		Capitalization	Distribution
2012 - 06	41.378.273,62	439,06	

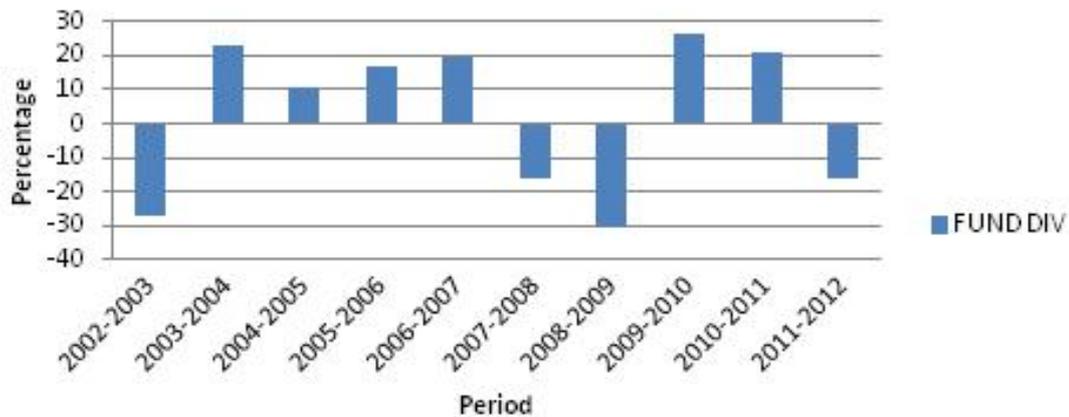
2.4.5 PERFORMANCE FIGURES

Classic Shares

BE0171290852

KBC Equity Fund - Commodities & Materials - DIV:

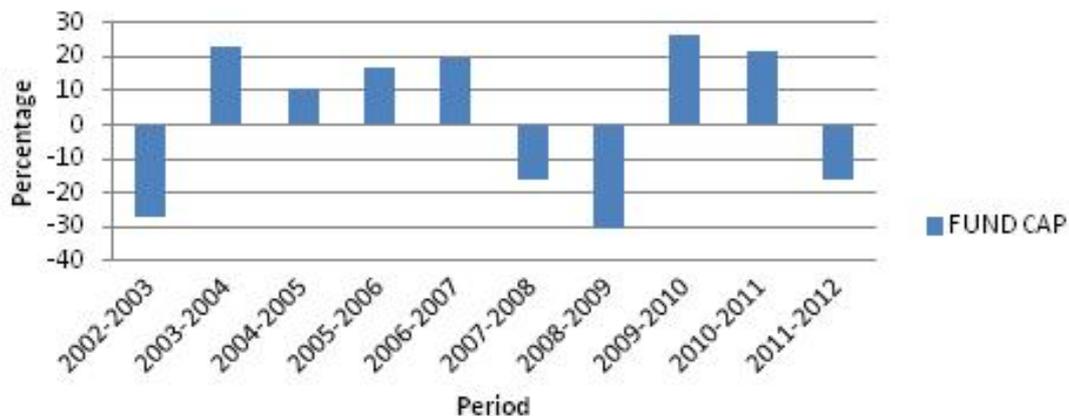
Annual performance on 30/06/2012 (in EUR)



BE0171291868

KBC Equity Fund - Commodities & Materials - CAP:

Annual performance on 30/06/2012 (in EUR)



Cap Div	ISIN code	Cur- rency	1 Year		3 Years*		5 Years*		10 Years*		Since launch*	
			Share classes	Bench mark	Launch Date	Share classes						
CAP	BE0171291868	EUR	-16.17%		8.72%		-5.66%		0.38%		25/06/1999	-1.00%
DIV	BE0171290852	EUR	-16.18%		8.63%		-5.71%		0.35%		25/06/1999	-1.03%

Risk warning: Past performance is not a guide to future performance.

* Return on annual basis.

Institutional B Shares

The cumulative returns are shown where they relate to a period of at least one year.

Classic Shares

- The bar chart shows the performance for full financial years.
- The figures do not take account of any restructuring.
- Calculated in EUR.
- The return is calculated as the change in the net asset value between two dates expressed as a percentage. In the case of units that pay dividends, the dividend is incorporated geometrically in the return.
- Calculation method for date D, where NAV stands for net asset value:

Capitalisation units (CAP)

Return on date D over a period of X years:

$$[\text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where $Y = D - X$

Return on date D since the start date S of the unit:

$$[\text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where $F = 1$ if the unit has existed for less than one year on date D

where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D

Distribution units (DIV)

Return on date D over a period of X years:

$$[C * \text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where $Y = D - X$

Return on date D since the start date S of the unit:

$$[C * \text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where $F = 1$ if the unit has existed for less than one year on date D

where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D

where C is a factor that is determined for all N dividends between the calculation date D and the reference date.

For dividend i on date Di with value Wi:

$$C_i = [W_i / \text{NIW}(D_i)] + 1$$

$i = 1 \dots N$

from which $C = C_0 * \dots * C_N$.

- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the n^{th} square root of 1 plus the total return of the unit.
- The return figures shown above do not take account of the fees and charges associated with the issue and redemption of units.

These are the performance figures for capitalisation and distribution shares.

2.4.6 COSTS

Total expense ratio (TER): *

Classic Shares Distribution: 1.706%
Classic Shares Capitalization: 1.706%
Institutional B Shares Capitalization: Not applicable

Percentage calculated at the end of the financial year: 31 December

* The following costs have not been included in the TER:

- Transaction charges
- Interest payments on loans taken out
- Payments in respect of financial derivatives
- Fees and charges paid directly by the investor
- Any soft commissions

SOFT COMMISSIONS

The management company or the appointed manager, as the case may be, is the recipient of soft commissions.

The recipient has laid down an internal policy as regards accepting soft commissions and avoiding possible conflicts of interest in this respect, and has put appropriate internal controls in place to ensure this policy is observed.

For more information, please see the 'General' section of the annual report.

Broker	Commission gross in EUR paid during the period: 1-01-12 - 30-06-12	CSA Credits in EUR accrued during the period: 1-01-12 - 30-06-12	Percentage
CITI	3,937	2,444	62.09%
CSFBSAS	9,321	6,262	67.18%
DEUTSCHE	2,514	1,262	50.18%
EQ CSA MACQUARIE	4,520	2,825	62.50%
HSBC	3,468	1,816	52.35%
JP MORGAN	3,057	1,699	55.56%
MERRILL	6,332	3,942	62.25%
MORGAN STANLEY	4,008	2,094	52.25%
NOMURA	1,854	930	50.18%
SOCGEN	319	160	50.00%
UBSWDR	16,116	9,546	59.23%

FEE-SHARING AGREEMENTS AND REBATES:

The management company may share its fee with the distributor, and institutional and/or professional parties.

In principle, the percentage share amounts to between 35% and 60% if the distributor is an entity of KBC Group NV or to between 35% and 70% if the distributor is not an entity of KBC Group NV. However, in a small number of cases, the distributor's fee is less than 35%. Investors may, on request, obtain more information on these cases.

If the management company invests the assets of the undertaking for collective investment in units of undertakings for collective investment that are not managed by an entity of KBC Group NV, and receives a fee for doing so, it will pay this fee to the undertaking for collective investment.

Fee-sharing does not affect the amount of the management fee paid by the sub-fund to the management company. This management fee is subject to the limitations laid down in the articles of association. The limitations may only be amended after approval by the general meeting of shareholders.

The management company has concluded a distribution agreement with the distributor in order to facilitate the wider distribution of the sub-fund's units by using multiple distribution channels. It is in the interests of the holders of units, the sub-fund and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund to be maximised in this way. In this respect, there is therefore no question of any conflict of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: 1.35% per annum calculated on the basis of the average total net assets of the sub-fund, excluding those assets invested in investment undertakings managed by a financial institution of the KBC group.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the average total net assets of the sub-fund.

Auditor's fee: 1 700 EUR per year. This fee is not including VAT and will be increased at the end of the 3-year mandate.

The custody fee is calculated on the value of the securities held in custody by the custodian on the final banking day of the preceding calendar year, except on those assets invested in investment undertakings managed by a financial institution of the KBC group. The custody fee is paid at the beginning of the calendar year.

Social, ethical and environmental aspects:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

Exercising voting rights

If necessary, relevant and in the interest of the shareholders, the management company will exercise the voting rights attached to the shares in the Bevek's portfolio.

The management company will adhere to the following criteria when determining how it stands relative to the items on the agenda that are put to the vote:

- Shareholder value may not be adversely affected.
- Corporate governance rules, especially with regard to the rights of minority shareholders, must be respected.
- The minimum standards with regard to sustainable business and corporate social responsibility must be met.

The list of companies for which voting rights are exercised is available at the registered office of the Bevek.

Securities lending

In accordance with the Royal Decree of 7 March 2006 concerning securities lending, the undertaking for collective investment has taken out securities loans with a principal to whom the full title of the loaned securities was transferred, without recording this transfer of ownership in the accounts.

For the period from 1 January 2012 to 30 June 2012, the fee for securities lent comes to 9,730.32 EUR. KBC Asset Management NV receives 50% of the net fee received for securities lent.

The detailed list of securities lending transactions carried out can be obtained from the registered office of the collective investment undertaking at 2 Havenlaan, 1080 Brussels.

Overview of securities lent as at 30/06/2012

Name	Currency	Quantity	Price	Value in currency of the portfolio
ALUMINA LTD	AUD	35.172	0,790	22.443,26
ALUMINUM CORP OF CHINA LTD -H-	HKD	201.999	3,300	67.717,42
ANGLO AMERICAN PLATINUM LTD	ZAR	3.737	484,790	174.550,56
ANHUI CONCH CEMENT CO LTD -H-	HKD	85.499	20,950	181.962,66
BHP BILLITON	AUD	24.008	31,450	609.871,65
DULUXGROUP LTD	AUD	15.495	3,010	37.672,11
FORTESCUE METALS GROUP	AUD	32.165	4,900	127.303,82
GLENORE INTERNATIONAL PLC	GBP	84.853	2,956	309.953,09
ILUKA RESOURCES LTD	AUD	3.667	11,320	33.528,89
INCITEC PIVOT LTD	AUD	122.654	2,850	282.350,39
JAMES HARDIE INDUSTRIES SE CUF5	AUD	54.972	7,960	353.440,59
KGHM POLSKA MIEDZ SA	PLN	6.364	145,000	217.883,45
NIPPON PAPER GROUP INC	JPY	11.399	1.264,000	142.290,50
NIPPON STEEL	JPY	285.569	179,000	504.807,93
ORICA	AUD	4.286	24,690	85.474,21
RIO TINTO LTD	AUD	30.191	56,500	1.377.805,02
SINOPEC SHANGHAI PETROCH-H-	HKD	367.999	2,260	84.487,47
SUMITOMO CHEMICAL	JPY	700	243,000	1.679,83
Total				4.615.222,85

Details of collateral received for securities lent

Name	Currency	Nominal value	Currency fund	Value in Currency fund
OESTERREICH 2007 4.3% 15/09/17	EUR	742.000	EUR	871.847,77
FLEMISH 2009 3,875% 20/07/2016	EUR	500.000	EUR	559.358,00
GERMANY 2009 2,25% 11/04/14	EUR	433.000	EUR	451.966,70
FRANCE 2001 3% 25/07/2012	EUR	750.000	EUR	958.964,25
OAT FRANCE 2005 3% 25/10/15	EUR	356.000	EUR	387.385,67
FRANCE 2007 4,50% 12/07/2012	EUR	534.000	EUR	558.064,71
BTAN FRANCE 2008 4 1/2% 12/07/13	EUR	955.000	EUR	1.038.816,53
NEDERLAND 2009 4.00% 15/07/19	EUR	362.000	EUR	431.991,61
Total				5.258.395,24

For the valuation of the collateral received, indicative prices have been used in this detail list by the Collateral Management Division of KBC Bank.

TABLE OF CONTENTS

- 2. Information on KBC Equity Fund Consumer Durables
 - 2.1. Management report
 - 2.1.1. Launch date and subscription price
 - 2.1.2. Stock exchange listing
 - 2.1.3. Aim and distinctive features of the investment policy
 - 2.1.4. Financial portfolio management
 - 2.1.5. Distributors
 - 2.1.6. Index and benchmark
 - 2.1.7. Policy conducted during the financial year
 - 2.1.8. Future policy
 - 2.1.9. Synthetic risk and reward indicator (SRRI)
 - 2.2. Balance sheet
 - 2.3. Profit and loss account
 - 2.4. Composition of the assets and key figures
 - 2.4.1. Composition of the assets
 - 2.4.2. Change in the composition of the assets
 - 2.4.3. Value of commitments in respect of financial derivatives positions
 - 2.4.4. Evolution of the number of subscriptions, repayments and the net asset value
 - 2.4.5. Return figures
 - 2.4.6. Expenses
 - 2.4.7. Notes to the financial statements and other data

2 INFORMATION ON KBC EQUITY FUND CONSUMER DURABLES

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Classic Shares :

Launch date: 1 October 1999

Initial subscription price: 500 EUR

Currency: EUR

Institutional B Shares :

Launch date: 25 November 2011

Initial subscription price: 268.07 EUR

Currency: EUR

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

The main objective of this sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. To this end, the assets are invested, either directly or indirectly via correlated financial instruments, primarily in shares.

SUB-FUND'S INVESTMENT POLICY:

PERMITTED ASSET CLASSES:

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the sub-fund's object.

The sub-fund shall invest no more than 10% of its assets in units of other undertakings for collective investment.

RESTRICTIONS OF THE INVESTMENT POLICY:

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

PERMITTED DERIVATIVES TRANSACTIONS:

Derivates may be used either for hedging purposes or to achieve investment objectives.

Changes will be made to the investments at regular intervals to comply with the sub-fund's investment strategy. **In addition, listed and unlisted derivates may be used to achieve the objectives:** these may be forward contracts, options or swaps on securities, indices, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions. **Such derivatives may also be used to hedge the assets against exchange-rate fluctuations.** Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions.

STRATEGY SELECTED

The sub-fund will invest at least 75% of its assets in shares from sectors associated with consumption, including wholesale and retail trade and manufacturers of consumer goods. The manager is responsible for the stock picking. The selection is not restricted to shares from a particular stock-market index. The sub-fund invests worldwide.

RISK CONCENTRATION

Shares in consumption-sensitive sectors.

LENDING FINANCIAL INSTRUMENTS:

The sub-fund may lend financial instruments within the limits set by law and regulations.

This lending does not affect the sub-fund's risk profile since:

- it takes place within the framework of a securities lending system managed by a principal. In addition, the sub-fund has a relationship only with the principal of the securities lending system which acts as counterparty and to which title of the loaned securities is transferred. The choice of principal is subject to strict selection criteria. The return of securities similar to the securities that have been lent is guaranteed by the principal.
- through a margin management system, the sub-fund is always guaranteed financial security, the actual value of which always exceeds the actual value of the securities that have been lent, in case the principal does not return similar securities.

The return of securities similar to the securities that have been lent can be requested at any time, which means that the lending of securities does not affect the management of the sub-fund's assets.

By lending securities, the sub-fund can generate an additional return. The principal pays a fee to the management company. After deducting the fee for the margin management and clearing services of KBC Bank, most of this fee is paid to the sub-fund.

The relationship with the counterparty or counterparties is governed by standard international agreements.

More information is provided on the terms and conditions governing securities lending in the annual or half-yearly report for the sub-fund.

VOLATILITY OF THE NET ASSET VALUE:

The volatility of the net asset value may be high due to the composition of the portfolio.

GENERAL STRATEGY FOR HEDGING THE EXCHANGE RATE RISK:

In order to protect its assets against exchange rate fluctuations and within the limitations laid down in the articles of association, the sub-fund may perform transactions relating to the sale of forward currency contracts, as well as the sale of call options and the purchase of put options on currencies. The transactions in question may relate solely to contracts traded on a regulated market that operates regularly, is recognised and is open to the public or that are traded with a recognised, prime financial institution specialising in such transactions and dealing in the over-the-counter (OTC) market in options. With the same objective, the sub-fund may also sell currencies forward or exchange them in private transactions with prime financial institutions specialising in such transactions. The hedging objective of the aforementioned transactions suggests that there is a direct link between these transactions and the assets to be hedged, which implies that the transactions carried out in a particular currency may in principle not exceed, in terms of volume, either the valuation value of all the assets in the same currency or the holding period of those assets.

SOCIAL, ETHICAL AND ENVIRONMENTAL ASPECTS:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

THE EUROPEAN SAVINGS DIRECTIVE AND TAX ON DEBT CLAIM RETURNS OBTAINED THROUGH THE REDEMPTION OF OWN UNITS OR IN THE EVENT OF FULL OR PARTIAL DISTRIBUTION OF EQUITY CAPITAL.

The following information is of a general character and is not intended to cover all aspects of an investment in a UCITS. In certain cases entirely different rules might even apply. Moreover, both tax law and the interpretation of it can change. Investors who wish to have more information about the tax implications – in both Belgium and abroad – of acquiring, holding and transferring units should seek the advice of their usual financial and tax advisers.

This UCITS shall invest a maximum of 15% of its assets directly or indirectly in debt instruments as intended by the European Savings Directive.

A. European Savings Directive (Directive 2003/48/EC)

The European Savings Directive has been implemented in Belgium through:

- The Law of 17 May 2004 transposing into Belgian law Directive 2003/48/EC of 3 June 2003 of the Council of the European Union on taxation of savings income in the form of interest payments and amending Income Tax Code 1992 on withholding tax;
- The Royal Decree of 27 September 2009 implementing Article 338bis § 2 of Income Tax Code 1992;
- The Royal Decree of 27 September 2009 concerning the entry into effect of Article 338bis § 2, paragraphs one to three, of Income Tax Code 1992;

Since this UCITS invests a maximum of 15% of its assets directly or indirectly in debt claims as intended by the European Savings Directive, the income of this UCITS does not fall within the scope of this directive.

B. Tax on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital (Article 19bis Income Tax Code 1992).

The income from this UCITS is not subject to the tax on debt instrument returns as intended by Article 19bis, Income Tax Code 1992.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

There is no delegation of the portfolio.

2.1.5 DISTRIBUTORS

KBC Asset Management S.A., 5, Place de la Gare, L-1616 Luxembourg.

2.1.6 INDEX AND BENCHMARK

See 'Sub-fund's investment policy'.

2.1.7 POLICY PERSUED DURING THE FINANCIAL YEAR

The global economy emerged from a deep recession in mid-2009, but the recovery was highly dependent on massive government budgetary and monetary stimuli. Doubts about the sustainability of the economic recovery continued to dominate the investment climate in the past period under review. In Europe the debt crisis continued to rage unabated. Five euro countries needed a bail-out from the European emergency fund. Greece reached agreements with its private sector creditors on restructuring the bond debt it owes them. The continued existence of the euro was even called into question. Fortunately, this was offset to some extent by the boom in Asia.

Although more jobs have been created than lost in the US since 2010, the rate of employment growth has remained on the low side. And wages increased very little: household purchasing power remained very modest and managed to support only scant growth. Economic growth (barely 1.6% year-on-year in the first half of 2012) was further hampered by the financial restructuring undertaken by states and local authorities and the increase in imports.

The euro is teetering on the brink of recession. The strong growth figures of 2010 and 2011 couldn't be sustained, and the euro crisis started taking its toll from the second half of 2011. Europe suffered under the strain of austerity measures and more restrictive lending policy of the banks. The reduction in the value of their sovereign bond portfolios threatened their solvency so that action had to be taken to compensate this. Greater divergence within Europe resulted in a further decline in unemployment in Germany and an alarmingly rapid rise in unemployment in countries such as Greece, Spain and Portugal. Belgium was closer to the strong core of the euro area than to the weak periphery.

The recession of the 2008-2009 period and the initial phase of the recovery have taught us much about the role of the emerging markets in the global economy. Exports to the Old World are still important, but that exclusive dependency is decreasing. Domestic demand (due to a rapidly growing middle class with a high consumption ratio) and inter-regional trade within Asia are playing an increasingly important role. The economic recovery in Asia since the second quarter of 2009 was just as pronounced as the slump. And that recovery has continued through 2010, 2011 and into 2012. As a result of pressure from rising oil and food prices, inflation increased sharply in 2011, and monetary policy was tightened in response to this. Higher interest rates have slowed growth somewhat since mid-2011.

The region is better armed to deal with financial crises than it was in the past. Public finances are healthy, the balance of payments is generally neutral (China actually has an astronomical surplus) and the domestic savings buffer is high. Asia's economic development no longer depends on fickle foreign capital.

The initial phase of the economic recovery went hand in hand with a fine stock-market rally, resulting in the S&P 500 being 75% higher at the end of April 2010 than its low point on 9 March 2009. Since then, the equity markets have struggled to find fresh impetus. The euro crisis and fear that the European banking sector would collapse naturally continued to cast a dark cloud over the market. On top of this, the stock markets were affected by changeable sentiment about the economic situation, and the same is true of 2012. Relative optimism about the economy caused the stock markets to improve in the first quarter, but they have since run out of steam. On 30 June 2012, the MSCI All Countries (the broadest global index) recorded a return of 8.7% in EUR over the past six months.

Of the traditional markets, the underperformance of Western Europe (MSCI Europe return index over the past six months: -5.2%) remained relatively limited. Nevertheless, the problems in the EMU kept stacking up: they include the Greek debt crisis, the threat of an extremist separatist party winning the Greek elections, the undercapitalisation of Spanish banks, the referendum in Ireland, and the financial collapse in Cyprus. Apparently the underperformance of European shares over many years has increased the valuation gap with US shares so much that fresh events in the euro crisis have less impact on the stock markets. In any event, the gap that had opened up in Europe in comparison with the US in recent years widened slightly during the reporting period. Wall Street closed the year under review up considerably (S&P 500: +8.6%, Dow Jones: +6.4%), while European investors also benefited from an increase in the value of the dollar (return MSCI USA in euros: +11.9%).

2.1.8 FUTURE POLICY

Business confidence indicators in the US and Europe hit new highs in spring 2011 and have dipped to more neutral levels over the past twelve months. Considerable divergence between the US and Europe has developed since September. At the moment, the US producer confidence index points to some optimism about the economy. In Europe confidence is continuing to slip and has entered the twilight zone of recession. We expect growth in the US to remain positive but modest (around 1.5-2% y-o-y in the next couple of quarters), given the dearth of new jobs, the downward pressure on pay increases and the absence of a recovery in the housing market. Budgetary plans will depress growth in Europe. However, the indicators do suggest that the fears of deflation and depression that are currently dominating the financial markets are unwarranted.

In 2010 and 2011 the foundations were laid for more sustainable growth in 2012 and 2013. US households have trimmed back their debt level significantly, the savings rate has already increased considerably and loan servicing (instalments and interest payments combined) now accounts for only 11% of household budgets (the lowest level in fifteen years – it was at 14% three years ago). Households are gradually moving towards a position where they can spend more of their money on consumption. The explosion in earnings growth in 2010 and 2011 bolstered companies' already substantial cash positions. During the crisis investments were scaled back heavily, with the foundations being laid for a catch-up process.

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

Classic Shares: 6 on a scale of 1 (lowest risk) to 7 (highest risk).

Institutional B Shares: 6 on a scale of 1 (lowest risk) to 7 (highest risk).

The value of a share can decrease or increase and the investor may not get back the amount invested.

In accordance with Commission Regulation (EU) No. 583/2010, a synthetic risk and reward indicator has been calculated. This indicator provides a quantitative measure of the sub-fund's potential return and the risk involved, calculated in the currency in which the sub-fund is denominated. It is given as a figure between 1 and 7. The higher the figure, the greater the potential return, but also the more difficult it is to predict this return. Losses are possible too. The lowest figure does not mean that the investment is entirely free of risk. However, it does indicate that, compared with the higher figures, this product will generally provide a lower, but more predictable return.

The synthetic risk and reward indicator is assessed regularly and can therefore go up or down based on data from the past. Data from the past is not always a reliable indicator of future risk and return.

The most recent indicator can be found under the 'Risk and reward profile' heading in the 'Key Investor Information' document.

2.2 BALANCE SHEET

Balance sheet layout	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
TOTAL NET ASSETS	45.826.354,39	30.845.635,71
II. Securities, money market instruments, UCIs and derivatives		
A. Bonds and other debt instruments		
a) Bonds		
a) Collateral received in the form of bonds	1.373.367,79	595.611,99
C. Shares and similar instruments		
a) Shares	46.217.522,93	31.064.918,95
Of which securities lent	1.270.533,83	576.413,05
D. Other securities	3.449,28	
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable		10.310,43
b) Tax assets		1.648,00
B. Payables		
a) Accounts payable (-)	-91.711,05	-22.237,39
c) Borrowings (-)	-371.566,80	-244.288,10
d) Collateral (-)	-1.373.367,79	-595.611,99
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	42.231,15	35.814,47
VI. Accruals and deferrals		
A. Expense to be carried forward	7.223,98	31.967,37
B. Accrued income	89.449,75	58.907,92
C. Accrued expense (-)	-70.244,85	-91.405,94
TOTAL SHAREHOLDERS' EQUITY	45.826.354,39	30.845.635,71
A. Capital	45.949.285,76	29.545.216,03
B. Income equalization	-157.266,47	22.839,13
D. Result for the period	34.335,10	1.277.580,55

Off-balance-sheet headings

I	Collateral (+/-)		
I.A	Collateral (+/-)		
I.A.A	Securities/market instruments	1.373.367,79	595.611,99
IX	Financial instruments lent	1.270.533,83	576.413,05

2.3 PROFIT AND LOSS ACCOUNT

Income Statement	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
I. Net gains(losses) on investments		
C. Shares and similar instruments		
a) Shares	-3.059.853,93	4.204.222,20
D. Other securities	349,26	
H. Foreign exchange positions and transactions		
b) Other foreign exchange positions and transactions	2.727.059,70	-2.818.797,52
II. Investment income and expenses		
A. Dividends	676.608,05	382.509,96
B. Interests		
a) Securities and money market instruments	1.810,59	60.499,50
b) Cash at bank and in hand and deposits	297,18	2.878,98
C. Interest on borrowings (-)	-650,80	-2.520,84
III. Other income		
A. Income received to cover the acquisition and realization of assets, to discourage withdrawals and for delivery charges	226.748,80	
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-141.190,89	-136.799,14
B. Financial expenses (-)	-266,11	-2.450,00
C. Custodian's fee (-)	-8.016,22	-27.148,79
D. Manager's fee (-)		
a) Financial management		
Classic Shares	-57.709,69	-304.003,37
Institutional B Shares	-274.086,10	
b) Administration and accounting management	-24.752,64	-19.156,34
F. Formation and organisation expenses (-)	-3.723,62	-23.371,30
G. Remuneration, social security charges and pension	-6,19	-6,54
H. Services and sundry goods (-)	-4.640,21	11.087,88
J. Taxes		
Classic Shares	-2.222,99	-12.340,27
Institutional B Shares	-1.935,01	
K. Other expenses (-)	-19.484,08	-37.023,86
Income and expenditure for the period		
Subtotal II + III + IV	366.780,07	-107.844,13
V. Profit (loss) on ordinary activities before tax	34.335,10	1.277.580,55
VII. Result for the period	34.335,10	1.277.580,55

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC EQUITY FUND CONSUMER DURABLES

Name	Quantity on 30/06/2012	Currency	Price in currency	Evaluation (in the currency of the sub-fund)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
Shares							
Exchange-listed shares							
<u>Australia</u>							
CROWN LTD -	6.489,00	AUD	8,490	44.498,70		0,10	0,10
ECHO ENTERTAINMENT GROUP LTD -	10.543,00	AUD	4,280	36.447,67		0,08	0,08
FAIRFAX MEDIA LTD -	69.097,00	AUD	0,555	30.975,19		0,07	0,07
HARVEY NORMAN HOLDINGS LTD -	2.281,00	AUD	1,950	3.592,71		0,01	0,01
TABCORP HOLDINGS -	14.729,00	AUD	2,930	34.858,02		0,08	0,08
TATTERSALL'S LTD -	21.262,00	AUD	2,620	44.995,31		0,10	0,10
THE NEWS CORPORATION INC NEW 'A'	22.548,00	USD	22,290	396.024,68		0,86	0,86
THE NEWS CORPORATION INC NEW 'B'	6.732,00	USD	22,520	119.458,39		0,26	0,26
VIRGIN MEDIA INC -	3.885,00	USD	24,390	74.663,27		0,16	0,16
<u>Belgium</u>							
TELENET STRP-VVPR	43.125,00	EUR	0,001	43,13			
<u>Brazil</u>							
ANHANGUERA EDUCACIONAL PARTICIPACOES -	4.043,00	BRL	25,600	40.406,32		0,09	0,09
CIA HERING -	2.513,00	BRL	38,100	37.378,61		0,08	0,08
CYRELA BRAZIL REALTY SA -	8.108,00	BRL	14,800	46.846,93		0,10	0,10
GAFISA SA -	6.424,00	USD	2,540	12.857,11		0,03	0,03
LOJAS AMERICANAS SA -PREF-	7.073,00	BRL	13,250	36.586,86		0,08	0,08
LOJAS RENNER SA -	3.171,00	BRL	56,350	69.758,29		0,15	0,15
MRV ENGENHARIA E PARTICIPACOES SA -	1.800,00	BRL	9,300	6.535,23		0,01	0,01
PDG REALTY SA EMPREENDIMENTOS -	26.115,00	BRL	3,510	35.785,15		0,08	0,08
<u>Canada</u>							
CANADIAN TIRE CORP "A" NON VOTING	1.153,00	CAD	68,880	61.386,39		0,13	0,13
MAGNA INTERNATIONAL CLASS A -	9.448,00	CAD	40,210	293.645,67		0,64	0,64
SHAW COMMUNICATIONS INC "B"	7.118,00	CAD	19,240	105.855,32		0,23	0,23
<u>Cayman Islands</u>							
GARMIN LTD -	1.944,00	USD	38,290	58.652,40		0,13	0,13
<u>China</u>							
BYD CO LTD -	5.500,00	HKD	14,620	8.168,59		0,02	0,02
DONGFENG MOTOR CORP -	80.609,00	HKD	11,900	97.446,83		0,21	0,21
GOLDEN EAGLE RETAIL GROUP LTD -	7.000,00	HKD	15,740	11.192,83		0,02	0,02
GOME ELECTRICAL APPLIANCES HLD -	161.000,00	HKD	1,020	16.682,58		0,04	0,04
GREAT WALL MOTOR CO LTD -	19.000,00	HKD	15,380	29.685,69		0,06	0,07
GUANGZHOU AUTOMOBILE GROUP CORP -	36.000,00	HKD	6,440	23.551,88		0,05	0,05
LULULEMON ATHLETICA INC -	5.643,00	USD	59,630	265.142,30		0,57	0,58
<u>Denmark</u>							
PANDORA A/S -	1.491,00	DKK	54,900	11.010,42		0,02	0,02
<u>Finland</u>							
NOKIAN RENKAAT OYJ -	1.852,00	EUR	29,860	55.300,72		0,12	0,12

SANOMAWSOY OYJ -	3.225,00	EUR	6,950	22.413,75		0,05	0,05
<u>France</u>							
ACCOR -	4.284,00	EUR	24,680	105.729,12		0,23	0,23
CHRISTIAN DIOR -	1.090,00	EUR	108,250	117.992,50		0,26	0,26
EUTELSAT -	2.481,00	EUR	24,265	60.201,47		0,13	0,13
JC DECAUX SA -	1.302,00	EUR	17,390	22.641,78		0,05	0,05
LAGARDERE S.C.A. -	1.478,00	EUR	21,990	32.501,22		0,07	0,07
LVMH-MOET H.L.VUIT. -	3.604,00	EUR	119,850	431.939,40		0,94	0,94
MICHELIN (PAR)	2.892,00	EUR	51,480	148.880,16		0,32	0,33
M6 - METROPOLE TELEVISION (PAR)	2.485,00	EUR	10,360	25.744,60		0,06	0,06
PINAULT-PRINTEMPS-REDOUTE -	1.248,00	EUR	112,250	140.088,00		0,30	0,31
PUBLICIS GROUPE SA -	13.891,00	EUR	36,050	500.770,55		1,08	1,09
RENAULT (PAR)	9.120,00	EUR	31,440	286.732,80		0,62	0,63
SODEXHO ALLIANCE -	1.365,00	EUR	61,400	83.811,00		0,18	0,18
TELEVISION FRANCAISE (TF1) (PAR)	6.218,00	EUR	6,290	39.111,22		0,09	0,09
<u>Germany</u>							
ADIDAS AG -	3.582,00	EUR	56,460	202.239,72		0,44	0,44
BAYERISCHE MOTOREN WERKE AG (FRA)(PREF)	8.445,00	EUR	38,835	327.961,58		0,71	0,72
BAYERISCHE MOTOREN WERKE AG -	4.179,00	EUR	56,930	237.910,47		0,52	0,52
CONTINENTAL AG -	3.751,00	EUR	65,620	246.140,62		0,53	0,54
DAIMLER AG -	16.006,00	EUR	35,345	565.732,07		1,22	1,24
KABEL DEUTSCHLAND HOLDING AG -	2.331,00	EUR	49,125	114.510,38		0,25	0,25
VOLKSWAGEN AG PREF	2.617,00	EUR	124,600	326.078,20		0,71	0,71
<u>Greece</u>							
GREEK ORG OF FOOTBALL PROGNOSTICS -	30.447,00	EUR	4,950	150.712,65		0,33	0,33
<u>Hong Kong</u>							
BELLE INTERNATIONAL HOLDINGS -	97.895,00	HKD	13,120	130.476,28		0,28	0,29
BRILIANCE CHINA AUTOMOTIVE -	54.000,00	HKD	6,740	36.973,53		0,08	0,08
CHINA RESOURCES ENTERPRISE -	1.142,00	HKD	22,950	2.662,48		0,01	0,01
LI & FUNG LTD -	105.473,00	HKD	14,820	158.791,31		0,34	0,35
SANDS CHINA LTD -	51.253,00	HKD	24,500	127.562,37		0,28	0,28
SHANGRI-LA ASIA LTD -	38.089,00	HKD	14,780	57.188,83		0,12	0,13
TELEVISION BROADCASTS LTD -	849,00	HKD	53,750	4.635,79		0,01	0,01
WYNN MACAU LTD -	36.928,00	HKD	18,020	67.600,17		0,15	0,15
<u>India</u>							
BAJAJ AUTO LTD. -	190,00	INR	1.572,850	4.217,51		0,01	0,01
MAHINDRA & MAHINDRA GDR	4.370,00	USD	12,100	41.664,96		0,09	0,09
TATA ENGIN. & LOCOMOTIVE P.N. 27/09/04	10.326,00	INR	242,450	35.332,07		0,08	0,08
ZEE LEARN LTD -	1.581,00	INR	25,350	565,62		0,00	0,00
ZEE TELEFILMS LTD -	12.654,00	INR	146,800	26.216,14		0,06	0,06
<u>Indonesia</u>							
PT ASTRA INTL REG	467.983,00	IDR	6.850,000	268.942,21		0,58	0,59
<u>Italy</u>							
AUTOGRILL SPA (MIL)	8.822,00	EUR	7,145	63.033,19		0,14	0,14
FIAT SPA -	37.595,00	EUR	3,968	149.176,96		0,32	0,33
MEDIASET -	14.499,00	EUR	1,379	19.994,12		0,04	0,04
<u>Japan</u>							
AEON CO LTD. -	4.238,00	JPY	992,000	41.517,84		0,09	0,09
AISIN SEIKI CO -	2.751,00	JPY	2.631,000	71.478,18		0,16	0,16
BENESSE -	1.432,00	JPY	3.565,000	50.415,56		0,11	0,11
BRIDGESTONE CORP -	11.615,00	JPY	1.815,000	208.189,07		0,45	0,45
CANON MARKETING JAPAN INC -	96,00	JPY	1.011,000	958,48		0,00	0,00
CASIO COMPUTER CO LTD -	5.600,00	JPY	519,000	28.702,35		0,06	0,06

DAIHATSU MOTOR CO LTD -	9.164,00	JPY	1.387,000	125.523,09		0,27	0,27
DENSO CORP. -	8.682,00	JPY	2.693,000	230.896,96		0,50	0,50
FAMILYMART CY -	80,00	JPY	3.650,000	2.883,67		0,01	0,01
FAST RETAILING CO LTD. -	1.086,00	JPY	15.880,000	170.310,88		0,37	0,37
FUJI HEAVY IND. -	13.194,00	JPY	637,000	82.999,98		0,18	0,18
FUJITELEVISION NETWORK -	44,00	JPY	136.600,000	59.356,11		0,13	0,13
HAKUHODO DY HOLDINGS INC -	665,00	JPY	5.260,000	34.543,75		0,08	0,08
HONDA MOTOR CO -	23.938,00	JPY	2.749,000	649.867,29		1,41	1,42
ISETAN MITSUKOSHI HOLDINGS LTD -	6.935,00	JPY	842,000	57.666,11		0,13	0,13
ISUZU MOTORS LTD -	23.160,00	JPY	423,000	96.747,78		0,21	0,21
J. FRONT RETAILING CO LTD -	20.528,00	JPY	399,000	80.887,54		0,18	0,18
LAWSON INC -	63,00	JPY	5.580,000	3.471,66		0,01	0,01
MARUI CY -	7.497,00	JPY	606,000	44.866,50		0,10	0,10
MAZDA MOTOR CORP. -	305.457,00	JPY	107,000	322.772,06		0,70	0,70
NAMCO BANDAI HOLDING INC -	46.299,00	JPY	1.087,000	497.007,83		1,08	1,09
NGK SPARK PLUG CO LTD -	4.238,00	JPY	1.046,000	43.777,88		0,10	0,10
NIKON -	6.532,00	JPY	2.402,000	154.946,32		0,34	0,34
NISSAN MOTOR -	111.849,00	JPY	748,000	826.220,15		1,79	1,80
ORIENTAL LAND COMPANY,LTD -	705,00	JPY	9.120,000	63.495,95		0,14	0,14
PANASONIC CORPORATION -	103.179,00	JPY	643,000	655.185,63		1,42	1,43
SEGA SAMMY HOLDINGS INC -	5.538,00	JPY	1.620,000	88.599,25		0,19	0,19
SEKISUI HOUSE LTD -	53.521,00	JPY	748,000	395.355,60		0,86	0,86
SHIMAMURA CO LTD -	471,00	JPY	9.210,000	42.839,32		0,09	0,09
SONY CORP -	15.948,00	JPY	1.123,000	176.867,51		0,38	0,39
SUMITOMO RUBBER IND. -	20.513,00	JPY	1.030,000	208.654,85		0,45	0,46
SUZUKI MOTOR CORP. -	5.896,00	JPY	1.621,000	94.384,91		0,20	0,21
TOKYO BROADC. SYSTEM -	12,00	JPY	977,000	115,78			
TOYODA GOSEI CO LTD -	1.200,00	JPY	1.818,000	21.544,54		0,05	0,05
TOYOTA INDUSTRIES CORP. -	14.961,00	JPY	2.262,000	334.206,81		0,72	0,73
TOYOTA MOTOR_CREDIT -	43.965,00	JPY	3.190,000	1.385.032,10		3,00	3,03
YAMADA DENKI -	2.990,00	JPY	4.055,000	119.735,83		0,26	0,26
YAMAHA CORPORATION -	4.500,00	JPY	815,000	36.218,65		0,08	0,08
<u>Malaysia</u>							
GENTING BERHAD -	42.064,00	MYR	9,430	98.430,11		0,21	0,22
GENTING MALAYSIA BHD -	60.722,00	MYR	3,600	54.244,32		0,12	0,12
UNITED MOTOR WORKS HLDG -	16.100,00	MYR	9,130	36.475,59		0,08	0,08
<u>Mexico</u>							
GRUPO ELEKTRA S.A. DE C.V. CPO	1.316,00	MXN	540,080	41.714,81		0,09	0,09
GRUPO TELEvisa S.A. -CPO-	40.137,00	MXN	57,410	135.241,12		0,29	0,30
URBI DESARROLLOS URBANOS -	14.800,00	MXN	12,820	11.135,92		0,02	0,02
<u>Netherlands</u>							
REED ELSEVIER NV -	47.437,00	EUR	9,012	427.502,24		0,93	0,93
<u>New Zealand</u>							
SKYCITY ENTERTAINMENT GROUP -	13.581,00	NZD	3,400	29.245,30		0,06	0,06
<u>Philippines</u>							
JOLLIBEE FOODS -	17.826,00	PHP	104,200	34.737,56		0,08	0,08
<u>Singapore</u>							
GENTING SIGNAPORE PLC -	120.504,00	SGD	1,410	105.685,54		0,23	0,23
JARDINE CYCLE AND CARRIAGE LTD -	1.860,00	SGD	46,310	53.577,53		0,12	0,12
SINGAPORE PRESS HOLDING -	19.075,00	SGD	3,900	46.272,63		0,10	0,10
<u>South Africa</u>							
IMPERIAL HOLDINGS LTD -	3.316,00	ZAR	172,000	54.952,50		0,12	0,12
NASPERS LTD N	5.032,00	ZAR	434,990	210.894,08		0,46	0,46

STEINHOFF INTL HOLD LTD -	21.043,00	ZAR	24,650	49.976,87		0,11	0,11
THE FOSCHINI GROUP THE FOSCHINI GROUP LTD	4.398,00	ZAR	128,010	54.242,99		0,12	0,12
TRUWORTHS INTERNATIONAL LTD -	6.901,00	ZAR	89,520	59.521,87		0,13	0,13
WOOLWORTHS HOLDINGS LTD -	12.480,00	ZAR	50,240	60.409,98		0,13	0,13
<u>South Korea</u>							
HANKOOK TIRE CO LTD -	1.953,00	KRW	45.300,000	60.867,07		0,13	0,13
HYUNDAI DEPARTMENT STORE CO LTD -	476,00	KRW	142.000,000	46.502,60		0,10	0,10
HYUNDAI MOBIS -	1.484,00	KRW	274.500,000	280.258,13		0,61	0,61
HYUNDAI MOTOR -	1.010,00	KRW	74.500,000	51.767,79		0,11	0,11
HYUNDAI MOTOR -	3.174,00	KRW	232.500,000	507.705,49		1,10	1,11
HYUNDAI WIA CORP -	407,00	KRW	169.000,000	47.322,00		0,10	0,10
KANGWON LAND INC -	1.629,00	KRW	24.350,000	27.289,91		0,06	0,06
KIA MOTORS CORP. -	5.371,00	KRW	74.700,000	276.030,92		0,60	0,60
LG ELECTRONICS INC NEW	1.696,00	KRW	61.000,000	71.176,67		0,15	0,16
LOTTE SHOPPING CO LTD -	209,00	KRW	311.500,000	44.790,54		0,10	0,10
MANDO CORP -	286,00	KRW	169.000,000	33.253,30		0,07	0,07
SHINSEGAE CO LTD -	243,00	KRW	210.000,000	35.108,12		0,08	0,08
WOONGJIN COWAY CO LTD -	440,00	KRW	35.600,000	10.776,67		0,02	0,02
<u>Spain</u>							
INDUSTRIA DE DISENO TEXTIL SA -	3.199,00	EUR	81,530	260.814,47		0,56	0,57
<u>Sweden</u>							
AUTOLIV INC -	1.841,00	USD	54,660	79.291,67		0,17	0,17
CDON GROUP AB -	180,00	SEK	41,000	842,51		0,00	0,00
ELECTROLUX "B"	3.700,00	SEK	137,000	57.868,60		0,13	0,13
HENNES&MAURITZ "B"	13.669,00	SEK	247,400	386.062,06		0,84	0,84
MODERN TIMES GROUP MTG AB "B"	870,00	SEK	319,200	31.703,18		0,07	0,07
<u>Switzerland</u>							
COMPAGNIE FINANCIERE RICHEMONT "A"	18.017,00	CHF	51,850	777.739,21		1,68	1,70
THE SWATCH GROUP AG -	385,00	CHF	373,500	119.716,52		0,26	0,26
THE SWATCH GROUP AG REG	2.743,00	CHF	65,750	150.149,65		0,33	0,33
<u>Taiwan</u>							
CHENG SHIN RUBBER IND CO LTD -	32.125,00	TWD	75,000	63.528,99		0,14	0,14
FAR EAST DEPARTMENT STORES -	8.440,00	TWD	27,900	6.208,89		0,01	0,01
FORMOSA INTERNATIONAL HOTELS CORP -	2.400,00	TWD	317,000	20.060,33		0,04	0,04
HAN KANG RUBBER TIRE CO LTD -	22.943,00	TWD	41,500	25.105,32		0,05	0,06
POU CHEN CORP. -	56.004,00	TWD	25,450	37.581,52		0,08	0,08
RUENTEX INDUSTRIES LTD -	5.730,00	TWD	49,200	7.433,40		0,02	0,02
YULON MOTOR CO LTD -	29.415,00	TWD	52,400	40.641,31		0,09	0,09
<u>Thailand</u>							
BEC WORLD PUBLIC CO. LTD. -	26.625,00	THB	50,500	33.359,61		0,07	0,07
<u>Turkey</u>							
ARCELIK AS -	6.414,00	TRY	9,140	25.539,76		0,06	0,06
<u>U.K.</u>							
BRITISH SKY BROADCAST -	26.610,00	GBP	6,965	229.067,67		0,50	0,50
BURBERRY GROUP PLC -	9.088,00	GBP	13,250	148.827,09		0,32	0,33
COMPASS GROUP -	29.070,00	GBP	6,690	240.363,74		0,52	0,53
GKN "NEW"	28.711,00	GBP	1,806	64.086,10		0,14	0,14
HOME RETAIL GROUP -	3.904,00	GBP	0,847	4.084,46		0,01	0,01
INTERCONTINENTAL HOTELS GROUP PLC -	26.667,00	GBP	15,350	505.918,24		1,10	1,10
ITV PLC -	355.454,00	GBP	0,766	336.519,30		0,73	0,73
KINGFISHER PLC -	98.270,00	GBP	2,874	349.064,37		0,76	0,76
MARKS&SPENCER -	29.054,00	GBP	3,250	116.704,36		0,25	0,26
NEXT PLC -	4.414,00	GBP	31,990	174.519,66		0,38	0,38

PEARSON PLC -	21.196,00	GBP	12,660	331.654,13		0,72	0,72
REED ELSEVIER PLC -	24.227,00	GBP	5,115	153.159,20		0,33	0,33
WHITBREAD HOLDINGS PLC -	3.150,00	GBP	20,280	78.954,39		0,17	0,17
WPP GROUP PLC -	40.375,00	GBP	7,730	385.735,69		0,84	0,84
<u>U.S.A.</u>							
ABERCROMBIE & FITCH -	1.839,00	USD	34,140	49.470,85		0,11	0,11
ADVANCE AUTO PARTS INC -	2.733,00	USD	68,220	146.911,40		0,32	0,32
AMAZON COMM. INC. -	5.260,00	USD	228,350	946.435,27		2,05	2,07
AMC NETWORKS INC -	683,00	USD	35,550	19.132,18		0,04	0,04
AMERICAN EAGLE OUTFITTERS NEW	2.981,00	USD	19,730	46.343,97		0,10	0,10
APOLLO GROUP INC "A"	8.412,00	USD	36,190	239.878,87		0,52	0,52
AUTOZONE INC. -	1.659,00	USD	367,170	479.974,02		1,04	1,05
BED BATH & BEYOND -	3.807,00	USD	61,800	185.385,39		0,40	0,41
BEST BUY -	8.476,00	USD	20,960	139.986,57		0,30	0,31
BORGWARNER INC -	3.501,00	USD	65,590	180.939,71		0,39	0,40
CABLEVISION SYSTEMS "A"	35.738,00	USD	13,290	374.247,91		0,81	0,82
CBS CORP -	9.775,00	USD	32,780	252.481,68		0,55	0,55
CHIPOTLE MEXICAN GRILL INC -A-	597,00	USD	379,950	178.733,08		0,39	0,39
COACH INC. -	12.349,00	USD	58,480	569.040,67		1,23	1,24
COMCAST CORP -A-	27.191,00	USD	31,970	684.970,66		1,48	1,50
COMCAST CORP SPECIAL "A"	31.104,00	USD	31,400	769.573,40		1,67	1,68
DARDEN RESTAURANTS -	1.757,00	USD	50,630	70.094,48		0,15	0,15
DEVRY INC -	1.264,00	USD	30,970	30.845,54		0,07	0,07
DIRECTV GROUP INC -	9.953,00	USD	48,820	382.874,05		0,83	0,84
DISCOVERY COMMUNICATIONS INC -	8.464,00	USD	50,090	334.064,90		0,72	0,73
DISCOVERY COMMUNICATIONS INC -A-	2.588,00	USD	54,000	110.118,98		0,24	0,24
DISH NETWORK CORP -	3.996,00	USD	28,550	89.895,04		0,19	0,20
DOLLAR GENERAL CORPORATION -	2.597,00	USD	54,390	111.300,00		0,24	0,24
DOLLAR TREE STORES INC. -	11.014,00	USD	53,800	466.908,20		1,01	1,02
DR HORTON INC -	12.775,00	USD	18,380	185.016,55		0,40	0,40
EXPEDIA INC. -	1.609,00	USD	48,070	60.944,47		0,13	0,13
FAMILY DOLLAR STORES -	1.631,00	USD	66,480	85.437,62		0,19	0,19
FORD MOTOR CY -	67.574,00	USD	9,590	510.625,37		1,11	1,11
FOSSIL INC -	1.269,00	USD	76,540	76.533,97		0,17	0,17
GAMESTOP CORPORATION -	3.653,00	USD	18,360	52.847,75		0,11	0,12
GAP INC -	25.669,00	USD	27,360	553.387,31		1,20	1,21
GEN.MOTORS -	11.507,00	USD	19,720	178.802,33		0,39	0,39
GENUINE PARTS -	2.638,00	USD	60,250	125.237,96		0,27	0,27
HARLEY DAVIDSON -	5.514,00	USD	45,730	198.688,22		0,43	0,43
HASBRO INC. -	1.990,00	USD	33,870	53.109,53		0,12	0,12
HOME DEPOT -	22.722,00	USD	52,990	948.734,36		2,05	2,07
INTERPUBLIC GROUP -	7.873,00	USD	10,850	67.309,16		0,15	0,15
JOHNSON CONTROLS -	3.334,00	USD	27,710	72.795,79		0,16	0,16
KOHL'S CORPORATION -	8.989,00	USD	45,490	322.204,40		0,70	0,70
LAS VEGAS SANDS CORP -	12.035,00	USD	43,490	412.419,94		0,89	0,90
LEGGETT & PLATT, INC. -	2.454,00	USD	21,130	40.858,10		0,09	0,09
LIBERTY GLOBAL INC -C-	1.671,00	USD	47,750	62.871,52		0,14	0,14
LIBERTY GLOBAL INC A	7.416,00	USD	49,630	290.013,46		0,63	0,63
LIBERTY INTERACTIVE CORP -	18.842,00	USD	17,790	264.123,54		0,57	0,58
LIMITED BRANDS -	8.526,00	USD	42,530	285.722,78		0,62	0,62
LOWE'S CIE -	20.408,00	USD	28,440	457.334,74		0,99	1,00
MACY'S INC -	11.345,00	USD	34,350	307.068,59		0,66	0,67
MARRIOTT INTERNATIONAL -	8.181,00	USD	39,200	252.694,98		0,55	0,55
MATTEL INC -	9.198,00	USD	32,440	235.113,95		0,51	0,51
MC DONALD'S CORP -	15.790,00	USD	88,530	1.101.480,34		2,38	2,40
MCGRAW-HILL INC. -	12.177,00	USD	45,000	431.774,49		0,93	0,94
MGM RESORTS INTERNATIONAL -	7.181,00	USD	11,160	63.147,08		0,14	0,14

MOHAWK INDUSTRIES INC -	1.211,00	USD	69,830	66.633,15		0,14	0,15
NIKE "B"	4.969,00	USD	87,780	343.691,45		0,74	0,75
NORDSTROM -	2.448,00	USD	49,690	95.848,33		0,21	0,21
O'REILLY AUTOMOTIVE INC. -	6.360,00	USD	83,770	419.807,11		0,91	0,92
OMNICOM GROUP -	4.469,00	USD	48,600	171.139,71		0,37	0,37
PENNEY -	6.644,00	USD	23,310	122.032,65		0,26	0,27
PETSMART INC -	1.634,00	USD	68,180	87.783,56		0,19	0,19
POLO RALPH LAUREN CORP -	3.292,00	USD	140,060	363.310,63		0,79	0,79
PRICELINE.COM INC. -	769,00	USD	664,520	402.660,06		0,87	0,88
ROSS STORES -	8.902,00	USD	62,470	438.190,80		0,95	0,96
ROYAL CARIBBEAN CRUISES LTD -	2.029,00	USD	26,030	41.616,00		0,09	0,09
STAPLES INC -	11.760,00	USD	13,050	120.926,64		0,26	0,26
STARBUCKS CORP -	10.689,00	USD	53,320	449.087,92		0,97	0,98
STARWOOD HOTELS & RESORTS -	3.212,00	USD	53,040	134.240,39		0,29	0,29
TARGET CORP -	8.902,00	USD	58,190	408.169,08		0,88	0,89
THE WASHINGTON POST CO B	189,00	USD	373,820	55.670,93		0,12	0,12
TIFFANY & CO -	1.767,00	USD	52,950	73.723,62		0,16	0,16
TIM HORTONS INC -	3.221,00	CAD	53,670	133.620,15		0,29	0,29
TIME WARNER CABLE INC -	4.960,00	USD	82,100	320.869,91		0,69	0,70
TIME WARNER INC -	33.914,00	USD	38,500	1.028.830,67		2,23	2,25
TJX COMPANIES INC. -	16.247,00	USD	42,930	549.589,24		1,19	1,20
TRIPADVISOR INC -	1.028,00	USD	44,690	36.199,92		0,08	0,08
TRW AUTOMOTIVE HOLDINGS CORP -	1.699,00	USD	36,760	49.212,23		0,11	0,11
URBAN OUTFITTERS INC -	5.603,00	USD	27,590	121.808,19		0,26	0,27
VF CORP -	1.701,00	USD	133,450	178.865,69		0,39	0,39
VIACOM B	10.241,00	USD	47,020	379.427,80		0,82	0,83
WALT DISNEY -	24.596,00	USD	48,500	939.962,18		2,03	2,05
WHIRLPOOL CORPORATION -	1.271,00	USD	61,160	61.251,56		0,13	0,13
WYNN RESORTS LTD -	5.313,00	USD	103,720	434.216,66		0,94	0,95
YUM! BRANDS INC -	6.526,00	USD	64,420	331.262,25		0,72	0,72
Total shares				46.217.522,93		99,99	100,85
Rights							
<u>Australia</u>							
ECHO ENTERTAINMENT GROUP LTD CP 15/06/12	4.146,00	AUD	1,030	3.449,28		0,01	0,01
Total rights				3.449,28		0,01	0,01
TOTAL SECURITIES PORTFOLIO				46.220.972,21		100,00	100,86
COLLATERAL RECEIVED							
<u>Belgium</u>							
KBC GROUP COLLATERAL EUR	1.373.367,79	EUR	1,000	1.373.367,79			3,00
TOTAL RECEIVED COLLATERAL				1.373.367,79			3,00
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP AUD	181,46	AUD	1,000	146,57			
KBC GROUP CAD	460,73	CAD	1,000	356,12			0,00
KBC GROUP CHF	21,25	CHF	1,000	17,69			
KBC GROUP DKK	14.290,33	DKK	1,000	1.922,19			0,00
KBC GROUP EURO	-371.566,80	EUR	1,000	-371.566,80			-0,81
KBC GROUP GBP	12.386,79	GBP	1,000	15.309,34			0,03
KBC GROUP HKD	56.852,40	HKD	1,000	5.775,45			0,01
KBC GROUP JPY	792.026,00	JPY	1,000	7.821,71			0,02
KBC GROUP MXN	2.356,48	MXN	1,000	138,31			

KBC GROUP NZD	1.670,34	NZD	1,000	1.057,91		0,00
KBC GROUP PLN	1.011,61	PLN	1,000	238,86		0,00
KBC GROUP SEK	9.884,80	SEK	1,000	1.128,47		0,00
KBC GROUP SGD	348,15	SGD	1,000	216,55		
KBC GROUP TRY	3.543,35	TRY	1,000	1.543,67		0,00
KBC GROUP USD	7.455,40	USD	1,000	5.874,56		0,01
KBC GROUP ZAR	7.096,68	ZAR	1,000	683,75		0,00
Total demand accounts				-329.335,65		-0,72
TOTAL CASH AT BANK AND IN HAND				-329.335,65		-0,72
OTHER RECEIVABLES AND PAYABLES						
Payables						
<u>Belgium</u>						
KBC GROUP COUNTERPART ENTRY COLLATERAL IN EUR	-1.373.367,79	EUR	1,000	-1.373.367,79		-3,00
KBC GROUP EUR PAYABLE	-91.711,05	EUR	1,000	-91.711,05		-0,20
Payables				-1.465.078,84		-3,20
TOTAL RECEIVABLES AND PAYABLES				-1.465.078,84		-3,20
OTHER						
Interest receivable		EUR		86.995,56		0,19
Accrued interest		EUR		2.454,19		0,01
Expenses payable		EUR		-70.244,85		-0,15
Expenses to be carried forward		EUR		7.223,98		0,02
TOTAL OTHER				26.428,88		0,06
TOTAL NET ASSETS				45.826.354,39		100,00

Geographic breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Australia	5,22	1,76	2,27	1,55
Brazil	0,00	0,19	0,30	0,62
Canada	2,35	1,10	1,10	1,00
Switzerland	0,00	2,01	1,35	2,27
China	0,00	0,50	0,22	0,98
Cayman Islands	1,41	0,26	0,36	0,13
Germany	2,46	6,58	4,84	4,37
Denmark	0,00	0,10	0,07	0,02
Spain	0,00	0,37	0,57	0,56
Finland	0,00	0,32	0,47	0,17
France	8,13	6,57	5,81	4,32
U.K.	10,74	3,65	3,13	6,75
Greece	0,00	0,17	0,14	0,33
Hong Kong	0,02	1,42	0,05	1,27
India	0,06	0,36	0,69	0,23
Indonesia	0,00	0,58	0,63	0,58
Italy	0,00	1,63	1,08	0,50
Japan	1,21	14,95	15,23	16,24
South Korea	0,00	3,63	3,62	3,23
Luxembourg	1,31	0,00	0,18	0,00
Mexico	2,10	0,76	0,99	0,41
Malaysia	0,00	0,56	0,72	0,41
Netherlands	1,99	0,23	0,30	0,92
New Zealand	0,00	0,21	0,17	0,06
Philippines	0,00	0,00	0,17	0,08
Poland	0,04	0,00	0,00	0,00
Singapore	0,77	0,77	1,15	0,44
Sweden	1,13	1,86	1,67	1,20
Thailand	0,00	0,12	0,07	0,07
Turkey	0,00	0,07	0,10	0,06
Taiwan	0,00	1,07	1,12	0,43
U.S.A.	55,79	46,85	50,00	49,74
South Africa	5,27	1,35	1,43	1,06
Total	100,00	100,00	100,00	100,00

Sector breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Cyclicals	0,37	0,42	0,24	0,11
Consum(cycl)	90,80	75,49	72,26	73,11
Cons.goods	0,66	21,84	24,72	24,99
Financials	0,00	0,07	0,02	0,01
Technology	7,81	1,69	1,86	1,39
Telecomm.	0,36	0,22	0,52	0,13
Utilities	0,00	0,00	0,00	0,02
Real est.	0,00	0,27	0,38	0,24
Total	100,00	100,00	100,00	100,00

Currency breakdown (as a % of net assets)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
AUD	0,55	0,89	1,19	0,43
BRL	0,00	0,00	0,16	0,60
CAD	2,49	1,71	1,78	1,30
CHF	0,00	2,03	1,37	2,29
DKK	0,00	0,11	0,07	0,03
EUR	13,87	15,16	13,24	10,27
GBP	10,60	3,69	3,18	6,84
HKD	0,02	1,99	0,05	1,70
IDR	0,00	0,59	0,63	0,59
INR	0,06	0,09	0,40	0,14
JPY	1,20	15,06	15,23	16,41
KRW	0,00	3,66	3,61	3,26
MXN	1,51	0,77	1,01	0,41
MYR	0,00	0,57	0,72	0,41
NZD	0,01	0,22	0,20	0,07
PHP	0,00	0,00	0,17	0,08
PLN	0,08	0,00	0,00	0,00
SEK	1,26	1,10	1,03	1,04
SGD	0,77	0,79	1,25	0,45
THB	0,00	0,12	0,07	0,07
TRY	0,01	0,07	0,10	0,06
TWD	0,00	1,08	1,11	0,44
USD	62,38	48,94	51,96	52,04
ZAR	5,19	1,36	1,47	1,07
Total	100,00	100,00	100,00	100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC EQUITY FUND CONSUMER DURABLES (IN THE CURRENCY OF THE SUB-FUND)

	1st half of year	Year
Purchases	78.248.937,88	78.248.937,88
Sales	48.361.866,23	48.361.866,23
Total 1	126.610.804,11	126.610.804,11
Subscriptions	80.809.536,06	80.809.536,06
Redemptions	51.100.595,80	51.100.595,80
Total 2	131.910.131,86	131.910.131,86
Monthly average of total assets	48.752.375,52	48.752.375,52
Turnover rate	-10,87 %	-10,87 %

	1st half of year	Year
Purchases	78.248.937,88	78.248.937,88
Sales	48.361.866,23	48.361.866,23
Total 1	126.610.804,11	126.610.804,11
Subscriptions	80.809.536,06	80.809.536,06
Redemptions	51.100.595,80	51.100.595,80
Total 2	131.910.131,86	131.910.131,86
Monthly average of total assets	40.452.883,62	40.452.883,62
Corrected turnover rate	-13,10 %	-13,10 %

The table above shows the capital volume of portfolio transactions. This volume (adjusted to take account of total subscriptions and redemptions) is also compared to the average net assets at the beginning and end of the period.

A figure close to 0% implies that the transactions relating to the securities or transactions relating to the assets (excluding deposits and cash) in a given period only involve subscriptions and redemptions.

A negative percentage shows that subscriptions and redemptions entailed few, if any, transactions in the portfolio.

Active asset management may result in high turnover rates (monthly percentage >50%).

The detailed list of transactions is available for consultation free of charge at the registered office of the Bevek or fund at Havenlaan 2, 1080 Brussels.

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

NAME	Currency	Value in currency	In the currency of the sub-fund	Lot-size	Transaction date
KBC COLLATERAL EUR	EUR	1.373.367,79	1.373.367,79	N/A	29.06.2012

2.4.4 CHANGES OF THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND THE NET ASSET VALUE

Classic Shares

Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2010 - 06	165.205,10	83,41	101.786,80	285,00	125.995,21	1.274,41	127.269,61
2011 - 06	1.758.739,47	25.512,44	1.783.954,54	23.823,88	100.780,14	2.962,97	103.743,11
2012 - 06	40.142,63	55,97	124.332,97	635,02	16.589,80	2.383,92	18.973,72

Period	Amounts received and paid by the UCI (in the currency of the class)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2010 - 06	40.642.043,33	19.665,49	24.602.606,98	59.974,29
2011 - 06	76.160.587,75	152.984,37	541.643.371,27	7.323.920,27
2012 - 06	12.547.853,12	14.276,48	34.997.423,68	179.137,52

Period	Net asset value End of period (in the currency of the class)		
Year	Of the class	Of one share	
		Capitalization	Distribution
2010 - 06	31.723.058,03	249,50	225,10
2011 - 06	30.845.635,71	298,16	268,86
2012 - 06	6.033.391,12	321,96	290,37

Institutional B Shares

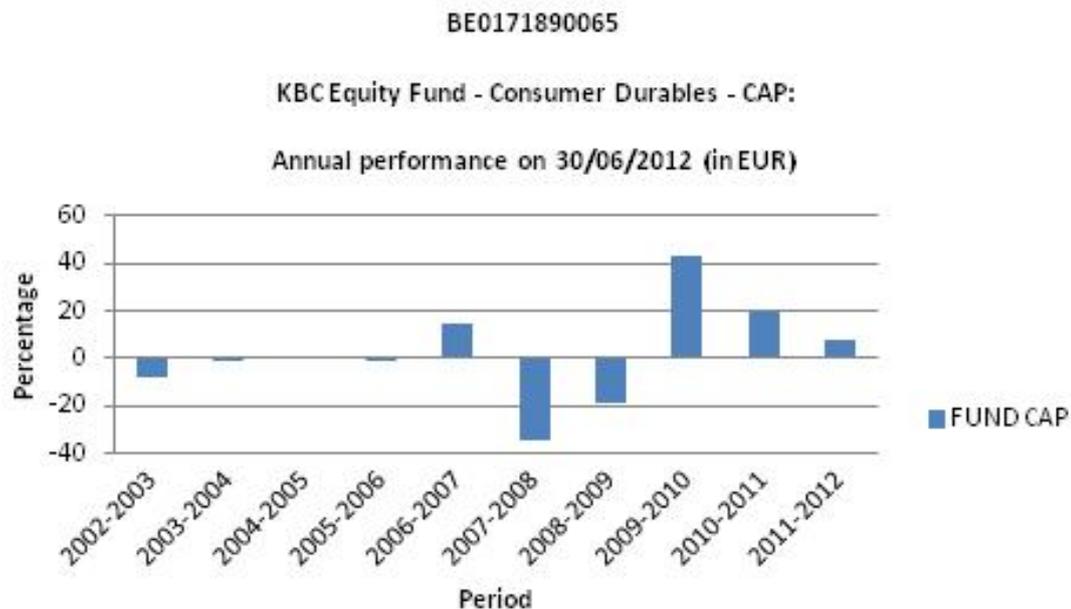
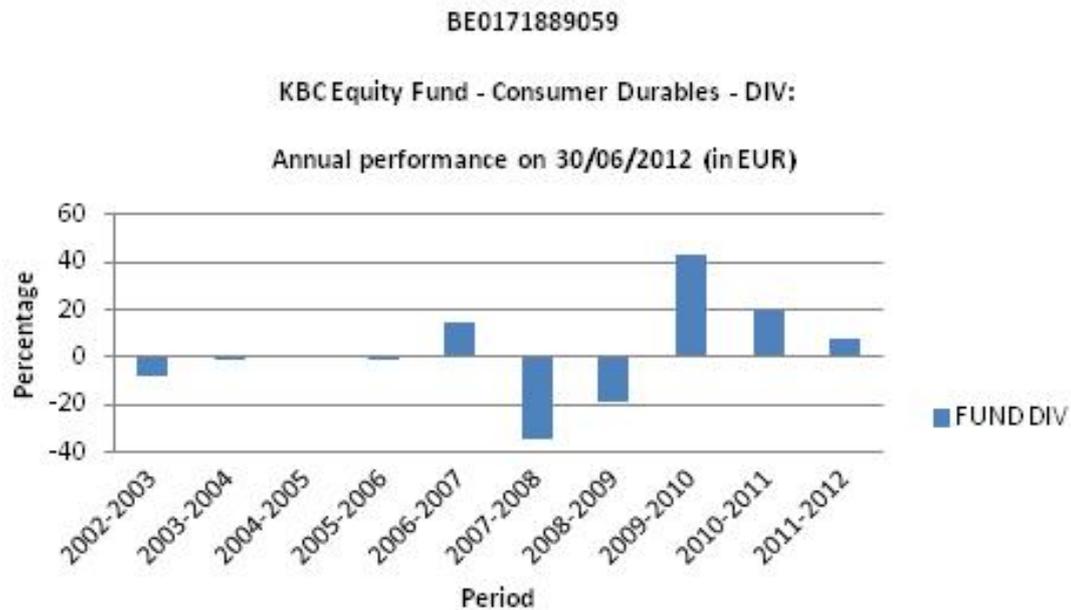
Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2012 - 06	260.356,10		136.919,27		123.436,83		123.436,83

Period	Amounts received and paid by the UCI (in the currency of the class)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2012 - 06	83.823.737,45		44.071.409,84	

Period	Net asset value End of period (in the currency of the class)		
Year	Of the class	Of one share	
		Capitalization	Distribution
2012 - 06	39.792.963,27	322,38	

2.4.5 PERFORMANCE FIGURES

Classic Shares



Cap Div	ISIN code	Currency	1 Year		3 Years*		5 Years*		10 Years*		Since launch*	
			Share classes	Bench mark	Launch Date	Share classes						
CAP	BE0171890065	EUR	7.98%		22.65%		-0.38%		0.35%		01/10/1999	-3.39%
DIV	BE0171889059	EUR	8.00%		22.64%		-0.39%		0.34%		01/10/1999	-3.40%

Risk warning: Past performance is not a guide to future performance.

* Return on annual basis.

Institutional B Shares

The cumulative returns are shown where they relate to a period of at least one year.

Classic Shares

- The bar chart shows the performance for full financial years.
- The figures do not take account of any restructuring.
- Calculated in EUR.
- The return is calculated as the change in the net asset value between two dates expressed as a percentage. In the case of units that pay dividends, the dividend is incorporated geometrically in the return.
- Calculation method for date D, where NAV stands for net asset value:

Capitalisation units (CAP)

Return on date D over a period of X years:

$$[\text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where $Y = D - X$

Return on date D since the start date S of the unit:

$$[\text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where $F = 1$ if the unit has existed for less than one year on date D

where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D

Distribution units (DIV)

Return on date D over a period of X years:

$$[C * \text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where $Y = D - X$

Return on date D since the start date S of the unit:

$$[C * \text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where $F = 1$ if the unit has existed for less than one year on date D

where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D

where C is a factor that is determined for all N dividends between the calculation date D and the reference date.

For dividend i on date Di with value Wi:

$$C_i = [W_i / \text{NIW}(D_i)] + 1$$

$i = 1 \dots N$

from which $C = C_0 * \dots * C_N$.

- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the n^{th} square root of 1 plus the total return of the unit.
- The return figures shown above do not take account of the fees and charges associated with the issue and redemption of units.

These are the performance figures for capitalisation and distribution shares.

2.4.6 COSTS

Total expense ratio (TER): *

Classic Shares Distribution: 1.992%
Classic Shares Capitalization: 1.992%
Institutional B Shares Capitalization: Not applicable

Percentage calculated at the end of the financial year: 31 December

* The following costs have not been included in the TER:

- Transaction charges
- Interest payments on loans taken out
- Payments in respect of financial derivatives
- Fees and charges paid directly by the investor
- Any soft commissions

SOFT COMMISSIONS

The management company or the appointed manager, as the case may be, is the recipient of soft commissions.

The recipient has laid down an internal policy as regards accepting soft commissions and avoiding possible conflicts of interest in this respect, and has put appropriate internal controls in place to ensure this policy is observed.

For more information, please see the 'General' section of the annual report.

	Commission gross in EUR paid during the period: 1-01-12 -	CSA Credits in EUR accrued during the period: 1-01-12 -	
Broker	30-06-12	30-06-12	Percentage
CITI	9,391	5,869	62.50%
CSFBSAS	21,304	13,243	62.16%
DEUTSCHE	6,187	3,867	62.50%
EQ CSA MACQUARIE	13,017	8,136	62.50%
JP MORGAN	1,359	790	58.08%
MERRILL	5,071	3,170	62.50%
MORGAN STANLEY	3,692	2,274	61.60%
NOMURA	16,486	10,122	61.40%
UBSWDR	1,084	675	62.28%

FEE-SHARING AGREEMENTS AND REBATES:

The management company may share its fee with the distributor, and institutional and/or professional parties.

In principle, the percentage share amounts to between 35% and 60% if the distributor is an entity of KBC Group NV or to between 35% and 70% if the distributor is not an entity of KBC Group NV. However, in a small number of cases, the distributor's fee is less than 35%. Investors may, on request, obtain more information on these cases.

If the management company invests the assets of the undertaking for collective investment in units of undertakings for collective investment that are not managed by an entity of KBC Group NV, and receives a fee for doing so, it will pay this fee to the undertaking for collective investment.

Fee-sharing does not affect the amount of the management fee paid by the sub-fund to the management company. This management fee is subject to the limitations laid down in the articles of association. The limitations may only be amended after approval by the general meeting of shareholders.

The management company has concluded a distribution agreement with the distributor in order to facilitate the wider distribution of the sub-fund's units by using multiple distribution channels.

It is in the interests of the holders of units, the sub-fund and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund to be maximised in this way. In this respect, there is therefore no question of any conflict of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: 1.35% per annum calculated on the basis of the average total net assets of the sub-fund, excluding those assets invested in investment undertakings managed by a financial institution of the KBC group.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the average total net assets of the sub-fund.

Auditor's fee: 1 700 EUR per year. This fee is not including VAT and will be increased at the end of the 3-year mandate.

The custody fee is calculated on the value of the securities held in custody by the custodian on the final banking day of the preceding calendar year, except on those assets invested in investment undertakings managed by a financial institution of the KBC group. The custody fee is paid at the beginning of the calendar year.

Social, ethical and environmental aspects:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

Exercising voting rights

If necessary, relevant and in the interest of the shareholders, the management company will exercise the voting rights attached to the shares in the Bevek's portfolio.

The management company will adhere to the following criteria when determining how it stands relative to the items on the agenda that are put to the vote:

- Shareholder value may not be adversely affected.
- Corporate governance rules, especially with regard to the rights of minority shareholders, must be respected.
- The minimum standards with regard to sustainable business and corporate social responsibility must be met.

The list of companies for which voting rights are exercised is available at the registered office of the Bevek.

Securities lending

In accordance with the Royal Decree of 7 March 2006 concerning securities lending, the undertaking for collective investment has taken out securities loans with a principal to whom the full title of the loaned securities was transferred, without recording this transfer of ownership in the accounts.

For the period from 1 January 2012 to 30 June 2012, the fee for securities lent comes to - 642.97 EUR. KBC Asset Management NV receives 50% of the net fee received for securities lent.

The detailed list of securities lending transactions carried out can be obtained from the registered office of the collective investment undertaking at 2 Havenlaan, 1080 Brussels.

Overview of securities lent as at 30/06/2012

Name	Currency	Quantity	Price	Value in currency of the portfolio
BELLE INTERNATIONAL HOLDINGS LTD	HKD	13.000	13,120	17.326,64
BRILLIANCE CHINA	HKD	53.999	6,740	36.972,84
BYD CO LTD -H-	HKD	5.499	14,620	8.167,11
CASIO COMPUTER CO	JPY	5.599	519,000	28.697,22
CHINA RESOURCES ENTERPRISE	HKD	1.141	22,950	2.660,15
CROWN LTD	AUD	6.488	8,490	44.491,84
GENTING SINGAPORE PLC	SGD	92.999	1,410	81.562,85
GOME ELECTRICAL APPLIANCES NEW	HKD	160.999	1,020	16.682,48
GREAT WALL MOTOR CO LTD -H-	HKD	18.999	15,380	29.684,13
JARDINE CYCLE AND CARRIAGE	SGD	1.859	46,310	53.548,73
LI & FUNG LTD	HKD	105.472	14,820	158.789,80
MARUI GROUP CO LTD	JPY	1.000	606,000	5.984,59
PUBLICIS GROUPE	EUR	13.890	36,050	500.734,50
SHANGRI-LA ASIA	HKD	38.088	14,780	57.187,33
SHAW COMMUNICATIONS INC -B-	CAD	7.117	19,240	105.840,45
STEINHOFF INTL HOLDINGS LTD	ZAR	21.042	24,650	49.974,50
TELEVISION BROADCAST	HKD	848	53,750	4.630,33
WYNN MACAU LTD	HKD	36.927	18,020	67.598,34
Total				1.270.533,83

Details of collateral received for securities lent

Name	Currency	Nominal value	Currency fund	Value in Currency fund
OESTERREICH 2009 3.40% 20/10/14	EUR	545.000	EUR	594.576,47
GERMANY 2009 2,25% 11/04/14	EUR	124.000	EUR	129.431,57
FRANCE 2001 3% 25/07/2012	EUR	95.000	EUR	121.468,81
OAT FRANCE 2005 3% 25/10/15	EUR	102.000	EUR	110.992,52
FRANCE 2007 4,50% 12/07/2012	EUR	275.000	EUR	287.392,88
BTAN FRANCE 2008 4 1/2% 12/07/13	EUR	18.000	EUR	19.579,79
BTF FRANCE 2012 T-BILL 07/02/13	EUR	110.000	EUR	109.925,75
Total				1.373.367,79

For the valuation of the collateral received, indicative prices have been used in this detail list by the Collateral Management Division of KBC Bank.

TABLE OF CONTENTS

- 2. Information on KBC Equity Fund Euro Cyclical
 - 2.1. Management report
 - 2.1.1. Launch date and subscription price
 - 2.1.2. Stock exchange listing
 - 2.1.3. Aim and distinctive features of the investment policy
 - 2.1.4. Financial portfolio management
 - 2.1.5. Distributors
 - 2.1.6. Index and benchmark
 - 2.1.7. Policy conducted during the financial year
 - 2.1.8. Future policy
 - 2.1.9. Synthetic risk and reward indicator (SRRI)
 - 2.2. Balance sheet
 - 2.3. Profit and loss account
 - 2.4. Composition of the assets and key figures
 - 2.4.1. Composition of the assets
 - 2.4.2. Change in the composition of the assets
 - 2.4.3. Value of commitments in respect of financial derivatives positions
 - 2.4.4. Evolution of the number of subscriptions, repayments and the net asset value
 - 2.4.5. Return figures
 - 2.4.6. Expenses
 - 2.4.7. Notes to the financial statements and other data

2 INFORMATION ON KBC EQUITY FUND EURO CYCLICALS

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Classic Shares :

Launch date: 30 December 1999

Initial subscription price: 500 EUR

Currency: EUR

Institutional B Shares :

Launch date: 24 November 2011

Initial subscription price: 516.88 EUR

Currency: EUR

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

The main objective of this sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. To this end, the assets are invested, either directly or indirectly via correlated financial instruments, primarily in shares.

SUB-FUND'S INVESTMENT POLICY:

PERMITTED ASSET CLASSES:

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the sub-fund's object.

The sub-fund shall invest no more than 10% of its assets in units of other undertakings for collective investment.

RESTRICTIONS OF THE INVESTMENT POLICY:

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

PERMITTED DERIVATIVES TRANSACTIONS:

Derivates may be used either for hedging purposes or to achieve investment objectives.

Changes will be made to the investments at regular intervals to comply with the sub-fund's investment strategy. **In addition, listed and unlisted derivates may be used to achieve the objectives:** these may be forward contracts, options or swaps on securities, indices, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions. **Such derivatives may also be used to hedge the assets against exchange-rate fluctuations.** Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions.

STRATEGY SELECTED

At least 75% of the assets are invested in shares of European companies in cyclical sectors.

LENDING FINANCIAL INSTRUMENTS:

The sub-fund may lend financial instruments within the limits set by law and regulations.

This lending does not affect the sub-fund's risk profile since:

- it takes place within the framework of a securities lending system managed by a principal. In addition, the sub-fund has a relationship only with the principal of the securities lending system which acts as counterparty and to which title of the loaned securities is transferred. The choice of principal is subject to strict selection criteria. The return of securities similar to the securities that have been lent is guaranteed by the principal.
- through a margin management system, the sub-fund is always guaranteed financial security, the actual value of which always exceeds the actual value of the securities that have been lent, in case the principal does not return similar securities.

The return of securities similar to the securities that have been lent can be requested at any time, which means that the lending of securities does not affect the management of the sub-fund's assets.

By lending securities, the sub-fund can generate an additional return. The principal pays a fee to the management company. After deducting the fee for the margin management and clearing services of KBC Bank, most of this fee is paid to the sub-fund.

The relationship with the counterparty or counterparties is governed by standard international agreements.

More information is provided on the terms and conditions governing securities lending in the annual or half-yearly report for the sub-fund.

VOLATILITY OF THE NET ASSET VALUE:

The volatility of the net asset value may be high due to the composition of the portfolio.

GENERAL STRATEGY FOR HEDGING THE EXCHANGE RATE RISK:

In order to protect its assets against exchange rate fluctuations and within the limitations laid down in the articles of association, the sub-fund may perform transactions relating to the sale of forward currency contracts, as well as the sale of call options and the purchase of put options on currencies. The transactions in question may relate solely to contracts traded on a regulated market that operates regularly, is recognised and is open to the public or that are traded with a recognised, prime financial institution specialising in such transactions and dealing in the over-the-counter (OTC) market in options. With the same objective, the sub-fund may also sell currencies forward or exchange them in private transactions with prime financial institutions specialising in such transactions. The hedging objective of the aforementioned transactions suggests that there is a direct link between these transactions and the assets to be hedged, which implies that the transactions carried out in a particular currency may in principle not exceed, in terms of volume, either the valuation value of all the assets in the same currency or the holding period of those assets.

SOCIAL, ETHICAL AND ENVIRONMENTAL ASPECTS:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

THE EUROPEAN SAVINGS DIRECTIVE AND TAX ON DEBT CLAIM RETURNS OBTAINED THROUGH THE REDEMPTION OF OWN UNITS OR IN THE EVENT OF FULL OR PARTIAL DISTRIBUTION OF EQUITY CAPITAL.

The following information is of a general character and is not intended to cover all aspects of an investment in a UCITS. In certain cases entirely different rules might even apply. Moreover, both tax law and the interpretation of it can change. Investors who wish to have more information about the tax implications – in both Belgium and abroad – of acquiring, holding and transferring units should seek the advice of their usual financial and tax advisers.

This UCITS shall invest a maximum of 15% of its assets directly or indirectly in debt instruments as intended by the European Savings Directive.

A. European Savings Directive (Directive 2003/48/EC)

The European Savings Directive has been implemented in Belgium through:

- The Law of 17 May 2004 transposing into Belgian law Directive 2003/48/EC of 3 June 2003 of the Council of the European Union on taxation of savings income in the form of interest payments and amending Income Tax Code 1992 on withholding tax;
- The Royal Decree of 27 September 2009 implementing Article 338bis § 2 of Income Tax Code 1992;
- The Royal Decree of 27 September 2009 concerning the entry into effect of Article 338bis § 2, paragraphs one to three, of Income Tax Code 1992;

Since this UCITS invests a maximum of 15% of its assets directly or indirectly in debt claims as intended by the European Savings Directive, the income of this UCITS does not fall within the scope of this directive.

B. Tax on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital (Article 19bis Income Tax Code 1992).

The income from this UCITS is not subject to the tax on debt instrument returns as intended by Article 19bis, Income Tax Code 1992.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

There is no delegation of the portfolio.

2.1.5 DISTRIBUTORS

KBC Asset Management S.A., 5, Place de la Gare, L-1616 Luxembourg.

2.1.6 INDEX AND BENCHMARK

See 'Sub-fund's investment policy'.

2.1.7 POLICY PERSUED DURING THE FINANCIAL YEAR

The global economy emerged from a deep recession in mid-2009, but the recovery was highly dependent on massive government budgetary and monetary stimuli. Doubts about the sustainability of the economic recovery continued to dominate the investment climate in the past period under review. In Europe the debt crisis continued to rage unabated. Five euro countries needed a bail-out from the European emergency fund. Greece reached agreements with its private sector creditors on restructuring the bond debt it owes them. The continued existence of the euro was even called into question. Fortunately, this was offset to some extent by the boom in Asia.

Although more jobs have been created than lost in the US since 2010, the rate of employment growth has remained on the low side. And wages increased very little: household purchasing power remained very modest and managed to support only scant growth. Economic growth (barely 1.6% year-on-year in the first half of 2012) was further hampered by the financial restructuring undertaken by states and local authorities and the increase in imports.

The euro is teetering on the brink of recession. The strong growth figures of 2010 and 2011 couldn't be sustained, and the euro crisis started taking its toll from the second half of 2011. Europe suffered under the strain of austerity measures and more restrictive lending policy of the banks. The reduction in the value of their sovereign bond portfolios threatened their solvency so that action had to be taken to compensate this. Greater divergence within Europe resulted in a further decline in unemployment in Germany and an alarmingly rapid rise in unemployment in countries such as Greece, Spain and Portugal. Belgium was closer to the strong core of the euro area than to the weak periphery.

The recession of the 2008-2009 period and the initial phase of the recovery have taught us much about the role of the emerging markets in the global economy. Exports to the Old World are still important, but that exclusive dependency is decreasing. Domestic demand (due to a rapidly growing middle class with a high consumption ratio) and inter-regional trade within Asia are playing an increasingly important role. The economic recovery in Asia since the second quarter of 2009 was just as pronounced as the slump. And that recovery has continued through 2010, 2011 and into 2012. As a result of pressure from rising oil and food prices, inflation increased sharply in 2011, and monetary policy was tightened in response to this. Higher interest rates have slowed growth somewhat since mid-2011.

The region is better armed to deal with financial crises than it was in the past. Public finances are healthy, the balance of payments is generally neutral (China actually has an astronomical surplus) and the domestic savings buffer is high. Asia's economic development no longer depends on fickle foreign capital.

The initial phase of the economic recovery went hand in hand with a fine stock-market rally, resulting in the S&P 500 being 75% higher at the end of April 2010 than its low point on 9 March 2009. Since then, the equity markets have struggled to find fresh impetus. The euro crisis and fear that the European banking sector would collapse naturally continued to cast a dark cloud over the market. On top of this, the stock markets were affected by changeable sentiment about the economic situation, and the same is true of 2012. Relative optimism about the economy caused the stock markets to improve in the first quarter, but they have since run out of steam. On 30 June 2012, the MSCI All Countries (the broadest global index) recorded a return of 8.7% in EUR over the past six months.

Of the traditional markets, the underperformance of Western Europe (MSCI Europe return index over the past six months: -5.2%) remained relatively limited. Nevertheless, the problems in the EMU kept stacking up: they include the Greek debt crisis, the threat of an extremist separatist party winning the Greek elections, the undercapitalisation of Spanish banks, the referendum in Ireland, and the financial collapse in Cyprus. Apparently the underperformance of European shares over many years has increased the valuation gap with US shares so much that fresh events in the euro crisis have less impact on the stock markets. In any event, the gap that had opened up in Europe in comparison with the US in recent years widened slightly during the reporting period. Wall Street closed the year under review up considerably (S&P 500: +8.6%, Dow Jones: +6.4%), while European investors also benefited from an increase in the value of the dollar (return MSCI USA in euros: +11.9%).

2.1.8 FUTURE POLICY

Business confidence indicators in the US and Europe hit new highs in spring 2011 and have dipped to more neutral levels over the past twelve months. Considerable divergence between the US and Europe has developed since September. At the moment, the US producer confidence index points to some optimism about the economy. In Europe confidence is continuing to slip and has entered the twilight zone of recession. We expect growth in the US to remain positive but modest (around 1.5-2% y-o-y in the next couple of quarters), given the dearth of new jobs, the downward pressure on pay increases and the absence of a recovery in the housing market. Budgetary plans will depress growth in Europe. However, the indicators do suggest that the fears of deflation and depression that are currently dominating the financial markets are unwarranted.

In 2010 and 2011 the foundations were laid for more sustainable growth in 2012 and 2013. US households have trimmed back their debt level significantly, the savings rate has already increased considerably and loan servicing (instalments and interest payments combined) now accounts for only 11% of household budgets (the lowest level in fifteen years – it was at 14% three years ago). Households are gradually moving towards a position where they can spend more of their money on consumption. The explosion in earnings growth in 2010 and 2011 bolstered companies' already substantial cash positions. During the crisis investments were scaled back heavily, with the foundations being laid for a catch-up process.

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

Classic Shares: 7 on a scale of 1 (lowest risk) to 7 (highest risk).

Institutional B Shares: 7 on a scale of 1 (lowest risk) to 7 (highest risk).

The value of a share can decrease or increase and the investor may not get back the amount invested.

In accordance with Commission Regulation (EU) No. 583/2010, a synthetic risk and reward indicator has been calculated. This indicator provides a quantitative measure of the sub-fund's potential return and the risk involved, calculated in the currency in which the sub-fund is denominated. It is given as a figure between 1 and 7. The higher the figure, the greater the potential return, but also the more difficult it is to predict this return. Losses are possible too. The lowest figure does not mean that the investment is entirely free of risk. However, it does indicate that, compared with the higher figures, this product will generally provide a lower, but more predictable return.

The synthetic risk and reward indicator is assessed regularly and can therefore go up or down based on data from the past. Data from the past is not always a reliable indicator of future risk and return.

The most recent indicator can be found under the 'Risk and reward profile' heading in the 'Key Investor Information' document.

2.2 BALANCE SHEET

Balance sheet layout	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
TOTAL NET ASSETS	7.455.649,98	35.506.890,09
II. Securities, money market instruments, UCIs and derivatives		
A. Bonds and other debt instruments		
a) Bonds		
a) Collateral received in the form of bonds	117.949,74	1.176.569,05
C. Shares and similar instruments		
a) Shares	7.486.532,08	35.690.601,57
Of which securities lent	111.177,51	1.091.139,10
D. Other securities	2.153,53	26.867,86
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable	2.176,42	14.428,79
b) Tax assets	2.223,21	2.280,99
B. Payables		
a) Accounts payable (-)	-9.786,03	-36.817,94
c) Borrowings (-)	-59.860,44	-251.554,02
d) Collateral (-)	-117.949,74	-1.176.569,05
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	5.864,72	18.428,18
VI. Accruals and deferrals		
A. Expense to be carried forward	4.202,74	22.094,18
B. Accrued income	24.087,41	44.157,04
C. Accrued expense (-)	-1.943,66	-23.596,56
TOTAL SHAREHOLDERS' EQUITY	7.455.649,98	35.506.890,09
A. Capital	7.203.398,54	35.290.985,99
B. Income equalization	-10.624,21	-23.457,12
D. Result for the period	262.875,65	239.361,22

Off-balance-sheet headings

I Collateral (+/-)		
I.A Collateral (+/-)		
I.A.A Securities/market instruments	117.949,74	1.176.569,05
IX Financial instruments lent	111.177,51	1.091.139,10

2.3 PROFIT AND LOSS ACCOUNT

Income Statement	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
I. Net gains(losses) on investments		
C. Shares and similar instruments		
a) Shares	2.388,72	421.822,15
D. Other securities	-262,33	1.519,28
F. Derivative financial instruments		
l) Financial indices		
Futures and forward contracts	12.091,59	13.180,00
H. Foreign exchange positions and transactions		
b) Other foreign exchange positions and transactions	145.499,05	-395.834,36
II. Investment income and expenses		
A. Dividends	181.735,76	615.890,47
B. Interests		
a) Securities and money market instruments	-4.080,88	46.974,88
b) Cash at bank and in hand and deposits	46,25	1.062,02
C. Interest on borrowings (-)	-298,57	-2.192,43
III. Other income		
B. Other		274,42
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-7.831,48	-99.057,12
B. Financial expenses (-)	-60,94	-1.383,44
C. Custodian's fee (-)	-4.445,13	-18.060,54
D. Manager's fee (-)		
a) Financial management		
Classic Shares	-58.477,16	-287.094,39
b) Administration and accounting management	-5.118,52	-17.807,08
E. Administrative expenses (-)	-72,49	-68,66
F. Formation and organisation expenses (-)	-660,26	-1.603,25
G. Remuneration, social security charges and pension		-7,33
H. Services and sundry goods (-)	-1.799,09	-5.045,81
J. Taxes		
Classic Shares	4.808,99	-14.671,12
K. Other expenses (-)	-587,86	-18.536,47
Income and expenditure for the period		
Subtotal II + III + IV	103.158,62	198.674,15
V. Profit (loss) on ordinary activities before tax	262.875,65	239.361,22
VII. Result for the period	262.875,65	239.361,22

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC EQUITY FUND EURO CYCLICALS

Name	Quantity on 30/06/2012	Currency	Price in currency	Evaluation (in the currency of the sub-fund)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
Shares							
Exchange-listed shares							
<u>Austria</u>							
OMV AG (WIEN)	856,00	EUR	24,770	21.203,12		0,28	0,28
VOESTALPINE AG -	626,00	EUR	20,855	13.055,23		0,17	0,18
<u>Belgium</u>							
BEKAERT -	212,00	EUR	19,510	4.136,12		0,06	0,06
NYRSTAR STRIP VVPR	9.590,00	EUR	0,001	9,59			
SOLVAY -	291,00	EUR	77,780	22.633,98		0,30	0,30
UMICORE -	572,00	EUR	36,370	20.803,64		0,28	0,28
UMICORE STRIP VVPR	240,00	EUR	0,004	0,96			
<u>Bermuda</u>							
SEADRILL LTD -	1.038,00	NOK	211,100	29.046,61		0,39	0,39
<u>Denmark</u>							
A.P. MOLLER-MAERSK A/S -B-	6,00	DKK	38.440,000	31.023,35		0,41	0,42
DSV DE SAMMENSLUTTEDE VOGNMAEND -	1.085,00	DKK	116,100	16.944,00		0,23	0,23
NOVOZYMES A/S "B"	1.170,00	DKK	151,800	23.889,76		0,32	0,32
<u>Finland</u>							
KONE CORP. -	570,00	EUR	47,630	27.149,10		0,36	0,36
METSO OYJ (HEL)	666,00	EUR	27,110	18.055,26		0,24	0,24
NOKIAN RENKAAT OYJ -	566,00	EUR	29,860	16.900,76		0,23	0,23
STORA ENSO OYJ "R"	3.176,00	EUR	4,840	15.371,84		0,21	0,21
UPM-KYMMENE CORP -	1.786,00	EUR	8,900	15.895,40		0,21	0,21
WARTSILA CORPORATION "B"	614,00	EUR	25,790	15.835,06		0,21	0,21
<u>France</u>							
ACCOR -	568,00	EUR	24,680	14.018,24		0,19	0,19
ADP -	215,00	EUR	59,600	12.814,00		0,17	0,17
AIR LIQUIDE (L') -	1.202,00	EUR	90,050	108.240,10		1,45	1,45
ALSTOM -	1.026,00	EUR	24,930	25.578,18		0,34	0,34
ARKEMA -	264,00	EUR	51,550	13.609,20		0,18	0,18
BOUYGUES -	989,00	EUR	21,200	20.966,80		0,28	0,28
BUREAU VERITAS SA -	303,00	EUR	70,140	21.252,42		0,28	0,29
CHRISTIAN DIOR -	210,00	EUR	108,250	22.732,50		0,30	0,31
COMPAGNIE GENERALE DE GEOPHYSIQUE SA -	698,00	EUR	20,235	14.124,03		0,19	0,19
EDENRED -	819,00	EUR	22,345	18.300,56		0,24	0,25
GROUPE EUROTUNNEL SA -	2.683,00	EUR	6,400	17.171,20		0,23	0,23
LAFARGE -	645,00	EUR	35,155	22.674,98		0,30	0,30
LAGARDERE S.C.A. -	531,00	EUR	21,990	11.676,69		0,16	0,16
LEGRAND (PAR)	1.017,00	EUR	26,755	27.209,84		0,36	0,37
LVMH-MOET H.L.VUIT. -	989,00	EUR	119,850	118.531,65		1,58	1,59
MICHELIN (PAR)	682,00	EUR	51,480	35.109,36		0,47	0,47
PINAULT-PRINTEMPS-REDOUTE -	258,00	EUR	112,250	28.960,50		0,39	0,39

PUBLICIS GROUPE SA -	307,00	EUR	36,050	11.067,35		0,15	0,15
RENAULT (PAR)	975,00	EUR	31,440	30.654,00		0,41	0,41
SAFRAN SA (PAR)	820,00	EUR	29,200	23.944,00		0,32	0,32
SAINT GOBAIN -	1.500,00	EUR	29,100	43.650,00		0,58	0,59
SCHNEIDER ELECTRIC SA -	1.986,00	EUR	43,730	86.847,78		1,16	1,17
SODEXHO ALLIANCE -	297,00	EUR	61,400	18.235,80		0,24	0,25
TECHNIP SA (PAR)	376,00	EUR	81,950	30.813,20		0,41	0,41
THALES -	548,00	EUR	26,020	14.258,96		0,19	0,19
TOTAL -	8.103,00	EUR	35,500	287.656,50		3,84	3,86
VALLOUREC SA -	551,00	EUR	32,170	17.725,67		0,24	0,24
VINCI S.A. -	1.605,00	EUR	36,785	59.039,93		0,79	0,79
<u>Germany</u>							
ADIDAS AG -	890,00	EUR	56,460	50.249,40		0,67	0,67
BASF SE -	3.499,00	EUR	54,700	191.395,30		2,56	2,57
BAYERISCHE MOTOREN WERKE AG -	1.351,00	EUR	56,930	76.912,43		1,03	1,03
BRENTAG AG -	174,00	EUR	87,180	15.169,32		0,20	0,20
CONTINENTAL AG -	394,00	EUR	65,620	25.854,28		0,35	0,35
DAIMLER AG -	3.433,00	EUR	35,345	121.339,39		1,62	1,63
DEUTSCHE LUFTHANSA AG REG	1.301,00	EUR	9,113	11.856,01		0,16	0,16
DEUTSCHE POST AG -	3.513,00	EUR	13,940	48.971,22		0,65	0,66
GEA AG -	865,00	EUR	20,970	18.139,05		0,24	0,24
HEIDELBERGCEMENT AG -	712,00	EUR	37,765	26.888,68		0,36	0,36
HEIDELBERGCEMENT AG STRIP-VVPR	945,00	EUR	0,010	9,45			
K+S AG (FRA)	842,00	EUR	36,000	30.312,00		0,41	0,41
KABEL DEUTSCHLAND HOLDING AG -	313,00	EUR	49,125	15.376,13		0,21	0,21
LANXESS -	409,00	EUR	49,720	20.335,48		0,27	0,27
LINDE AG -	653,00	EUR	122,650	80.090,45		1,07	1,07
MAN AG -	172,00	EUR	80,540	13.852,88		0,19	0,19
PORSCHE AUTOMOBIL HOLDING SE PREF	753,00	EUR	39,145	29.476,19		0,39	0,40
SIEMENS AG REG	3.120,00	EUR	66,140	206.356,80		2,76	2,77
THYSSENKRUPP AG -	1.682,00	EUR	12,835	21.588,47		0,29	0,29
VOLKSWAGEN AG -	156,00	EUR	118,850	18.540,60		0,25	0,25
VOLKSWAGEN AG PREF	519,00	EUR	124,600	64.667,40		0,86	0,87
<u>Ireland</u>							
C.R.H. PLC -	2.692,00	EUR	15,110	40.676,12		0,54	0,55
<u>Italy</u>							
ATLANTIA SPA -	1.787,00	EUR	10,050	17.959,35		0,24	0,24
ENI -	9.086,00	EUR	16,780	152.463,08		2,04	2,05
FIAT INDUSTRIAL SPA -	3.854,00	EUR	7,740	29.829,96		0,40	0,40
FIAT SPA -	3.727,00	EUR	3,968	14.788,74		0,20	0,20
LUXOTTICA GROUP SPA -	641,00	EUR	27,620	17.704,42		0,24	0,24
PRYSMIAN SPA -	1.070,00	EUR	11,740	12.561,80		0,17	0,17
SAIPEM (MIL)	1.061,00	EUR	34,990	37.124,39		0,50	0,50
<u>Jersey/The Channel Islands</u>							
RANDGOLD RESOURCES LTD -	306,00	GBP	57,350	21.689,66		0,29	0,29
WOLSELEY PLC -	1.054,00	GBP	23,770	30.964,75		0,41	0,42
<u>Luxembourg</u>							
ACERGY SA -	1.348,00	NOK	117,100	20.924,57		0,28	0,28
ARCELORMITTAL -	3.513,00	EUR	12,110	42.542,43		0,57	0,57
SES GLOBAL -	1.117,00	EUR	18,640	20.820,88		0,28	0,28
TENARIS SA -	1.712,00	EUR	13,790	23.608,48		0,32	0,32
<u>Netherlands</u>							
A.K.Z.O. NOBEL -	939,00	EUR	37,040	34.780,56		0,46	0,47
EUROPEAN AERONAUTIC DEF.&SPACE -	1.658,00	EUR	27,940	46.324,52		0,62	0,62

FUGRO NV CVA	339,00	EUR	47,730	16.180,47		0,22	0,22
KONINKLIJKE D.S.M. NV (AMS)	369,00	EUR	38,800	14.317,20		0,19	0,19
KONINKLIJKE PHILIPS ELECTRONICS N.V. -	4.262,00	EUR	15,570	66.359,34		0,89	0,89
POSTNL NV -	2.540,00	EUR	3,250	8.255,00		0,11	0,11
RANDSTAD HOLDING (AMS)	627,00	EUR	23,175	14.530,73		0,19	0,20
REED ELSEVIER NV -	2.830,00	EUR	9,012	25.503,96		0,34	0,34
SBM OFFSHORE NV (AMS)	824,00	EUR	10,885	8.969,24		0,12	0,12
VOPAK (KON.) (AMS)	87,00	EUR	50,550	4.397,85		0,06	0,06
WOLTERS KLUWER -	1.197,00	EUR	12,530	14.998,41		0,20	0,20
<u>Norway</u>							
ORKLA ASA "A"	3.940,00	NOK	43,060	22.489,51		0,30	0,30
STATOIL -	4.167,00	NOK	141,400	78.105,70		1,04	1,05
STATOILHYDRO ASA -	4.706,00	NOK	26,700	16.656,09		0,22	0,22
YARA INTL ASA -	916,00	NOK	258,800	31.424,59		0,42	0,42
<u>Portugal</u>							
GALP ENERGIA SGPS SA -	1.237,00	EUR	10,000	12.370,00		0,17	0,17
<u>Spain</u>							
ABERTIS INFRAESTRUCTURAS -	1.190,00	EUR	10,645	12.667,55		0,17	0,17
ACTIVIDADES CONSTRUCY SERV -	862,00	EUR	16,890	14.559,18		0,19	0,20
FERROVIAL SA -	1.997,00	EUR	8,887	17.747,34		0,24	0,24
INDUSTRIA DE DISENO TEXTIL SA -	906,00	EUR	81,530	73.866,18		0,99	0,99
REPSOL INTL FINANCE -	3.535,00	EUR	12,640	44.682,40		0,60	0,60
ZARDOYA OTIS S.A. (MAD)	457,00	EUR	8,780	4.012,46		0,05	0,05
<u>Sweden</u>							
ALFA LAVAL -	1.729,00	SEK	118,200	23.330,99		0,31	0,31
ASSA ABLOY AB "B"	943,00	SEK	192,600	20.734,27		0,28	0,28
ATLAS COPCO AB "A"	3.939,00	SEK	148,400	66.732,99		0,89	0,90
BOLIDEN AB -	1.488,00	SEK	96,000	16.307,78		0,22	0,22
ELECTROLUX "B"	1.251,00	SEK	137,000	19.565,84		0,26	0,26
HENNES&MAURITZ "B"	3.574,00	SEK	247,400	100.942,70		1,35	1,35
LUNDIN PETROLEUM AB -	639,00	SEK	128,900	9.403,17		0,13	0,13
S.K.F. B FRIA	1.945,00	SEK	135,900	30.175,87		0,40	0,41
SANDVIK FRIA -	3.977,00	SEK	88,350	40.112,79		0,54	0,54
SCA-SVENSKA CELLULOSA AB "B"	2.307,00	SEK	103,500	27.258,92		0,36	0,37
SCANIA B	1.670,00	SEK	118,100	22.515,78		0,30	0,30
SKANSKA AB "B"	1.285,00	SEK	105,700	15.505,96		0,21	0,21
VOLVO TREASURY AB "B"	5.066,00	SEK	78,750	45.544,55		0,61	0,61
<u>Switzerland</u>							
ABB LTD -	8.259,00	CHF	15,450	106.232,82		1,42	1,43
ADECCO SA CHESEREX REG	681,00	CHF	42,000	23.812,18		0,32	0,32
COMPAGNIE FINANCIERE RICHEMONT "A"	1.975,00	CHF	51,850	85.254,76		1,14	1,14
GEBERIT AG -	144,00	CHF	186,700	22.382,55		0,30	0,30
GIVAUDAN (NOM)	32,00	CHF	929,500	24.762,94		0,33	0,33
HOLCIM LTD (NOM)	955,00	CHF	52,350	41.621,99		0,56	0,56
KUEHNE & NAGEL INT'L AG -	278,00	CHF	100,200	23.190,78		0,31	0,31
SCHINDLER-HLDG PART.BON	232,00	CHF	105,800	20.435,08		0,27	0,27
SGS SA (REG)	23,00	CHF	1.775,000	33.988,26		0,45	0,46
SIKA AG -	10,00	CHF	1.828,000	15.218,75		0,20	0,20
SYNGENTA (NOM)	360,00	CHF	323,300	96.897,14		1,29	1,30
THE SWATCH GROUP AG -	140,00	CHF	373,500	43.533,28		0,58	0,58
<u>U.K.</u>							
AGGREKO PLC -	1.271,00	GBP	20,720	32.548,66		0,44	0,44
AMEC -	1.592,00	GBP	10,020	19.715,54		0,26	0,26
ANGLO AMERICAN PLC PLC	4.968,00	GBP	20,885	128.237,15		1,71	1,72

ANTOFAGASTA PLC -	1.395,00	GBP	10,880	18.758,62		0,25	0,25
BABCOCK INTERNATIONAL GROUP -	1.783,00	GBP	8,535	18.808,44		0,25	0,25
BAE SYSTEMS PLC -	11.884,00	GBP	2,886	42.389,35		0,57	0,57
BALFOUR BEATTY PLC -	3.563,00	GBP	2,980	13.122,90		0,18	0,18
BG GROUP PLC -	12.910,00	GBP	13,000	207.428,01		2,77	2,78
BILLITON PLC -	7.934,00	GBP	18,060	177.095,59		2,37	2,38
BP PLC -	72.179,00	GBP	4,220	376.417,36		5,03	5,06
BRITISH SKY BROADCAST -	4.891,00	GBP	6,965	42.103,34		0,56	0,57
BUNZL -	1.680,00	GBP	10,430	21.656,66		0,29	0,29
BURBERRY GROUP PLC -	2.069,00	GBP	13,250	33.882,40		0,45	0,45
CAPITA GROUP PLC -	3.072,00	GBP	6,560	24.907,08		0,33	0,33
CARNIVAL PLC PLC	775,00	GBP	21,820	20.900,38		0,28	0,28
COBHAM -	5.893,00	GBP	2,322	16.912,06		0,23	0,23
COMPASS GROUP -	7.795,00	GBP	6,690	64.452,54		0,86	0,86
EURASAIN NATURAL RESOURCES COR -	1.435,00	GBP	4,154	7.367,43		0,10	0,10
EXPERIAN GROUP LTD -	2.986,00	GBP	9,005	33.233,14		0,44	0,45
FRESNILLO PLC -	855,00	GBP	14,570	15.396,55		0,21	0,21
GLENCORE INTERNATIONAL PLC -	4.083,00	GBP	2,956	14.914,48		0,20	0,20
GROUP 4 SECURICOR PLC -	5.048,00	GBP	2,791	17.413,14		0,23	0,23
INTERCONTINENTAL HOTELS GROUP PLC -	1.197,00	GBP	15,350	22.709,12		0,30	0,31
INTERTEK GROUP PLC -	789,00	GBP	26,720	26.056,21		0,35	0,35
ITV PLC -	16.334,00	GBP	0,766	15.463,90		0,21	0,21
JOHNSON MATTHEY PLC -	1.058,00	GBP	22,080	28.872,38		0,39	0,39
KAZAKHMYS PLC -	1.078,00	GBP	7,215	9.612,87		0,13	0,13
KINGFISHER PLC -	9.874,00	GBP	2,874	35.073,39		0,47	0,47
MARKS&SPENCER -	6.949,00	GBP	3,250	27.912,80		0,37	0,37
NEXT PLC -	706,00	GBP	31,990	27.913,66		0,37	0,37
PEARSON PLC -	3.145,00	GBP	12,660	49.209,86		0,66	0,66
PETROFAC LTD -	1.240,00	GBP	13,880	21.272,03		0,28	0,29
REED ELSEVIER PLC -	5.048,00	GBP	5,115	31.912,64		0,43	0,43
REXAM PLC -	4.355,00	GBP	4,210	22.660,43		0,30	0,30
RIO TINTO PLC -	5.063,00	GBP	30,190	188.916,04		2,52	2,53
ROLLS ROYCE GROUP PLC -	7.765,00	GBP	8,580	82.342,97		1,10	1,10
ROYAL DUTCH SHELL PLC -A-	13.974,00	GBP	21,475	370.895,62		4,95	4,98
ROYAL DUTCH SHELL PLC -B-	10.128,00	GBP	22,250	278.516,87		3,72	3,74
SERCO GROUP PLC -	2.521,00	GBP	5,360	16.700,73		0,22	0,22
SMITHS GROUP PLC -	1.942,00	GBP	10,150	24.362,01		0,33	0,33
TULLOW OIL INC (LON)	3.421,00	GBP	14,700	62.153,87		0,83	0,83
WEIR GROUP PLC (THE) -	994,00	GBP	15,300	18.796,44		0,25	0,25
WHITBREAD HOLDINGS PLC -	693,00	GBP	20,280	17.369,97		0,23	0,23
WPP GROUP PLC -	5.510,00	GBP	7,730	52.641,58		0,70	0,71
XSTRATA PLC -	8.414,00	GBP	7,986	83.048,08		1,11	1,11
<u>U.S.A.</u>							
TRANSOCEAN SEDCO FOREX INC. -	1.307,00	CHF	42,220	45.940,59		0,61	0,62
Total shares				7.486.532,08		99,97	100,41
Rights							
<u>Spain</u>							
REPSOL YPF SA CP 21/06/12	3.535,00	EUR	0,554	1.958,39		0,03	0,03
ZARDOYA OTIS S.A. CP 14/06/12	457,00	EUR	0,427	195,14		0,00	0,00
Total rights				2.153,53		0,03	0,03
TOTAL SECURITIES PORTFOLIO				7.488.685,61		100,00	100,44

COLLATERAL RECEIVED						
<u>Belgium</u>						
KBC GROUP COLLATERAL EUR	117.949,74	EUR	1,000	117.949,74		1,58
TOTAL RECEIVED COLLATERAL				117.949,74		1,58
CASH AT BANK AND IN HAND						
Demand accounts						
<u>Belgium</u>						
KBC GROUP CAD	906,18	CAD	1,000	700,43		0,01
KBC GROUP CHF	170,98	CHF	1,000	142,35		0,00
KBC GROUP CZK	879,97	CZK	1,000	34,46		
KBC GROUP DKK	562,89	DKK	1,000	75,71		0,00
KBC GROUP EURO	-59.860,44	EUR	1,000	-59.860,44		-0,80
KBC GROUP GBP	752,04	GBP	1,000	929,48		0,01
KBC GROUP HUF	9.888,94	HUF	1,000	34,61		
KBC GROUP JPY	3,00	JPY	1,000	0,03		
KBC GROUP NOK	6.289,60	NOK	1,000	833,74		0,01
KBC GROUP SEK	345,18	SEK	1,000	39,41		0,00
KBC GROUP USD	3.859,87	USD	1,000	3.041,42		0,04
KBC GROUP ZAR	343,31	ZAR	1,000	33,08		
Total demand accounts				-53.995,72		-0,72
TOTAL CASH AT BANK AND IN HAND				-53.995,72		-0,72
OTHER RECEIVABLES AND PAYABLES						
Receivables						
<u>Belgium</u>						
KBC GROUP EUR RECEIVABLE	1.159,13	EUR	1,000	1.159,13		0,02
KBC GROUP GBP RECEIVABLE	823,09	GBP	1,000	1.017,29		0,01
KBC GROUP WHT TO BE RECOVERED EUR	2.223,21	EUR	1,000	2.223,21		0,03
Total receivables				4.399,63		0,06
Payables						
<u>Belgium</u>						
KBC GROUP COUNTERPART ENTRY COLLATERAL IN EUR	-117.949,74	EUR	1,000	-117.949,74		-1,58
KBC GROUP EUR PAYABLE	-9.786,03	EUR	1,000	-9.786,03		-0,13
Payables				-127.735,77		-1,71
TOTAL RECEIVABLES AND PAYABLES				-123.336,14		-1,65
OTHER						
Interest receivable		EUR		21.749,27		0,29
Accrued interest		EUR		2.338,14		0,03
Expenses payable		EUR		-1.943,66		-0,03
Expenses to be carried forward		EUR		4.202,74		0,06
TOTAL OTHER				26.346,49		0,35
TOTAL NET ASSETS				7.455.649,98		100,00

Geographic breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Austria	0,65	0,44	0,40	0,46
Belgium	0,80	0,68	0,51	0,64
Bermuda	0,03	0,36	0,46	0,39
Switzerland	5,76	7,78	7,84	7,18
Germany	17,45	18,05	15,45	14,52
Denmark	1,41	1,23	1,16	0,96
Spain	2,28	1,84	1,91	2,27
Finland	2,76	1,70	1,47	1,46
France	16,33	16,36	15,39	15,45
U.K.	31,67	33,51	37,88	38,20
Ireland	1,37	0,64	0,65	0,54
Italy	4,26	3,90	3,80	3,77
Jersey/The Channel Islands	0,38	0,59	0,83	0,70
Luxembourg	2,64	1,66	1,36	1,44
Netherlands	7,55	3,17	3,27	3,40
Norway	1,12	2,01	2,16	1,99
Portugal	0,34	0,27	0,17	0,17
Sweden	3,12	5,10	4,74	5,85
U.S.A.	0,00	0,71	0,55	0,61
South Africa	0,08	0,00	0,00	0,00
Total	100,00	100,00	100,00	100,00

Sector breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Cyclicals	75,68	79,05	80,41	70,39
Consum(cycl)	22,56	20,12	18,73	24,80
Cons.goods	0,00	0,00	0,00	3,93
Pharma	0,00	0,13	0,17	0,24
Financials	0,00	0,00	0,12	0,00
Technology	0,71	0,34	0,27	0,36
Telecomm.	0,08	0,36	0,29	0,28
Utilities	0,20	0,00	0,00	0,00
Real est.	0,77	0,00	0,00	0,00
Various	0,00	0,00	0,01	0,00
Total	100,00	100,00	100,00	100,00

Currency breakdown (as a % of net assets)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
CAD	0,00	0,00	0,01	0,01
CHF	6,41	8,55	8,33	7,85
CZK	0,18	0,00	0,00	0,00
DKK	1,42	1,24	1,22	0,97
EUR	60,07	48,15	43,85	43,28
GBP	27,56	34,27	39,04	39,26
NOK	1,16	2,65	2,83	2,69
SEK	3,08	5,14	4,70	5,90
USD	0,05	0,00	0,02	0,04
ZAR	0,07	0,00	0,00	0,00
Total	100,00	100,00	100,00	100,00

**2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC EQUITY FUND EURO CYCLICALS
(IN THE CURRENCY OF THE SUB-FUND)**

	1st half of year	Year
Purchases	1.246.790,30	1.246.790,30
Sales	2.323.301,04	2.323.301,04
Total 1	3.570.091,34	3.570.091,34
Subscriptions	779.030,97	779.030,97
Redemptions	2.042.262,37	2.042.262,37
Total 2	2.821.293,34	2.821.293,34
Monthly average of total assets	8.703.664,73	8.703.664,73
Turnover rate	8,60 %	8,60 %

	1st half of year	Year
Purchases	1.246.790,30	1.246.790,30
Sales	2.323.301,04	2.323.301,04
Total 1	3.570.091,34	3.570.091,34
Subscriptions	779.030,97	779.030,97
Redemptions	2.042.262,37	2.042.262,37
Total 2	2.821.293,34	2.821.293,34
Monthly average of total assets	8.904.721,16	8.904.721,16
Corrected turnover rate	8,41 %	8,41 %

The table above shows the capital volume of portfolio transactions. This volume (adjusted to take account of total subscriptions and redemptions) is also compared to the average net assets at the beginning and end of the period.

A figure close to 0% implies that the transactions relating to the securities or transactions relating to the assets (excluding deposits and cash) in a given period only involve subscriptions and redemptions.

A negative percentage shows that subscriptions and redemptions entailed few, if any, transactions in the portfolio.

Active asset management may result in high turnover rates (monthly percentage >50%).

The detailed list of transactions is available for consultation free of charge at the registered office of the Bevek or fund at Havenlaan 2, 1080 Brussels.

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

NAME	Currency	Value in currency	In the currency of the sub-fund	Lot-size	Transaction date
KBC COLLATERAL EUR	EUR	117.949,74	117.949,74	N/A	29.06.2012

2.4.4 CHANGES OF THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND THE NET ASSET VALUE

Classic Shares

Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2010 - 06	48.677,89	169,00	18.404,92	796,00	73.009,45	4.169,00	77.178,45
2011 - 06	41.066,18	745,00	63.234,39	1.008,00	50.841,24	3.906,00	54.747,24
2012 - 06	5.251,63	242,67	46.045,48	1.114,00	10.047,40	3.034,67	13.082,06

Period	Amounts received and paid by the UCI (in the currency of the class)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2010 - 06	26.775.957,69	67.157,32	9.612.420,27	345.743,04
2011 - 06	25.436.565,64	399.671,17	39.707.349,55	507.148,27
2012 - 06	3.342.772,29	111.981,29	24.810.689,42	523.963,00

Period	Net asset value End of period (in the currency of the class)		
Year	Of the class	Of one share	
		Capitalization	Distribution
2010 - 06	39.398.687,01	515,74	418,55
2011 - 06	35.506.890,09	657,58	531,14
2012 - 06	7.455.649,98	597,81	477,55

Institutional B Shares

Change in number of shares in circulation: Nil

Amounts received and paid by the UCI: Nil

Net asset value: Nil

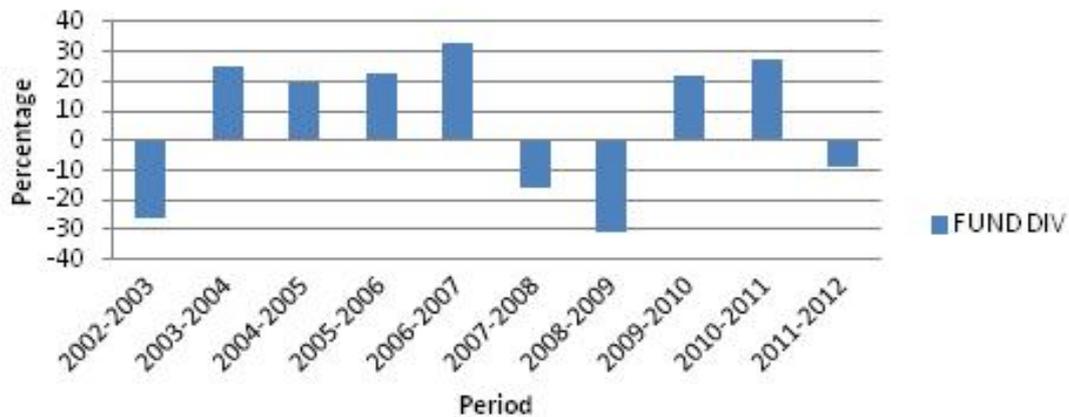
2.4.5 PERFORMANCE FIGURES

Classic Shares

BE0172710502

KBC Equity Fund - Euro Cyclical - DIV:

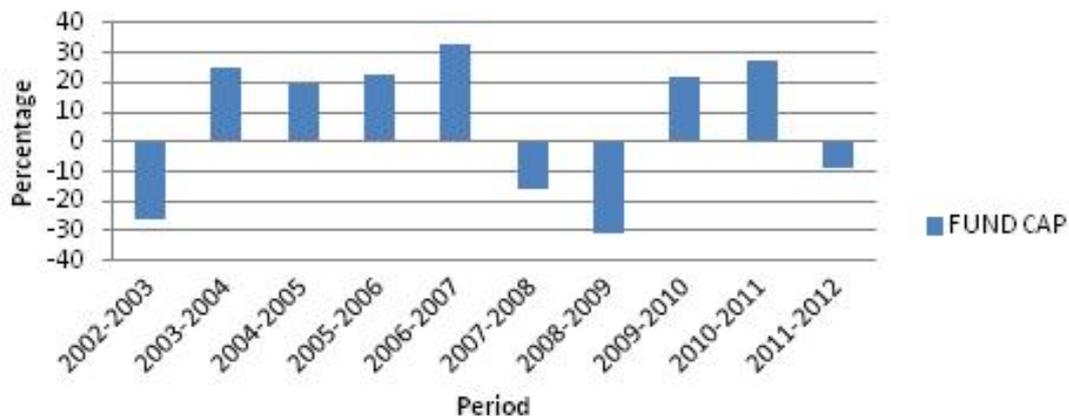
Annual performance on 30/06/2012 (in EUR)



BE0172711518

KBC Equity Fund - Euro Cyclical - CAP:

Annual performance on 30/06/2012 (in EUR)



Cap Div	ISIN code	Cur- rency	1 Year		3 Years*		5 Years*		10 Years*		Since launch*	
			Share classes	Bench mark	Launch Date	Share classes						
CAP	BE0172711518	EUR	-9.09%		12.10%		-3.82%		3.98%		30/12/1999	1.44%
DIV	BE0172710502	EUR	-9.13%		12.09%		-3.83%		3.97%		30/12/1999	1.43%

Risk warning: Past performance is not a guide to future performance.

* Return on annual basis.

Institutional B Shares

The cumulative returns are shown where they relate to a period of at least one year.

Classic Shares

- The bar chart shows the performance for full financial years.
- The figures do not take account of any restructuring.
- Calculated in EUR.
- The return is calculated as the change in the net asset value between two dates expressed as a percentage. In the case of units that pay dividends, the dividend is incorporated geometrically in the return.
- Calculation method for date D, where NAV stands for net asset value:

Capitalisation units (CAP)

Return on date D over a period of X years:

$$[\text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where $Y = D - X$

Return on date D since the start date S of the unit:

$$[\text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where $F = 1$ if the unit has existed for less than one year on date D

where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D

Distribution units (DIV)

Return on date D over a period of X years:

$$[C * \text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where $Y = D - X$

Return on date D since the start date S of the unit:

$$[C * \text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where $F = 1$ if the unit has existed for less than one year on date D

where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D

where C is a factor that is determined for all N dividends between the calculation date D and the reference date.

For dividend i on date Di with value Wi:

$$C_i = [W_i / \text{NIW}(D_i)] + 1$$

$i = 1 \dots N$

from which $C = C_0 * \dots * C_N$.

- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the n^{th} square root of 1 plus the total return of the unit.
- The return figures shown above do not take account of the fees and charges associated with the issue and redemption of units.

These are the performance figures for capitalisation and distribution shares.

2.4.6 COSTS

Total expense ratio (TER): *

Classic Shares Distribution: 1.68%
Classic Shares Capitalization: 1.68%
Institutional B Shares Capitalization: Not applicable

Percentage calculated at the end of the financial year: 31 December

* The following costs have not been included in the TER:

- Transaction charges
- Interest payments on loans taken out
- Payments in respect of financial derivatives
- Fees and charges paid directly by the investor
- Any soft commissions

SOFT COMMISSIONS

The management company or the appointed manager, as the case may be, is the recipient of soft commissions.

The recipient has laid down an internal policy as regards accepting soft commissions and avoiding possible conflicts of interest in this respect, and has put appropriate internal controls in place to ensure this policy is observed.

For more information, please see the 'General' section of the annual report.

	Commission gross in EUR paid during the period: 1-01-12 -	CSA Credits in EUR accrued during the period: 1-01-12 -	
Broker	30-06-12	30-06-12	Percentage
DEUTSCHE	300	188	62.50%
EQ CSA MACQUARIE	494	309	62.50%
MORGAN STANLEY	1,099	687	62.50%
NOMURA	155	97	62.50%

FEE-SHARING AGREEMENTS AND REBATES:

The management company may share its fee with the distributor, and institutional and/or professional parties.

In principle, the percentage share amounts to between 35% and 60% if the distributor is an entity of KBC Group NV or to between 35% and 70% if the distributor is not an entity of KBC Group NV. However, in a small number of cases, the distributor's fee is less than 35%. Investors may, on request, obtain more information on these cases.

If the management company invests the assets of the undertaking for collective investment in units of undertakings for collective investment that are not managed by an entity of KBC Group NV, and receives a fee for doing so, it will pay this fee to the undertaking for collective investment.

Fee-sharing does not affect the amount of the management fee paid by the sub-fund to the management company. This management fee is subject to the limitations laid down in the articles of association. The limitations may only be amended after approval by the general meeting of shareholders.

The management company has concluded a distribution agreement with the distributor in order to facilitate the wider distribution of the sub-fund's units by using multiple distribution channels.

It is in the interests of the holders of units, the sub-fund and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund to be maximised in this way. In this respect, there is therefore no question of any conflict of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: 1.35% per annum calculated on the basis of the average total net assets of the sub-fund, excluding those assets invested in investment undertakings managed by a financial institution of the KBC group.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the average total net assets of the sub-fund.

Auditor's fee: 1 700 EUR per year. This fee is not including VAT and will be increased at the end of the 3-year mandate.

The custody fee is calculated on the value of the securities held in custody by the custodian on the final banking day of the preceding calendar year, except on those assets invested in investment undertakings managed by a financial institution of the KBC group. The custody fee is paid at the beginning of the calendar year.

Social, ethical and environmental aspects:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

Exercising voting rights

If necessary, relevant and in the interest of the shareholders, the management company will exercise the voting rights attached to the shares in the Bevek's portfolio.

The management company will adhere to the following criteria when determining how it stands relative to the items on the agenda that are put to the vote:

- Shareholder value may not be adversely affected.
- Corporate governance rules, especially with regard to the rights of minority shareholders, must be respected.
- The minimum standards with regard to sustainable business and corporate social responsibility must be met.

The list of companies for which voting rights are exercised is available at the registered office of the Bevek.

Securities lending

In accordance with the Royal Decree of 7 March 2006 concerning securities lending, the undertaking for collective investment has taken out securities loans with a principal to whom the full title of the loaned securities was transferred, without recording this transfer of ownership in the accounts.

For the period from 1 January 2012 to 30 June 2012, the fee for securities lent comes to - 6,419.03 EUR. KBC Asset Management NV receives 50% of the net fee received for securities lent.

The detailed list of securities lending transactions carried out can be obtained from the registered office of the collective investment undertaking at 2 Havenlaan, 1080 Brussels.

Overview of securities lent as at 30/06/2012

Name	Currency	Quantity	Price	Value in currency of the portfolio
ACS - ACTIV.CONSTR.SERVIC.SA	EUR	861	16,890	14.542,29
GLENCORE INTERNATIONAL PLC	GBP	4.082	2,956	14.910,83
PORSCHE AUTOMOBIL HOLDING SE	EUR	752	39,145	29.437,04
PUBLICIS GROUPE	EUR	306	36,050	11.031,30
SCHINDLER HOLDING PARTICIPATIEBON	CHF	231	105,800	20.347,00
SUBSEA 7 SA	NOK	1.347	117,100	20.909,05
			Total	111.177,51

Details of collateral received for securities lent

Name	Currency	Nominal value	Currency fund	Value in Currency fund
GERMANY 2009 2,25% 11/04/14	EUR	113.000	EUR	117.949,74
			Total	117.949,74

For the valuation of the collateral received, indicative prices have been used in this detail list by the Collateral Management Division of KBC Bank.

TABLE OF CONTENTS

- 2. Information on KBC Equity Fund Euro Telecom & Technology
 - 2.1. Management report
 - 2.1.1. Launch date and subscription price
 - 2.1.2. Stock exchange listing
 - 2.1.3. Aim and distinctive features of the investment policy
 - 2.1.4. Financial portfolio management
 - 2.1.5. Distributors
 - 2.1.6. Index and benchmark
 - 2.1.7. Policy conducted during the financial year
 - 2.1.8. Future policy
 - 2.1.9. Synthetic risk and reward indicator (SRRI)
 - 2.2. Balance sheet
 - 2.3. Profit and loss account
 - 2.4. Composition of the assets and key figures
 - 2.4.1. Composition of the assets
 - 2.4.2. Change in the composition of the assets
 - 2.4.3. Value of commitments in respect of financial derivatives positions
 - 2.4.4. Evolution of the number of subscriptions, repayments and the net asset value
 - 2.4.5. Return figures
 - 2.4.6. Expenses
 - 2.4.7. Notes to the financial statements and other data

2 INFORMATION ON KBC EQUITY FUND EURO TELECOM & TECHNOLOGY

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Classic Shares :

Launch date: 28 January 2000
Initial subscription price: 500 EUR
Currency: EUR

Institutional B Shares :

Launch date: 24 November 2011
Initial subscription price: 83.18 EUR
Currency: EUR

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

The main objective of this sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. To this end, the assets are invested, either directly or indirectly via correlated financial instruments, primarily in shares.

SUB-FUND'S INVESTMENT POLICY:

PERMITTED ASSET CLASSES:

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the sub-fund's object. The sub-fund shall invest no more than 10% of its assets in units of other undertakings for collective investment.

RESTRICTIONS OF THE INVESTMENT POLICY:

The investment policy will be implemented within the limits set by law and regulations. The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

PERMITTED DERIVATIVES TRANSACTIONS:

Derivates may be used either for hedging purposes or to achieve investment objectives.

Changes will be made to the investments at regular intervals to comply with the sub-fund's investment strategy. **In addition, listed and unlisted derivates may be used to achieve the objectives:** these may be forward contracts, options or swaps on securities, indices, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions. **Such derivatives may also be used to hedge the assets against exchange-rate fluctuations.** Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions.

STRATEGY SELECTED

The assets are invested primarily in shares of European companies in the telecommunication, technology and media sectors.

RISK CONCENTRATION

Shares of European companies in the telecommunication, technology and media sectors.

LENDING FINANCIAL INSTRUMENTS:

The sub-fund may lend financial instruments within the limits set by law and regulations.

This lending does not affect the sub-fund's risk profile since:

- it takes place within the framework of a securities lending system managed by a principal. In addition, the sub-fund has a relationship only with the principal of the securities lending system which acts as counterparty and to which title of the loaned securities is transferred. The choice of principal is subject to strict selection criteria. The return of securities similar to the securities that have been lent is guaranteed by the principal.
- through a margin management system, the sub-fund is always guaranteed financial security, the actual value of which always exceeds the actual value of the securities that have been lent, in case the principal does not return similar securities.

The return of securities similar to the securities that have been lent can be requested at any time, which means that the lending of securities does not affect the management of the sub-fund's assets. By lending securities, the sub-fund can generate an additional return. The principal pays a fee to the management company. After deducting the fee for the margin management and clearing services of KBC Bank, most of this fee is paid to the sub-fund.

The relationship with the counterparty or counterparties is governed by standard international agreements.

More information is provided on the terms and conditions governing securities lending in the annual or half-yearly report for the sub-fund.

VOLATILITY OF THE NET ASSET VALUE:

The volatility of the net asset value may be high due to the composition of the portfolio.

GENERAL STRATEGY FOR HEDGING THE EXCHANGE RATE RISK:

In order to protect its assets against exchange rate fluctuations and within the limitations laid down in the articles of association, the sub-fund may perform transactions relating to the sale of forward currency contracts, as well as the sale of call options and the purchase of put options on currencies. The transactions in question may relate solely to contracts traded on a regulated market that operates regularly, is recognised and is open to the public or that are traded with a recognised, prime financial institution specialising in such transactions and dealing in the over-the-counter (OTC) market in options. With the same objective, the sub-fund may also sell currencies forward or exchange them in private transactions with prime financial institutions specialising in such transactions. The hedging objective of the aforementioned transactions suggests that there is a direct link between these transactions and the assets to be hedged, which implies that the transactions carried out in a particular currency may in principle not exceed, in terms of volume, either the valuation value of all the assets in the same currency or the holding period of those assets.

SOCIAL, ETHICAL AND ENVIRONMENTAL ASPECTS:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

THE EUROPEAN SAVINGS DIRECTIVE AND TAX ON DEBT CLAIM RETURNS OBTAINED THROUGH THE REDEMPTION OF OWN UNITS OR IN THE EVENT OF FULL OR PARTIAL DISTRIBUTION OF EQUITY CAPITAL.

The following information is of a general character and is not intended to cover all aspects of an investment in a UCITS. In certain cases entirely different rules might even apply. Moreover, both tax law and the interpretation of it can change. Investors who wish to have more information about the tax implications – in both Belgium and abroad – of acquiring, holding and transferring units should seek the advice of their usual financial and tax advisers.

This UCITS shall invest a maximum of 15% of its assets directly or indirectly in debt instruments as intended by the European Savings Directive.

A. European Savings Directive (Directive 2003/48/EC)

The European Savings Directive has been implemented in Belgium through:

- The Law of 17 May 2004 transposing into Belgian law Directive 2003/48/EC of 3 June 2003 of the Council of the European Union on taxation of savings income in the form of interest payments and amending Income Tax Code 1992 on withholding tax;
- The Royal Decree of 27 September 2009 implementing Article 338bis § 2 of Income Tax Code 1992;
- The Royal Decree of 27 September 2009 concerning the entry into effect of Article 338bis § 2, paragraphs one to three, of Income Tax Code 1992;

Since this UCITS invests a maximum of 15% of its assets directly or indirectly in debt claims as intended by the European Savings Directive, the income of this UCITS does not fall within the scope of this directive.

B. Tax on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital (Article 19bis Income Tax Code 1992).

The income from this UCITS is not subject to the tax on debt instrument returns as intended by Article 19bis, Income Tax Code 1992.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

There is no delegation of the portfolio.

2.1.5 DISTRIBUTORS

KBC Asset Management S.A., 5, Place de la Gare, L-1616 Luxembourg.

2.1.6 INDEX AND BENCHMARK

See 'Sub-fund's investment policy'.

2.1.7 POLICY PERSUED DURING THE FINANCIAL YEAR

The global economy emerged from a deep recession in mid-2009, but the recovery was highly dependent on massive government budgetary and monetary stimuli. Doubts about the sustainability of the economic recovery continued to dominate the investment climate in the past period under review. In Europe the debt crisis continued to rage unabated. Five euro countries needed a bail-out from the European emergency fund. Greece reached agreements with its private sector creditors on restructuring the bond debt it owes them. The continued existence of the euro was even called into question. Fortunately, this was offset to some extent by the boom in Asia.

Although more jobs have been created than lost in the US since 2010, the rate of employment growth has remained on the low side. And wages increased very little: household purchasing power remained very modest and managed to support only scant growth. Economic growth (barely 1.6% year-on-year in the first half of 2012) was further hampered by the financial restructuring undertaken by states and local authorities and the increase in imports.

The euro is teetering on the brink of recession. The strong growth figures of 2010 and 2011 couldn't be sustained, and the euro crisis started taking its toll from the second half of 2011. Europe suffered under the strain of austerity measures and more restrictive lending policy of the banks. The reduction in the value of their sovereign bond portfolios threatened their solvency so that action had to be taken to compensate this. Greater divergence within Europe resulted in a further decline in unemployment in Germany and an alarmingly rapid rise in unemployment in countries such as Greece, Spain and Portugal. Belgium was closer to the strong core of the euro area than to the weak periphery.

The recession of the 2008-2009 period and the initial phase of the recovery have taught us much about the role of the emerging markets in the global economy. Exports to the Old World are still important, but that exclusive dependency is decreasing. Domestic demand (due to a rapidly growing middle class with a high consumption ratio) and inter-regional trade within Asia are playing an increasingly important role. The economic recovery in Asia since the second quarter of 2009 was just as pronounced as the slump. And that recovery has continued through 2010, 2011 and into 2012. As a result of pressure from rising oil and food prices, inflation increased sharply in 2011, and monetary policy was tightened in response to this. Higher interest rates have slowed growth somewhat since mid-2011.

The region is better armed to deal with financial crises than it was in the past. Public finances are healthy, the balance of payments is generally neutral (China actually has an astronomical surplus) and the domestic savings buffer is high. Asia's economic development no longer depends on fickle foreign capital.

The initial phase of the economic recovery went hand in hand with a fine stock-market rally, resulting in the S&P 500 being 75% higher at the end of April 2010 than its low point on 9 March 2009. Since then, the equity markets have struggled to find fresh impetus. The euro crisis and fear that the European banking sector would collapse naturally continued to cast a dark cloud over the market. On top of this, the stock markets were affected by changeable sentiment about the economic situation, and the same is true of 2012. Relative optimism about the economy caused the stock markets to improve in the first quarter, but they have since run out of steam. On 30 June 2012, the MSCI All Countries (the broadest global index) recorded a return of 8.7% in EUR over the past six months.

Of the traditional markets, the underperformance of Western Europe (MSCI Europe return index over the past six months: -5.2%) remained relatively limited. Nevertheless, the problems in the EMU kept stacking up: they include the Greek debt crisis, the threat of an extremist separatist party winning the Greek elections, the undercapitalisation of Spanish banks, the referendum in Ireland, and the financial collapse in Cyprus. Apparently the underperformance of European shares over many years has increased the valuation gap with US shares so much that fresh events in the euro crisis have less impact on the stock markets. In any event, the gap that had opened up in Europe in comparison with the US in recent years widened slightly during the reporting period. Wall Street closed the year under review up considerably (S&P 500: +8.6%, Dow Jones: +6.4%), while European investors also benefited from an increase in the value of the dollar (return MSCI USA in euros: +11.9%).

2.1.8 FUTURE POLICY

Business confidence indicators in the US and Europe hit new highs in spring 2011 and have dipped to more neutral levels over the past twelve months. Considerable divergence between the US and Europe has developed since September. At the moment, the US producer confidence index points to some optimism about the economy. In Europe confidence is continuing to slip and has entered the twilight zone of recession. We expect growth in the US to remain positive but modest (around 1.5-2% y-o-y in the next couple of quarters), given the dearth of new jobs, the downward pressure on pay increases and the absence of a recovery in the housing market. Budgetary plans will depress growth in Europe. However, the indicators do suggest that the fears of deflation and depression that are currently dominating the financial markets are unwarranted.

In 2010 and 2011 the foundations were laid for more sustainable growth in 2012 and 2013. US households have trimmed back their debt level significantly, the savings rate has already increased considerably and loan servicing (instalments and interest payments combined) now accounts for only 11% of household budgets (the lowest level in fifteen years – it was at 14% three years ago). Households are gradually moving towards a position where they can spend more of their money on consumption. The explosion in earnings growth in 2010 and 2011 bolstered companies' already substantial cash positions. During the crisis investments were scaled back heavily, with the foundations being laid for a catch-up process.

On 30 June 2012, the position in the issuer, Vodafone Group, came to 11.12% of the assets due to price fluctuations. The situation is being rectified in the interests of the investors.

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

Classic Shares: 7 on a scale of 1 (lowest risk) to 7 (highest risk).

Institutional B Shares: 6 on a scale of 1 (lowest risk) to 7 (highest risk).

The value of a share can decrease or increase and the investor may not get back the amount invested.

In accordance with Commission Regulation (EU) No. 583/2010, a synthetic risk and reward indicator has been calculated. This indicator provides a quantitative measure of the sub-fund's potential return and the risk involved, calculated in the currency in which the sub-fund is denominated. It is given as a figure between 1 and 7. The higher the figure, the greater the potential return, but also the more difficult it is to predict this return. Losses are possible too. The lowest figure does not mean that the investment is entirely free of risk. However, it does indicate that, compared with the higher figures, this product will generally provide a lower, but more predictable return.

The synthetic risk and reward indicator is assessed regularly and can therefore go up or down based on data from the past. Data from the past is not always a reliable indicator of future risk and return.

The most recent indicator can be found under the 'Risk and reward profile' heading in the 'Key Investor Information' document.

2.2 BALANCE SHEET

Balance sheet layout	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
TOTAL NET ASSETS	24.294.642,68	33.979.618,96
II. Securities, money market instruments, UCIs and derivatives		
A. Bonds and other debt instruments		
a) Bonds		
a) Collateral received in the form of bonds	726.413,24	134.228,72
C. Shares and similar instruments		
a) Shares	24.554.451,33	34.135.970,51
Of which securities lent	676.952,85	128.768,11
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable	87,39	788,89
b) Tax assets	9.224,33	5.059,23
B. Payables		
a) Accounts payable (-)	-38.432,23	-8.651,54
c) Borrowings (-)	-332.489,57	-116.004,17
d) Collateral (-)	-726.413,24	-134.228,72
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	8.876,21	3.320,04
VI. Accruals and deferrals		
A. Expense to be carried forward	11.831,95	15.372,04
B. Accrued income	119.109,85	8.302,25
C. Accrued expense (-)	-38.016,58	-64.538,29
TOTAL SHAREHOLDERS' EQUITY	24.294.642,68	33.979.618,96
A. Capital	24.283.353,54	34.083.907,92
B. Income equalization	-8.639,81	5.127,08
D. Result for the period	19.928,95	-109.416,04

Off-balance-sheet headings

I Collateral (+/-)		
I.A Collateral (+/-)		
I.A.A Securities/market instruments	726.413,24	134.228,72
IX Financial instruments lent	676.952,85	128.768,11

2.3 PROFIT AND LOSS ACCOUNT

Income Statement	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
I. Net gains(losses) on investments		
C. Shares and similar instruments		
a) Shares	-1.004.274,69	158.041,02
D. Other securities	-0,04	5.573,87
H. Foreign exchange positions and transactions		
b) Other foreign exchange positions and transactions	322.927,40	-557.232,71
II. Investment income and expenses		
A. Dividends	907.489,94	637.824,64
B. Interests		
a) Securities and money market instruments	5.590,17	18.628,73
b) Cash at bank and in hand and deposits	53,15	300,99
C. Interest on borrowings (-)	-540,05	-618,74
III. Other income		
A. Income received to cover the acquisition and realization of assets, to discourage withdrawals and for delivery charges	0,27	
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-1.905,96	-75.337,62
B. Financial expenses (-)	-257,85	-2.349,84
C. Custodian's fee (-)	-10.902,06	-12.605,57
D. Manager's fee (-)		
a) Financial management		
Classic Shares	-169.912,62	-206.514,78
Institutional B Shares	-42,62	
b) Administration and accounting management	-12.061,08	-16.905,96
E. Administrative expenses (-)	-511,20	-574,58
F. Formation and organisation expenses (-)	-1.608,16	-34.113,89
G. Remuneration, social security charges and pension		-6,73
H. Services and sundry goods (-)	-3.332,84	-4.211,26
J. Taxes		
Classic Shares	-9.973,34	-12.609,05
Institutional B Shares	-0,15	
K. Other expenses (-)	-809,32	-6.704,56
Income and expenditure for the period		
Subtotal II + III + IV	701.276,28	284.201,78
V. Profit (loss) on ordinary activities before tax	19.928,95	-109.416,04
VII. Result for the period	19.928,95	-109.416,04

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC EQUITY FUND EURO TELECOM & TECHNOLOGY

Name	Quantity on 30/06/2012	Currency	Price in currency	Evaluation (in the currency of the sub-fund)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
Shares							
Exchange-listed shares							
<u>Austria</u>							
TELEKOM AUSTRIA AG (WIEN)	18.758,00	EUR	7,759	145.543,32		0,59	0,60
<u>Belgium</u>							
BELGACOM -	12.100,00	EUR	22,455	271.705,50		1,11	1,12
MOBISTAR -	2.740,00	EUR	27,040	74.089,60		0,30	0,31
REALDOLMEN STRIP-VVPR	66,00	EUR	0,001	0,07			
ZENITEL (BRU)STRIP-VVPR	35.000,00	EUR	0,001	35,00			
<u>Denmark</u>							
TDC AS "B"	29.571,00	DKK	40,800	162.285,70		0,66	0,67
<u>Finland</u>							
ELISA OYJ (HEL) "A"	14.258,00	EUR	15,880	226.417,04		0,92	0,93
NOKIA "A"	172.008,00	EUR	1,620	278.652,96		1,14	1,15
<u>France</u>							
ALCATEL-LUCENT -	71.027,00	EUR	1,301	92.406,13		0,38	0,38
ATOS SA -	1.796,00	EUR	47,120	84.627,52		0,35	0,35
CAP GEMINI SOGETI -	5.485,00	EUR	29,000	159.065,00		0,65	0,66
DASSAULT SYSTEMES -	3.085,00	EUR	73,920	228.043,20		0,93	0,94
EUTELSAT -	4.331,00	EUR	24,265	105.091,72		0,43	0,43
FRANCE TELECOM -	99.361,00	EUR	10,375	1.030.870,38		4,20	4,24
ILIAD SA -	2.078,00	EUR	114,250	237.411,50		0,97	0,98
JC DECAUX SA -	1.960,00	EUR	17,390	34.084,40		0,14	0,14
LAGARDERE S.C.A. -	2.872,00	EUR	21,990	63.155,28		0,26	0,26
NEOPOST SA -	1.244,00	EUR	42,110	52.384,84		0,21	0,22
PUBLICIS GROUPE SA -	5.501,00	EUR	36,050	198.311,05		0,81	0,82
STMICROELECTRONICS NV -	18.698,00	EUR	4,324	80.850,15		0,33	0,33
VIVENDI -	65.372,00	EUR	14,630	956.392,36		3,90	3,94
<u>Germany</u>							
AXEL SPRINGER AG -	1.518,00	EUR	33,875	51.422,25		0,21	0,21
DEUTSCHE TELEKOM INT FIN REG	141.424,00	EUR	8,654	1.223.883,30		4,98	5,04
INFINEON TECHNOLOGIES AG -	47.336,00	EUR	5,332	252.395,55		1,03	1,04
KABEL DEUTSCHLAND HOLDING AG -	4.201,00	EUR	49,125	206.374,13		0,84	0,85
SAP AG -	43.142,00	EUR	46,545	2.008.044,39		8,18	8,27
UNITED INTERNET AG -	4.746,00	EUR	13,550	64.308,30		0,26	0,27
<u>Greece</u>							
OTE PLC -	6.755,00	EUR	2,000	13.510,00		0,06	0,06
<u>Italy</u>							
MEDIASET -	1.478,00	EUR	1,379	2.038,16		0,01	0,01
TELECOM ITALIA (MIL)	447.880,00	EUR	0,781	349.570,34		1,42	1,44
TELECOM ITALIA (MIL) DI RISPARMIO NWE	336.455,00	EUR	0,637	214.153,61		0,87	0,88

<u>Luxembourg</u>							
MILLICOM INTL. CELLULAR -	4.204,00	SEK	651,000	312.438,38		1,27	1,29
SES GLOBAL -	14.566,00	EUR	18,640	271.510,24		1,11	1,12
<u>Netherlands</u>							
ASML HOLDING NV -	20.551,00	EUR	40,065	823.375,82		3,35	3,39
KONINKLIJKE KPN NV -	77.962,00	EUR	7,556	589.080,87		2,40	2,43
REED ELSEVIER NV -	36.050,00	EUR	9,012	324.882,60		1,32	1,34
WOLTERS KLUWER -	11.702,00	EUR	12,530	146.626,06		0,60	0,60
<u>Norway</u>							
TELENOR A/S -	38.794,00	NOK	98,900	508.593,36		2,07	2,09
<u>Portugal</u>							
PORTUGAL TELECOM INT FIN -	32.239,00	EUR	3,455	111.385,75		0,45	0,46
<u>Spain</u>							
AMADEUS IT HOLDING SA -	17.205,00	EUR	16,700	287.323,50		1,17	1,18
INDRA SISTEMAS SA -	7.087,00	EUR	7,326	51.919,36		0,21	0,21
TELEFONICA SA -	174.715,00	EUR	10,370	1.811.794,55		7,38	7,46
<u>Sweden</u>							
ERICSSON "B"	138.377,00	SEK	63,050	996.023,73		4,06	4,10
HEXAGON AB -B-	3.943,00	SEK	118,200	53.206,53		0,22	0,22
TELE2 AB "B"	19.573,00	SEK	106,800	238.643,35		0,97	0,98
TELIASONERA AB -	126.855,00	SEK	44,120	638.945,44		2,60	2,63
<u>Switzerland</u>							
SWISSCOM AG -	1.917,00	CHF	381,200	608.383,97		2,48	2,50
<u>U.K.</u>							
ARM HOLDG -	74.702,00	GBP	5,055	466.714,39		1,90	1,92
BRITISH SKY BROADCAST -	74.098,00	GBP	6,965	637.860,05		2,60	2,63
BT GROUP PLC -	450.429,00	GBP	2,114	1.176.871,72		4,79	4,84
INMARSAT PLC -	35.689,00	GBP	4,915	216.798,21		0,88	0,89
ITV PLC -	222.274,00	GBP	0,766	210.433,67		0,86	0,87
PEARSON PLC -	57.018,00	GBP	12,660	892.161,51		3,63	3,67
REED ELSEVIER PLC -	95.332,00	GBP	5,115	602.673,56		2,45	2,48
SAGE GROUP -	109.455,00	GBP	2,773	375.131,28		1,53	1,54
VODAFONE GROUP PLC -	1.177.469,00	GBP	1,793	2.608.593,72		10,62	10,74
WPP GROUP PLC -	75.986,00	GBP	7,730	725.956,96		2,96	2,99
Total shares				24.554.451,33		100,00	101,07
TOTAL SECURITIES PORTFOLIO				24.554.451,33		100,00	101,07
COLLATERAL RECEIVED							
<u>Belgium</u>							
KBC GROUP COLLATERAL EUR	726.413,24	EUR	1,000	726.413,24			2,99
TOTAL RECEIVED COLLATERAL				726.413,24			2,99
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP CHF	43,88	CHF	1,000	36,53			
KBC GROUP DKK	3.650,22	DKK	1,000	490,99			0,00
KBC GROUP EURO	-332.489,57	EUR	1,000	-332.489,57			-1,37
KBC GROUP GBP	6.603,52	GBP	1,000	8.161,56			0,03
KBC GROUP HUF	617,17	HUF	1,000	2,16			
KBC GROUP NOK	189,87	NOK	1,000	25,17			

KBC GROUP SEK	546,49	SEK	1,000	62,39		
KBC GROUP USD	123,62	USD	1,000	97,41		
Total demand accounts				-323.613,36		-1,33
TOTAL CASH AT BANK AND IN HAND				-323.613,36		-1,33
OTHER RECEIVABLES AND PAYABLES						
Receivables						
<u>Belgium</u>						
KBC GROUP EUR RECEIVABLE	87,39	EUR	1,000	87,39		
KBC GROUP WHT TO BE RECOVERED EUR	9.224,33	EUR	1,000	9.224,33		0,04
Total receivables				9.311,72		0,04
Payables						
<u>Belgium</u>						
KBC GROUP COUNTERPART ENTRY COLLATERAL IN EUR	-726.413,24	EUR	1,000	-726.413,24		-2,99
KBC GROUP EUR PAYABLE	-38.432,23	EUR	1,000	-38.432,23		-0,16
Payables				-764.845,47		-3,15
TOTAL RECEIVABLES AND PAYABLES				-755.533,75		-3,11
OTHER						
Interest receivable		EUR		111.968,68		0,46
Accrued interest		EUR		7.141,17		0,03
Expenses payable		EUR		-38.016,58		-0,16
Expenses to be carried forward		EUR		11.831,95		0,05
TOTAL OTHER				92.925,22		0,38
TOTAL NET ASSETS				24.294.642,68		100,00

Geographic breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Austria	0,00	0,00	0,65	0,59
Belgium	0,03	0,02	1,73	1,41
Switzerland	1,61	0,00	2,30	2,48
Germany	27,76	31,04	14,11	15,50
Denmark	0,00	0,00	0,68	0,66
Spain	0,80	3,17	9,87	8,76
Finland	19,24	10,72	3,39	2,06
France	14,79	17,27	13,71	13,53
U.K.	9,45	11,15	30,19	32,23
Greece	0,00	0,00	0,07	0,06
Italy	0,00	0,00	2,68	2,30
Luxembourg	0,00	0,00	2,22	2,38
Netherlands	8,28	7,01	7,58	7,67
Norway	0,79	0,38	1,95	2,07
Portugal	0,00	0,02	0,65	0,45
Sweden	17,25	19,22	8,22	7,85
Total	100,00	100,00	100,00	100,00

Sector breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Cyclicals	0,79	0,38	0,17	0,22
Consum(cycl)	0,00	0,02	20,29	21,68
Technology	99,21	99,60	25,77	26,63
Telecomm.	0,00	0,00	53,77	51,47
Total	100,00	100,00	100,00	100,00

Currency breakdown (as a % of net assets)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
CHF	1,61	0,00	2,32	2,51
DKK	0,00	0,00	0,69	0,67
EUR	70,87	69,14	54,96	52,74
GBP	9,53	11,19	30,50	32,73
NOK	0,79	0,38	1,97	2,10
SEK	17,20	19,29	9,56	9,25
Total	100,00	100,00	100,00	100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC EQUITY FUND EURO TELECOM & TECHNOLOGY (IN THE CURRENCY OF THE SUB-FUND)

	1st half of year	Year
Purchases	220.744,88	220.744,88
Sales	1.820.446,05	1.820.446,05
Total 1	2.041.190,93	2.041.190,93
Subscriptions	195.299,79	195.299,79
Redemptions	2.445.179,20	2.445.179,20
Total 2	2.640.478,99	2.640.478,99
Monthly average of total assets	25.268.153,01	25.268.153,01
Turnover rate	-2,37 %	-2,37 %

	1st half of year	Year
Purchases	220.744,88	220.744,88
Sales	1.820.446,05	1.820.446,05
Total 1	2.041.190,93	2.041.190,93
Subscriptions	195.299,79	195.299,79
Redemptions	2.445.179,20	2.445.179,20
Total 2	2.640.478,99	2.640.478,99
Monthly average of total assets	24.371.210,21	24.371.210,21
Corrected turnover rate	-2,46 %	-2,46 %

The table above shows the capital volume of portfolio transactions. This volume (adjusted to take account of total subscriptions and redemptions) is also compared to the average net assets at the beginning and end of the period.

A figure close to 0% implies that the transactions relating to the securities or transactions relating to the assets (excluding deposits and cash) in a given period only involve subscriptions and redemptions.

A negative percentage shows that subscriptions and redemptions entailed few, if any, transactions in the portfolio.

Active asset management may result in high turnover rates (monthly percentage >50%).

The detailed list of transactions is available for consultation free of charge at the registered office of the Bevek or fund at Havenlaan 2, 1080 Brussels.

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

NAME	Currency	Value in currency	In the currency of the sub-fund	Lot-size	Transaction date
KBC COLLATERAL EUR	EUR	726.413,24	726.413,24	N/A	29.06.2012

2.4.4 CHANGES OF THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND THE NET ASSET VALUE

Classic Shares

Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2010 - 06	11.056,30	5.406,66	24.182,12	8.070,00	116.725,44	38.357,66	155.083,10
2011 - 06	1.550.404,17	266.496,32	1.403.588,71	229.315,93	263.540,90	75.538,06	339.078,96
2012 - 06	4.384,93	2.414,63	56.277,50	13.046,65	211.648,33	64.906,04	276.554,37

Period	Amounts received and paid by the UCI (in the currency of the class)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2010 - 06	1.027.104,08	467.056,14	2.209.704,29	695.634,00
2011 - 06	2.877.656,08	631.754,46	211.178.654,33	37.171.388,21
2012 - 06	391.525,08	198.588,86	5.207.410,76	1.091.642,81

Period	Net asset value End of period (in the currency of the class)		
Year	Of the class	Of one share	
		Capitalization	Distribution
2010 - 06	14.231.781,32	93,07	87,80
2011 - 06	33.979.618,96	101,55	95,54
2012 - 06	24.288.474,96	89,42	82,62

Institutional B Shares

Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2012 - 06	72,00		3,00		69,00		69,00

Period	Amounts received and paid by the UCI (in the currency of the class)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2012 - 06	6.265,44		267,23	

Period	Net asset value End of period (in the currency of the class)		
Year	Of the class	Of one share	
		Capitalization	Distribution
2012 - 06	6.167,71	89,39	

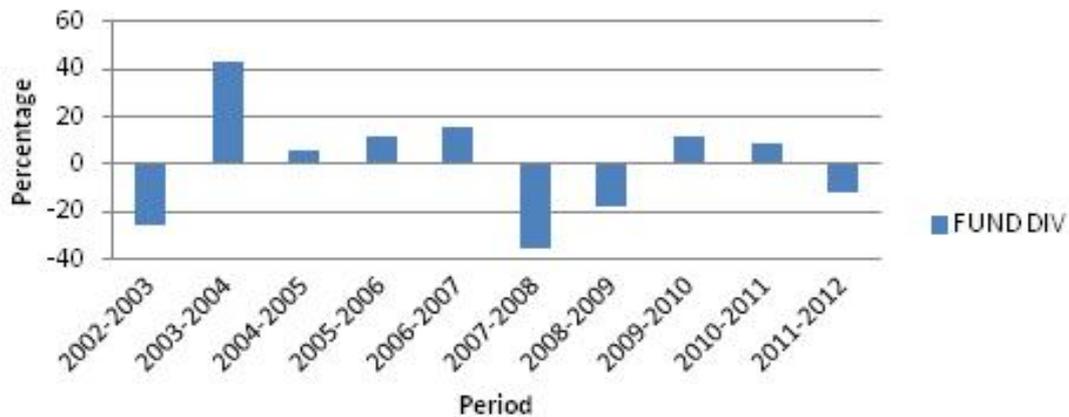
2.4.5 PERFORMANCE FIGURES

Classic Shares

BE0173085375

KBCEquity Fund - Euro Telecom & Technology - DIV:

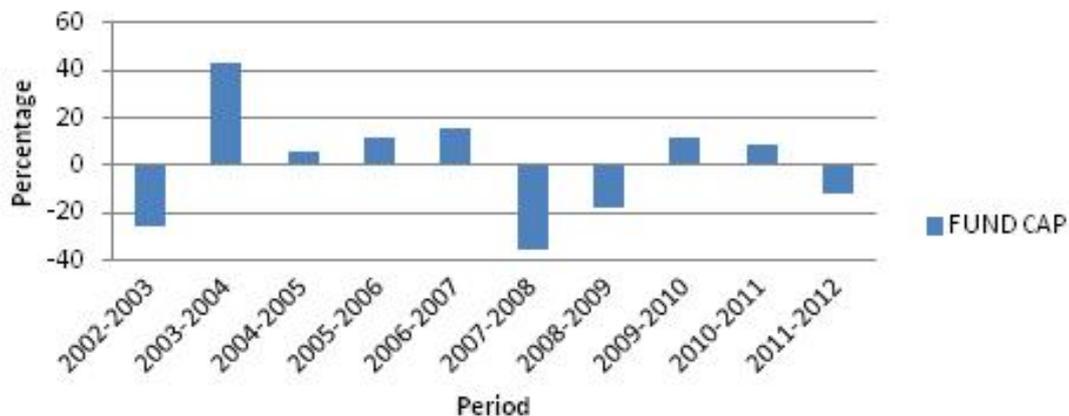
Annual performance on 30/06/2012 (in EUR)



BE0173086381

KBCEquity Fund - Euro Telecom & Technology - CAP:

Annual performance on 30/06/2012 (in EUR)



Cap Div	ISIN code	Cur- rency	1 Year		3 Years*		5 Years*		10 Years*		Since launch*	
			Share classes	Bench mark	Launch Date	Share classes						
CAP	BE0173086381	EUR	-11.94%		2.48%		-10.56%		-1.68%		28/01/2000	-12.94%
DIV	BE0173085375	EUR	-11.97%		2.48%		-10.57%		-1.68%		28/01/2000	-12.94%

Risk warning: Past performance is not a guide to future performance.

* Return on annual basis.

Institutional B Shares

The cumulative returns are shown where they relate to a period of at least one year.

Classic Shares

- The bar chart shows the performance for full financial years.
- The figures do not take account of any restructuring.
- Calculated in EUR.
- The return is calculated as the change in the net asset value between two dates expressed as a percentage. In the case of units that pay dividends, the dividend is incorporated geometrically in the return.
- Calculation method for date D, where NAV stands for net asset value:

Capitalisation units (CAP)

Return on date D over a period of X years:

$$[\text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where $Y = D - X$

Return on date D since the start date S of the unit:

$$[\text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where $F = 1$ if the unit has existed for less than one year on date D

where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D

Distribution units (DIV)

Return on date D over a period of X years:

$$[C * \text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where $Y = D - X$

Return on date D since the start date S of the unit:

$$[C * \text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where $F = 1$ if the unit has existed for less than one year on date D

where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D

where C is a factor that is determined for all N dividends between the calculation date D and the reference date.

For dividend i on date Di with value Wi:

$$C_i = [W_i / \text{NIW}(D_i)] + 1$$

$i = 1 \dots N$

from which $C = C_0 * \dots * C_N$.

- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the n^{th} square root of 1 plus the total return of the unit.
- The return figures shown above do not take account of the fees and charges associated with the issue and redemption of units.

These are the performance figures for capitalisation and distribution shares.

2.4.6 COSTS

Total expense ratio (TER): *

Classic Shares Distribution: 2.108%
Classic Shares Capitalization: 2.108%
Institutional B Shares Capitalization: Not applicable

Percentage calculated at the end of the financial year: 31 December

* The following costs have not been included in the TER:

- Transaction charges
- Interest payments on loans taken out
- Payments in respect of financial derivatives
- Fees and charges paid directly by the investor
- Any soft commissions

SOFT COMMISSIONS

The management company or the appointed manager, as the case may be, is the recipient of soft commissions.

The recipient has laid down an internal policy as regards accepting soft commissions and avoiding possible conflicts of interest in this respect, and has put appropriate internal controls in place to ensure this policy is observed.

For more information, please see the 'General' section of the annual report.

Broker	Commission gross in EUR paid during the period: 1-01-12 -	CSA Credits in EUR accrued during the period: 1-01-12 -	Percentage
	30-06-12	30-06-12	
CSFBSAS	174	92	52.98%
MORGAN STANLEY	430	269	62.50%
NOMURA	253	131	51.82%

FEE-SHARING AGREEMENTS AND REBATES:

The management company may share its fee with the distributor, and institutional and/or professional parties.

In principle, the percentage share amounts to between 35% and 60% if the distributor is an entity of KBC Group NV or to between 35% and 70% if the distributor is not an entity of KBC Group NV. However, in a small number of cases, the distributor's fee is less than 35%. Investors may, on request, obtain more information on these cases.

If the management company invests the assets of the undertaking for collective investment in units of undertakings for collective investment that are not managed by an entity of KBC Group NV, and receives a fee for doing so, it will pay this fee to the undertaking for collective investment.

Fee-sharing does not affect the amount of the management fee paid by the sub-fund to the management company. This management fee is subject to the limitations laid down in the articles of association. The limitations may only be amended after approval by the general meeting of shareholders.

The management company has concluded a distribution agreement with the distributor in order to facilitate the wider distribution of the sub-fund's units by using multiple distribution channels.

It is in the interests of the holders of units, the sub-fund and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund to be maximised in this way. In this respect, there is therefore no question of any conflict of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: 1.35% per annum calculated on the basis of the average total net assets of the sub-fund, excluding those assets invested in investment undertakings managed by a financial institution of the KBC group.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the average total net assets of the sub-fund.

Auditor's fee: 1 700 EUR per year. This fee is not including VAT and will be increased at the end of the 3-year mandate.

The custody fee is calculated on the value of the securities held in custody by the custodian on the final banking day of the preceding calendar year, except on those assets invested in investment undertakings managed by a financial institution of the KBC group. The custody fee is paid at the beginning of the calendar year.

Social, ethical and environmental aspects:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

Exercising voting rights

If necessary, relevant and in the interest of the shareholders, the management company will exercise the voting rights attached to the shares in the Bevek's portfolio.

The management company will adhere to the following criteria when determining how it stands relative to the items on the agenda that are put to the vote:

- Shareholder value may not be adversely affected.
- Corporate governance rules, especially with regard to the rights of minority shareholders, must be respected.
- The minimum standards with regard to sustainable business and corporate social responsibility must be met.

The list of companies for which voting rights are exercised is available at the registered office of the Bevek.

Securities lending

In accordance with the Royal Decree of 7 March 2006 concerning securities lending, the undertaking for collective investment has taken out securities loans with a principal to whom the full title of the loaned securities was transferred, without recording this transfer of ownership in the accounts.

For the period from 1 January 2012 to 30 June 2012, the fee for securities lent comes to - 879.24 EUR. KBC Asset Management NV receives 50% of the net fee received for securities lent.

The detailed list of securities lending transactions carried out can be obtained from the registered office of the collective investment undertaking at 2 Havenlaan, 1080 Brussels.

Overview of securities lent as at 30/06/2012

Name	Currency	Quantity	Price	Value in currency of the portfolio
DASSAULT SYSTEMES SA	EUR	3.000	73,920	221.760,00
PORTUGAL TELECOM SGPS -REGISTERED-	EUR	32.238	3,455	111.382,29
PUBLICIS GROUPE	EUR	5.500	36,050	198.275,00
TELEKOM AUSTRIA AG	EUR	18.757	7,759	145.535,56
			Total	676.952,85

Details of collateral received for securities lent

Name	Currency	Nominal value	Currency fund	Value in Currency fund
OESTERREICH 2009 3.40% 20/10/14	EUR	33.000	EUR	36.001,88
GERMANY 2009 2,25% 11/04/14	EUR	466.000	EUR	486.412,20
FRANCE 2001 3% 25/07/2012	EUR	35.000	EUR	44.751,67
FRANCE 2004 4% 25/04/55	EUR	6.000	EUR	6.543,43
FRANCE 2010 2,50% 25/07/16	EUR	56.000	EUR	60.212,04
NETHERLANDS 2008 4% 15/07/2018	EUR	63.000	EUR	74.591,81
NEDERLAND 2009 4.00% 15/07/19	EUR	15.000	EUR	17.900,21
			Total	726.413,24

For the valuation of the collateral received, indicative prices have been used in this detail list by the Collateral Management Division of KBC Bank.

TABLE OF CONTENTS

- 2. Information on KBC Equity Fund Euro Finance
 - 2.1. Management report
 - 2.1.1. Launch date and subscription price
 - 2.1.2. Stock exchange listing
 - 2.1.3. Aim and distinctive features of the investment policy
 - 2.1.4. Financial portfolio management
 - 2.1.5. Distributors
 - 2.1.6. Index and benchmark
 - 2.1.7. Policy conducted during the financial year
 - 2.1.8. Future policy
 - 2.1.9. Synthetic risk and reward indicator (SRRI)
 - 2.2. Balance sheet
 - 2.3. Profit and loss account
 - 2.4. Composition of the assets and key figures
 - 2.4.1. Composition of the assets
 - 2.4.2. Change in the composition of the assets
 - 2.4.3. Value of commitments in respect of financial derivatives positions
 - 2.4.4. Evolution of the number of subscriptions, repayments and the net asset value
 - 2.4.5. Return figures
 - 2.4.6. Expenses
 - 2.4.7. Notes to the financial statements and other data

2 INFORMATION ON KBC EQUITY FUND EURO FINANCE

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Classic Shares :

Launch date: 31 May 2000

Initial subscription price: 500 EUR

Currency: EUR

Institutional B Shares :

Launch date: 24 November 2011

Initial subscription price: 194.92 EUR

Currency: EUR

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

The main objective of this sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. To this end, the assets are invested, either directly or indirectly via correlated financial instruments, primarily in shares.

SUB-FUND'S INVESTMENT POLICY:

PERMITTED ASSET CLASSES:

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the sub-fund's object.

The sub-fund shall invest no more than 10% of its assets in units of other undertakings for collective investment.

RESTRICTIONS OF THE INVESTMENT POLICY:

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

PERMITTED DERIVATIVES TRANSACTIONS:

Derivates may be used either for hedging purposes or to achieve investment objectives.

Changes will be made to the investments at regular intervals to comply with the sub-fund's investment strategy. **In addition, listed and unlisted derivates may be used to achieve the objectives:** these may be forward contracts, options or swaps on securities, indices, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions. **Such derivatives may also be used to hedge the assets against exchange-rate fluctuations.** Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions.

STRATEGY SELECTED

At least 75% of the assets are invested in shares of European companies in the financial sector.

RISK CONCENTRATION

European financial sector shares.

LENDING FINANCIAL INSTRUMENTS:

The sub-fund may lend financial instruments within the limits set by law and regulations.

This lending does not affect the sub-fund's risk profile since:

- it takes place within the framework of a securities lending system managed by a principal. In addition, the sub-fund has a relationship only with the principal of the securities lending system which acts as counterparty and to which title of the loaned securities is transferred. The choice of principal is subject to strict selection criteria. The return of securities similar to the securities that have been lent is guaranteed by the principal.
- through a margin management system, the sub-fund is always guaranteed financial security, the actual value of which always exceeds the actual value of the securities that have been lent, in case the principal does not return similar securities.

The return of securities similar to the securities that have been lent can be requested at any time, which means that the lending of securities does not affect the management of the sub-fund's assets.

By lending securities, the sub-fund can generate an additional return. The principal pays a fee to the management company. After deducting the fee for the margin management and clearing services of KBC Bank, most of this fee is paid to the sub-fund.

The relationship with the counterparty or counterparties is governed by standard international agreements.

More information is provided on the terms and conditions governing securities lending in the annual or half-yearly report for the sub-fund.

VOLATILITY OF THE NET ASSET VALUE:

The volatility of the net asset value may be high due to the composition of the portfolio.

GENERAL STRATEGY FOR HEDGING THE EXCHANGE RATE RISK:

In order to protect its assets against exchange rate fluctuations and within the limitations laid down in the articles of association, the sub-fund may perform transactions relating to the sale of forward currency contracts, as well as the sale of call options and the purchase of put options on currencies. The transactions in question may relate solely to contracts traded on a regulated market that operates regularly, is recognised and is open to the public or that are traded with a recognised, prime financial institution specialising in such transactions and dealing in the over-the-counter (OTC) market in options. With the same objective, the sub-fund may also sell currencies forward or exchange them in private transactions with prime financial institutions specialising in such transactions. The hedging objective of the aforementioned transactions suggests that there is a direct link between these transactions and the assets to be hedged, which implies that the transactions carried out in a particular currency may in principle not exceed, in terms of volume, either the valuation value of all the assets in the same currency or the holding period of those assets.

SOCIAL, ETHICAL AND ENVIRONMENTAL ASPECTS:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

THE EUROPEAN SAVINGS DIRECTIVE AND TAX ON DEBT CLAIM RETURNS OBTAINED THROUGH THE REDEMPTION OF OWN UNITS OR IN THE EVENT OF FULL OR PARTIAL DISTRIBUTION OF EQUITY CAPITAL.

The following information is of a general character and is not intended to cover all aspects of an investment in a UCITS. In certain cases entirely different rules might even apply. Moreover, both tax law and the interpretation of it can change. Investors who wish to have more information about the tax implications – in both Belgium and abroad – of acquiring, holding and transferring units should seek the advice of their usual financial and tax advisers.

This UCITS shall invest a maximum of 15% of its assets directly or indirectly in debt instruments as intended by the European Savings Directive.

A. European Savings Directive (Directive 2003/48/EC)

The European Savings Directive has been implemented in Belgium through:

- The Law of 17 May 2004 transposing into Belgian law Directive 2003/48/EC of 3 June 2003 of the Council of the European Union on taxation of savings income in the form of interest payments and amending Income Tax Code 1992 on withholding tax;
- The Royal Decree of 27 September 2009 implementing Article 338bis § 2 of Income Tax Code 1992;
- The Royal Decree of 27 September 2009 concerning the entry into effect of Article 338bis § 2, paragraphs one to three, of Income Tax Code 1992;

Since this UCITS invests a maximum of 15% of its assets directly or indirectly in debt claims as intended by the European Savings Directive, the income of this UCITS does not fall within the scope of this directive.

B. Tax on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital (Article 19bis Income Tax Code 1992).

The income from this UCITS is not subject to the tax on debt instrument returns as intended by Article 19bis, Income Tax Code 1992.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

There is no delegation of the portfolio.

2.1.5 DISTRIBUTORS

KBC Asset Management S.A., 5, Place de la Gare, L-1616 Luxembourg.

2.1.6 INDEX AND BENCHMARK

See 'Sub-fund's investment policy'.

2.1.7 POLICY PERSUED DURING THE FINANCIAL YEAR

The global economy emerged from a deep recession in mid-2009, but the recovery was highly dependent on massive government budgetary and monetary stimuli. Doubts about the sustainability of the economic recovery continued to dominate the investment climate in the past period under review. In Europe the debt crisis continued to rage unabated. Five euro countries needed a bail-out from the European emergency fund. Greece reached agreement with its private sector creditors on restructuring the bond debt it owes them.

A new and significant change in this cycle is that government paper, which had previously been seen as entirely risk-free, also started to be tainted with a degree of credit risk. What started as an isolated problem on the periphery of the euro area developed into a problem concerning the credibility of the monetary union and its institutions. In autumn 2009 it became evident that Greece's budgetary situation was far worse than the official statistics had suggested. Lenders lost all confidence and the country was on the brink of default. After much haggling, Europe and the International Monetary Fund (IMF) came to the rescue in April 2010 with an initial aid package of 110 billion euros. This package was intended to safeguard the funding of Greece's public debt until mid-2013, but it failed to stem the crisis. The Greek government's rather draconian austerity plan was also received with much scepticism, and justifiably so. It soon became clear that the initial assistance package would not suffice. An agreement in principle on a second aid package (worth 109 billion euros) was reached in July 2011 and negotiations started with the private sector on debt restructuring. The negotiations dragged on longer than expected, only finishing in early March 2012 and with conditions that were more rigorous than proposed in July 2011 and less 'voluntary' than at first appeared. On 12 March 2012, the operation was referred to as a 'selective default'. More than 100 billion EUR of Greece's debt was forgiven. However, no-one appears to view this as the ultimate solution to Greece's debt problems. The lack of a plan for the future prompted social and political opposition to the austerity policy. In December 2011, the Papandreou government, which just survived a vote of no confidence on 28 June, attempted to calm the street violence by offering the prospect of a referendum on Greece's membership of the EMU. This was a bad idea, and it led to the fall of the government. Early elections did not initially provide a solution, but fresh elections on 17 June brought an end to the political vacuum when a pro-European coalition took power.

The establishment of an initial support fund for Greece in April 2010 set a precedent. Setting up a 440 billion euro European Financial Stability Facility (EFSF) in April 2010 as a safety net for funding the debt of other EMU member states failed to calm nerves. The Irish domino fell in the final weekend of November 2010. Portugal followed in April 2011 and Greece asked for further assistance in July 2011, with aid granted to the Spanish banks and Cyprus in June 2012. Soon after it was set up it became clear that the EFSF would need to be considerably extended. Its scope was broadened at the summit of 21 July 2011 and its financial arsenal bolstered at the summit of 26 October.

As traditionally faithful investors in government bonds, the European banks, which had seen their capital base eroded in the 2008/09 credit crisis, were oversensitive to the consequences of the euro crisis and the write-downs on their bond portfolios. This made it easy for the euro crisis to escalate into a systemic crisis. Preventing that was the European Central Bank's motivation for intervening very actively by buying up primarily Spanish and Italian government paper. It was reluctant to do so, because it does not see supporting the bond markets as the task of a central bank. Dragging its feet, the bank began to buy government bonds in August 2011, and only brought out the big guns in December. The LTRO programme, worth a total of 489 billion euro, provided the European banks the possibility of taking out loans, with eligible collateral, for 36 months at the exceptionally low rate of 1%. There was massive reinvestment in three-year bonds issued by the governments in question. The offer was renewed in February 2012, resulting in 529 billion euros being pumped into the market. This created a positive climate, enabling the Greek government to finalise the restructuring of its sovereign debt in early March.

2.1.8 FUTURE POLICY

The health of the European banks is closely linked to the euro crisis. Pessimism about the intractability of the euro problems and optimism about an ultimate and radical breakthrough is generating alternating waves of panic and relief concerning the solvency of the European banks.

All the same, we consider Europe's financial sector to be exceptionally attractive. Most European banks and life insurers are still trading at present at around half their book value. What's more, with core equity of 9% the majority of the banks are much better capitalised than they were a few years ago.

The crisis in the euro area brought the realisation that *economic governance*, as it is now called in Eurospeak, needs to be tackled as a matter of urgency. In concrete terms, this involves measures such as supranational supervision of banks, strict monitoring and sanctioning of budgetary policy, monitoring of pay policy and harmonising European taxation. In the coming months, arranging the ESM (European Stability Mechanism, which came into operation on 1 July 2012), reforming the Stability and Growth Pact, arranging Europe-wide banking supervision and implementing the 'Pact for the euro' will all require much energy and diplomatic skill.

Until a definitive decision is reached on implementing these measures, we expect the current volatility in the banking arena to persist. We will therefore compose the fund's defensive aspect by investing within the insurance sector in reinsurers and non-life insurers.

We anticipate substantial medium-term returns if financial service providers manage to record a somewhat more normal return on equity, and if European policymakers can finally achieve lasting solutions in terms of reorganising public-sector finances.

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

Classic Shares: 7 on a scale of 1 (lowest risk) to 7 (highest risk).

Institutional B Shares: 7 on a scale of 1 (lowest risk) to 7 (highest risk).

The value of a share can decrease or increase and the investor may not get back the amount invested.

In accordance with Commission Regulation (EU) No. 583/2010, a synthetic risk and reward indicator has been calculated. This indicator provides a quantitative measure of the sub-fund's potential return and the risk involved, calculated in the currency in which the sub-fund is denominated. It is given as a figure between 1 and 7. The higher the figure, the greater the potential return, but also the more difficult it is to predict this return. Losses are possible too. The lowest figure does not mean that the investment is entirely free of risk. However, it does indicate that, compared with the higher figures, this product will generally provide a lower, but more predictable return.

The synthetic risk and reward indicator is assessed regularly and can therefore go up or down based on data from the past. Data from the past is not always a reliable indicator of future risk and return.

The most recent indicator can be found under the 'Risk and reward profile' heading in the 'Key Investor Information' document.

2.2 BALANCE SHEET

Balance sheet layout	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
TOTAL NET ASSETS	17.867.930,90	25.220.729,05
II. Securities, money market instruments, UCIs and derivatives		
A. Bonds and other debt instruments		
a) Bonds		
a) Collateral received in the form of bonds	172.303,12	7.576,44
C. Shares and similar instruments		
a) Shares	17.500.293,73	25.289.687,31
Of which securities lent	162.175,96	7.517,50
D. Other securities		41.865,77
F. Derivative financial instruments		
j) Foreign exchange		
Futures and forward contracts (+/-)	172,07	
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable	752,46	2.195,20
b) Tax assets	7.005,18	7.947,02
B. Payables		
a) Accounts payable (-)	-55.012,44	-87.750,11
c) Borrowings (-)		-109.588,78
d) Collateral (-)	-172.303,12	-7.576,44
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	384.756,53	40.208,07
VI. Accruals and deferrals		
A. Expense to be carried forward	7.900,70	25.646,92
B. Accrued income	33.062,11	27.595,08
C. Accrued expense (-)	-10.999,44	-17.077,43
TOTAL SHAREHOLDERS' EQUITY	17.867.930,90	25.220.729,05
A. Capital	16.478.935,36	24.010.002,16
B. Income equalization	-1.970,83	-2.763,18
D. Result for the period	1.390.966,37	1.213.490,07

Off-balance-sheet headings

I	Collateral (+/-)		
I.A	Collateral (+/-)		
I.A.A	Securities/market instruments	172.303,12	7.576,44
III	Notional amounts of futures and forward contracts		
III.B	Written futures and forward contracts	-320.526,16	
IX	Financial instruments lent	162.175,96	7.517,50

2.3 PROFIT AND LOSS ACCOUNT

Income Statement	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
I. Net gains(losses) on investments		
C. Shares and similar instruments		
a) Shares	717.975,88	1.590.230,16
D. Other securities	-11.827,28	-39.228,14
F. Derivative financial instruments		
l) Financial indices		
Option contracts	4.200,00	
Futures and forward contracts	78.675,00	90.775,00
H. Foreign exchange positions and transactions		
a) Derivative financial instruments		
Futures and forward contracts	1.696,48	
b) Other foreign exchange positions and transactions	338.536,56	-748.161,80
II. Investment income and expenses		
A. Dividends	431.526,26	704.995,49
B. Interests		
a) Securities and money market instruments	-4.567,88	2.927,34
b) Cash at bank and in hand and deposits	1.189,28	1.352,48
C. Interest on borrowings (-)	-194,38	-5.497,35
III. Other income		
A. Income received to cover the acquisition and realization of assets, to discourage withdrawals and for delivery charges	1.293,93	
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-11.938,70	-38.054,61
B. Financial expenses (-)	-126,68	-1.368,63
C. Custodian's fee (-)	-7.833,92	-20.999,91
D. Manager's fee (-)		
a) Financial management		
Classic Shares	-123.569,46	-288.332,34
Institutional B Shares	-2.031,48	
b) Administration and accounting management	-8.907,31	-13.434,77
E. Administrative expenses (-)	-185,25	-207,08
F. Formation and organisation expenses (-)	-1.147,32	-1.543,51
G. Remuneration, social security charges and pension		-5,04
H. Services and sundry goods (-)	-2.663,82	-4.155,64
J. Taxes		
Classic Shares	-6.718,58	-10.377,74
Institutional B Shares	-103,15	
K. Other expenses (-)	-2.311,81	-5.423,84
Income and expenditure for the period		
Subtotal II + III + IV	261.709,73	319.874,85
V. Profit (loss) on ordinary activities before tax	1.390.966,37	1.213.490,07
VII. Result for the period	1.390.966,37	1.213.490,07

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC EQUITY FUND EURO FINANCE

Name	Quantity on 30/06/2012	Currency	Price in currency	Evaluation (in the currency of the sub-fund)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
Shares							
Exchange-listed shares							
<u>Austria</u>							
VIENNA INSURANCE GROUP -	2.000,00	EUR	31,880	63.760,00		0,36	0,36
<u>Belgium</u>							
AGEAS NV (BRU) B STRIP-VVPR	53.332,00	EUR	0,001	53,33			
AGEAS NV -	110.000,00	EUR	1,560	171.600,00		0,98	0,96
KBC ANCORA -	6.000,00	EUR	6,850	41.100,00		0,24	0,23
KBC GROUP -	7.000,00	EUR	16,665	116.655,00		0,67	0,65
<u>Bulgaria</u>							
ELANA HOLDING ELANA AGRICULTURE LAND OPP FUND	26.481,00	BGN	1,910	25.854,27		0,15	0,15
<u>Cyprus</u>							
BANK OF CYPRUS PUBLIC CO LTD -	10.000,00	EUR	0,282	2.820,00		0,02	0,02
<u>Denmark</u>							
DANSKE BK AS -	8.804,00	DKK	81,400	96.395,89		0,55	0,54
<u>Finland</u>							
SAMPO OYJ "A"	8.600,00	EUR	20,420	175.612,00		1,00	0,98
<u>France</u>							
AXA -	46.000,00	EUR	10,480	482.080,00		2,76	2,70
BNP PARIBAS -	23.000,00	EUR	30,335	697.705,00		3,99	3,91
CNP ASSURANCE (PAR)	4.000,00	EUR	9,630	38.520,00		0,22	0,22
NATIXIS (PAR)	60.000,00	EUR	2,118	127.080,00		0,73	0,71
RODAMCO UNIBAIL -	1.363,00	EUR	145,100	197.771,30		1,13	1,11
SCOR REGROUPE (PAR)	9.375,00	EUR	19,110	179.156,25		1,02	1,00
SOCIETE GENERALE -	22.000,00	EUR	18,410	405.020,00		2,31	2,27
<u>Germany</u>							
ALLIANZ AG REG	8.500,00	EUR	79,110	672.435,00		3,84	3,76
DEUTSCHE BANK AG REG	17.062,00	EUR	28,500	486.267,00		2,78	2,72
DEUTSCHE BOERSE AG -	7.201,00	EUR	42,530	306.258,53		1,75	1,71
HANNOVER RUCKVERSICHERUNG AG (FRA) NAAM	3.459,00	EUR	46,890	162.192,51		0,93	0,91
MUNCHENER RUCKVERSICHERUNG AG REG	3.879,00	EUR	111,150	431.150,85		2,46	2,41
<u>Ireland</u>							
ALLIED IRISH BANKS PLC -	100.000,00	EUR	0,067	6.700,00		0,04	0,04
PERMANENT TSB GROUP HOLDINGS P -	373.367,00	EUR	0,027	10.080,91		0,06	0,06
<u>Italy</u>							
ASSICURAZIONI GENERALI -	10.000,00	EUR	10,660	106.600,00		0,61	0,60
AZIMUT HOLDING SPA -	19.515,00	EUR	8,080	157.681,20		0,90	0,88
INTESA SANPAOLO SPA (MIL) RSNC	80.185,00	EUR	0,896	71.805,67		0,41	0,40
INTESA SANPAOLO SPA -	200.000,00	EUR	1,118	223.600,00		1,28	1,25

MEDIOBANCA (MIL)	40.073,00	EUR	3,474	139.213,60		0,80	0,78
MEDIOLANUM SPA (MIL)	20.000,00	EUR	2,774	55.480,00		0,32	0,31
UNICREDIT SPA -	108.300,00	EUR	2,980	322.734,00		1,84	1,81
<u>Jersey/The Channel Islands</u>							
BEAZLEY PLC -	120.000,00	GBP	1,377	204.226,92		1,17	1,14
<u>Netherlands</u>							
AEGON -	44.383,00	EUR	3,644	161.731,65		0,92	0,91
ING GROEP NV -	120.890,00	EUR	5,266	636.606,74		3,64	3,56
<u>Norway</u>							
ABG SUNDAL COLLIER HOLDINGS ASA -	96.206,00	NOK	3,690	47.058,53		0,27	0,26
DNB ASA -	20.000,00	NOK	58,950	156.287,28		0,89	0,88
STOREBRAND ASA -	55.000,00	NOK	23,190	169.072,62		0,97	0,95
<u>Russia</u>							
SBERBANK OF RUSSIA ADR	16.842,00	USD	10,750	142.661,33		0,82	0,80
<u>Spain</u>							
BANCO BILBAO VIZCAYA ARGENTARIA -	73.000,00	EUR	5,629	410.917,00		2,35	2,30
BANCO SANTANDER CENTRAL HISPANO SA -	190.000,00	EUR	5,221	991.990,00		5,67	5,55
<u>Sweden</u>							
EAST CAPITAL EXPLORER AB -	13.301,00	SEK	47,500	72.127,12		0,41	0,40
KINNEVIK INVESTMENT AB -B-	10.000,00	SEK	138,500	158.114,05		0,90	0,89
NORDEA BANK AB -	27.671,00	SEK	59,400	187.642,83		1,07	1,05
SWEDBANK -	9.000,00	SEK	108,600	111.581,71		0,64	0,62
<u>Switzerland</u>							
CS GROUP REG	21.080,00	CHF	17,260	302.910,38		1,73	1,70
EFG INTERNATIONAL -	4.978,00	CHF	5,280	21.882,23		0,13	0,12
GOTTTEX FUND MANAGEMENT HOLDING -	8.504,00	CHF	2,490	17.628,91		0,10	0,10
SWISS RE -	7.600,00	CHF	59,550	376.788,91		2,15	2,11
U.B.S. REG	76.000,00	CHF	11,050	699.163,30		4,00	3,91
ZURICH INSURANCE GROUP AG -	2.202,00	CHF	213,500	391.397,41		2,24	2,19
<u>Turkey</u>							
ANADOLU HAYAT EMEKLILIK -	120.000,00	TRY	4,150	216.955,65		1,24	1,21
TEKFEN HOLDINGS AS -	40.000,00	TRY	6,620	115.361,16		0,66	0,65
<u>U.K.</u>							
ABERDEEN ASSET MGMT PLC -	30.000,00	GBP	2,597	96.292,18		0,55	0,54
AVIVA PLC -	120.709,00	GBP	2,726	406.689,82		2,32	2,28
BARCLAYS BANK PLC -	320.000,00	GBP	1,629	644.073,66		3,68	3,61
BRITISH LAND CO LTD -	20.000,00	GBP	5,105	126.189,59		0,72	0,71
HSBC HOLDING PLC -	281.000,00	GBP	5,611	1.948.697,32		11,14	10,91
LEGAL & GENERAL GROUP PLC -	133.232,00	GBP	1,273	209.620,98		1,20	1,17
LLOYDS BANKING GROUP PLC -	1.200.000,00	GBP	0,311	461.253,24		2,64	2,58
MAN GROUP PLC -	38.432,00	GBP	0,762	36.171,01		0,21	0,20
NOVAE GROUP PLC -	35.786,00	GBP	3,650	161.437,28		0,92	0,90
PRUDENTIAL PLC -	66.000,00	GBP	7,380	602.002,22		3,44	3,37
ROYAL & SUN ALLIANCE INS. -	70.000,00	GBP	1,081	93.523,67		0,53	0,52
ROYAL BANK OF SCOTLAND GROUP PLC -	85.043,00	GBP	2,153	226.297,84		1,29	1,27
SONGBIRD ESTATES PLC -	70.000,00	GBP	1,100	95.167,47		0,54	0,53
STANDARD CHARTERED -	35.529,00	GBP	13,845	607.958,23		3,47	3,40
3IGROUP -	90.077,00	GBP	1,971	219.431,18		1,25	1,23
Total shares				17.500.293,73		100,00	97,94

Rights							
<u>Switzerland</u>							
EFG INTERNATIONAL CP 22/05/12	368,00	CHF	0,000	0,00			
Total rights				0,00			
Forward contracts		EUR		172,07			0,00
TOTAL SECURITIES PORTFOLIO				17.500.465,80		100,00	97,94
COLLATERAL RECEIVED							
<u>Belgium</u>							
KBC GROUP COLLATERAL EUR	172.303,12	EUR	1,000	172.303,12			0,96
TOTAL RECEIVED COLLATERAL				172.303,12			0,96
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP CHF	4.119,84	CHF	1,000	3.429,91			0,02
KBC GROUP DKK	4.156,46	DKK	1,000	559,08			0,00
KBC GROUP EURO	258.722,52	EUR	1,000	258.722,52			1,45
KBC GROUP GBP	48.425,45	GBP	1,000	59.851,01			0,34
KBC GROUP HUF	14.866,45	HUF	1,000	52,02			
KBC GROUP NEW BULGAARSE LEVA	42.301,66	BGN	1,000	21.623,30			0,12
KBC GROUP NOK	84.551,34	NOK	1,000	11.208,06			0,06
KBC GROUP SEK	158.413,28	SEK	1,000	18.084,74			0,10
KBC GROUP TRY	23.061,98	TRY	1,000	10.047,04			0,06
KBC GROUP USD	1.467,50	USD	1,000	1.156,33			0,01
Total demand accounts				384.734,01			2,15
Managed futures accounts							
<u>Belgium</u>							
KBC GROUP EURO FUT REK	22,52	EUR	1,000	22,52			
Total managed futures accounts				22,52			
TOTAL CASH AT BANK AND IN HAND				384.756,53			2,15
OTHER RECEIVABLES AND PAYABLES							
Receivables							
<u>Belgium</u>							
KBC GROUP EUR RECEIVABLE	752,46	EUR	1,000	752,46			0,00
KBC GROUP WHT TO BE RECOVERED EUR	7.005,18	EUR	1,000	7.005,18			0,04
Total receivables				7.757,64			0,04
Payables							
<u>Belgium</u>							
KBC GROUP COUNTERPART ENTRY COLLATERAL IN EUR	-172.303,12	EUR	1,000	-172.303,12			-0,96
KBC GROUP EUR PAYABLE	-55.012,44	EUR	1,000	-55.012,44			-0,31
Payables				-227.315,56			-1,27
TOTAL RECEIVABLES AND PAYABLES				-219.557,92			-1,23
OTHER							
Interest receivable		EUR		28.855,68			0,16
Accrued interest		EUR		4.206,43			0,02
Expenses payable		EUR		-10.999,44			-0,06

Expenses to be carried forward		EUR		7.900,70			0,04
TOTAL OTHER				29.963,37			0,17
TOTAL NET ASSETS				17.867.930,90			100,00

Geographic breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Austria	0,36	0,30	0,36	0,36
Belgium	1,36	2,47	2,65	1,88
Bulgaria	0,01	0,04	0,07	0,15
Bermuda	0,66	0,01	0,00	0,00
Switzerland	9,81	10,44	12,40	10,34
Cyprus	0,91	0,77	0,02	0,02
Germany	7,04	11,08	12,74	11,76
Denmark	1,76	1,65	0,51	0,55
Spain	8,96	8,89	9,16	8,02
Finland	1,26	0,79	0,97	1,00
France	15,42	15,57	12,23	12,16
U.K.	28,93	25,99	29,71	33,90
Greece	1,53	1,43	0,39	0,00
Ireland	0,73	0,10	0,09	0,10
Italy	5,54	7,00	5,74	6,15
Jersey/The Channel Islands	1,46	1,43	1,57	1,17
Luxembourg	0,33	0,00	0,00	0,00
Netherlands	4,75	4,72	4,42	4,56
Norway	2,95	1,33	1,89	2,13
Russia	0,78	0,67	0,76	0,82
Sweden	2,08	1,97	2,13	3,03
Turkey	3,37	3,35	2,19	1,90
Total	100,00	100,00	100,00	100,00

Sector breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Cyclicals	1,31	0,76	0,51	0,66
Financials	96,64	97,06	96,93	96,78
Real est.	1,14	1,41	2,54	2,54
Government.	0,91	0,77	0,02	0,02
Total	100,00	100,00	100,00	100,00

Currency breakdown (as a % of net assets)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
BGN	0,05	0,13	0,20	0,27
CHF	9,73	10,50	11,76	8,37
DKK	1,75	1,66	0,51	0,54
EUR	49,10	53,41	49,61	48,12
GBP	31,03	27,61	30,87	34,75
NOK	2,93	1,34	1,86	2,15
SEK	2,07	1,98	2,10	3,07
TRY	3,34	3,37	2,16	1,92
USD	0,00	0,00	0,93	0,81
Total	100,00	100,00	100,00	100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC EQUITY FUND EURO FINANCE (IN THE CURRENCY OF THE SUB-FUND)

	1st half of year	Year
Purchases	2.755.586,58	2.755.586,58
Sales	3.422.783,49	3.422.783,49
Total 1	6.178.370,07	6.178.370,07
Subscriptions	3.078.511,83	3.078.511,83
Redemptions	3.755.071,28	3.755.071,28
Total 2	6.833.583,11	6.833.583,11
Monthly average of total assets	18.757.598,57	18.757.598,57
Turnover rate	-3,49 %	-3,49 %

	1st half of year	Year
Purchases	2.755.586,58	2.755.586,58
Sales	3.422.783,49	3.422.783,49
Total 1	6.178.370,07	6.178.370,07
Subscriptions	3.078.511,83	3.078.511,83
Redemptions	3.755.071,28	3.755.071,28
Total 2	6.833.583,11	6.833.583,11
Monthly average of total assets	23.325.490,92	23.325.490,92
Corrected turnover rate	-2,81 %	-2,81 %

The table above shows the capital volume of portfolio transactions. This volume (adjusted to take account of total subscriptions and redemptions) is also compared to the average net assets at the beginning and end of the period.

A figure close to 0% implies that the transactions relating to the securities or transactions relating to the assets (excluding deposits and cash) in a given period only involve subscriptions and redemptions.

A negative percentage shows that subscriptions and redemptions entailed few, if any, transactions in the portfolio.

Active asset management may result in high turnover rates (monthly percentage >50%).

The detailed list of transactions is available for consultation free of charge at the registered office of the Bevek or fund at Havenlaan 2, 1080 Brussels.

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

NAME	Currency	Value in currency	In the currency of the sub-fund	Lot-size	Transaction date
KBC COLLATERAL EUR	EUR	172.303,12	172.303,12	N/A	29.06.2012
KBC VK-AK CHF-EUR 120830-120628 1.199436	CHF	- 385.000,00	-320.526,16	N/A	28.06.2012

2.4.4 CHANGES OF THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND THE NET ASSET VALUE

Classic Shares

Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2010 - 06	97.163,42	4.783,53	31.451,47	8.547,00	180.208,35	25.496,53	205.704,87
2011 - 06	72.849,69	1.182,39	181.522,40	7.724,52	71.535,64	18.954,40	90.490,03
2012 - 06	16.357,67	382,18	24.261,50	2.913,00	63.631,81	16.423,57	80.055,38

Period	Amounts received and paid by the UCI (in the currency of the class)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2010 - 06	29.544.823,28	1.157.925,64	9.601.086,65	2.032.898,22
2011 - 06	23.188.268,51	299.643,70	57.977.368,17	1.873.592,93
2012 - 06	3.899.303,20	72.403,92	5.805.651,38	540.951,47

Period	Net asset value End of period (in the currency of the class)		
Year	Of the class	Of one share	
		Capitalization	Distribution
2010 - 06	57.156.296,80	286,03	220,09
2011 - 06	25.220.729,05	293,40	223,27
2012 - 06	17.868.031,75	235,30	176,31

Institutional B Shares

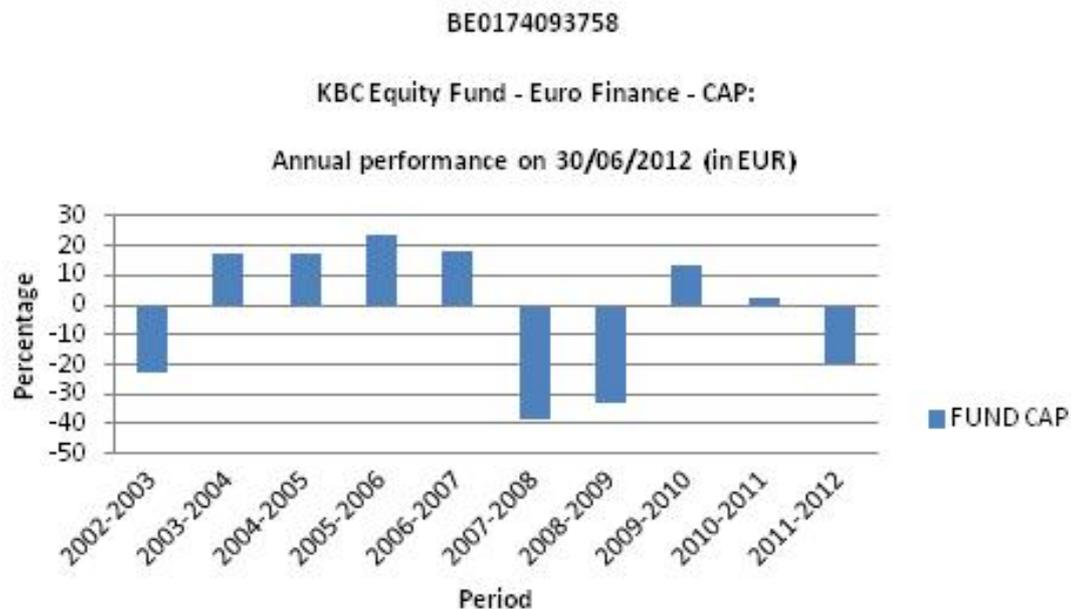
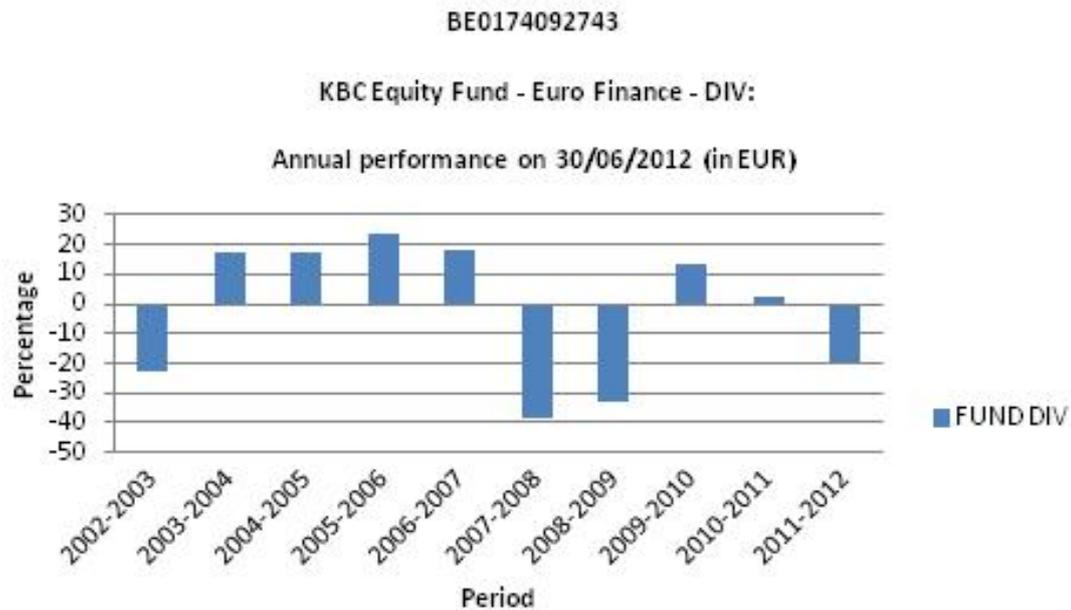
Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2012 - 06	4.943,00		4.943,00		0,00		0,00

Period	Amounts received and paid by the UCI (in the currency of the class)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2012 - 06	1.067.352,34		1.262.028,19	

Net asset value: Nil

2.4.5 PERFORMANCE FIGURES

Classic Shares



Cap Div	ISIN code	Currency	1 Year		3 Years*		5 Years*		10 Years*		Since launch*	
			Share classes	Bench mark	Launch Date	Share classes						
CAP	BE0174093758	EUR	-19.80%		-2.39%		-17.52%		-5.16%		31/05/2000	-6.05%
DIV	BE0174092743	EUR	-19.81%		-2.42%		-17.55%		-5.18%		31/05/2000	-6.07%

Risk warning: Past performance is not a guide to future performance.

* Return on annual basis.

Institutional B Shares

The cumulative returns are shown where they relate to a period of at least one year.

Classic Shares

- The bar chart shows the performance for full financial years.
- The figures do not take account of any restructuring.
- Calculated in EUR.
- The return is calculated as the change in the net asset value between two dates expressed as a percentage. In the case of units that pay dividends, the dividend is incorporated geometrically in the return.
- Calculation method for date D, where NAV stands for net asset value:

Capitalisation units (CAP)

Return on date D over a period of X years:

$$[\text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where $Y = D - X$

Return on date D since the start date S of the unit:

$$[\text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where $F = 1$ if the unit has existed for less than one year on date D

where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D

Distribution units (DIV)

Return on date D over a period of X years:

$$[C * \text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where $Y = D - X$

Return on date D since the start date S of the unit:

$$[C * \text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where $F = 1$ if the unit has existed for less than one year on date D

where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D

where C is a factor that is determined for all N dividends between the calculation date D and the reference date.

For dividend i on date Di with value Wi:

$$C_i = [W_i / \text{NIW}(D_i)] + 1$$

$i = 1 \dots N$

from which $C = C_0 * \dots * C_N$.

- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the n^{th} square root of 1 plus the total return of the unit.
- The return figures shown above do not take account of the fees and charges associated with the issue and redemption of units.

These are the performance figures for capitalisation and distribution shares.

2.4.6 COSTS

Total expense ratio (TER): *

Classic Shares Distribution: 1.639%
Classic Shares Capitalization: 1.639%
Institutional B Shares Capitalization: Not applicable

Percentage calculated at the end of the financial year: 31 December

* The following costs have not been included in the TER:

- Transaction charges
- Interest payments on loans taken out
- Payments in respect of financial derivatives
- Fees and charges paid directly by the investor
- Any soft commissions

SOFT COMMISSIONS

The management company or the appointed manager, as the case may be, is the recipient of soft commissions.

The recipient has laid down an internal policy as regards accepting soft commissions and avoiding possible conflicts of interest in this respect, and has put appropriate internal controls in place to ensure this policy is observed.

For more information, please see the 'General' section of the annual report.

Broker	Commission gross in EUR paid during the period: 1-01-12 - 30-06-12	CSA Credits in EUR accrued during the period: 1-01-12 - 30-06-12	Percentage
CSFBSAS	1,227	608	49.55%
DEUTSCHE	130	65	50.00%
HSBC	434	148	34.19%
MORGAN STANLEY	371	202	54.45%
NOMURA	37	21	55.55%
UBSWDR	1,470	765	52.04%

FEE-SHARING AGREEMENTS AND REBATES:

The management company may share its fee with the distributor, and institutional and/or professional parties.

In principle, the percentage share amounts to between 35% and 60% if the distributor is an entity of KBC Group NV or to between 35% and 70% if the distributor is not an entity of KBC Group NV. However, in a small number of cases, the distributor's fee is less than 35%. Investors may, on request, obtain more information on these cases.

If the management company invests the assets of the undertaking for collective investment in units of undertakings for collective investment that are not managed by an entity of KBC Group NV, and receives a fee for doing so, it will pay this fee to the undertaking for collective investment.

Fee-sharing does not affect the amount of the management fee paid by the sub-fund to the management company. This management fee is subject to the limitations laid down in the articles of association. The limitations may only be amended after approval by the general meeting of shareholders.

The management company has concluded a distribution agreement with the distributor in order to facilitate the wider distribution of the sub-fund's units by using multiple distribution channels.

It is in the interests of the holders of units, the sub-fund and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund to be maximised in this way. In this respect, there is therefore no question of any conflict of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: 1.35% per annum calculated on the basis of the average total net assets of the sub-fund, excluding those assets invested in investment undertakings managed by a financial institution of the KBC group.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the average total net assets of the sub-fund.

Auditor's fee: 1 700 EUR per year. This fee is not including VAT and will be increased at the end of the 3-year mandate.

The custody fee is calculated on the value of the securities held in custody by the custodian on the final banking day of the preceding calendar year, except on those assets invested in investment undertakings managed by a financial institution of the KBC group. The custody fee is paid at the beginning of the calendar year.

Social, ethical and environmental aspects:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

Exercising voting rights

If necessary, relevant and in the interest of the shareholders, the management company will exercise the voting rights attached to the shares in the Bevek's portfolio.

The management company will adhere to the following criteria when determining how it stands relative to the items on the agenda that are put to the vote:

- Shareholder value may not be adversely affected.
- Corporate governance rules, especially with regard to the rights of minority shareholders, must be respected.
- The minimum standards with regard to sustainable business and corporate social responsibility must be met.

The list of companies for which voting rights are exercised is available at the registered office of the Bevek.

Securities lending

In accordance with the Royal Decree of 7 March 2006 concerning securities lending, the undertaking for collective investment has taken out securities loans with a principal to whom the full title of the loaned securities was transferred, without recording this transfer of ownership in the accounts.

For the period from 1 January 2012 to 30 June 2012, the fee for securities lent comes to - 8,774.31 EUR. KBC Asset Management NV receives 50% of the net fee received for securities lent.

The detailed list of securities lending transactions carried out can be obtained from the registered office of the collective investment undertaking at 2 Havenlaan, 1080 Brussels.

Overview of securities lent as at 30/06/2012

Name	Currency	Quantity	Price	Value in currency of the portfolio
BNP PARIBAS	EUR	1	30,335	30,34
HANNOVER RUECKVERSICHERUNG AG NAME	EUR	3.458	46,890	162.145,62
Total				162.175,96

Details of collateral received for securities lent

Name	Currency	Nominal value	Currency fund	Value in Currency fund
GERMANY 2009 2,25% 11/04/14	EUR	83.000	EUR	86.635,65
FRANCE 2001 3% 25/07/2012	EUR	67.000	EUR	85.667,47
Total				172.303,12

For the valuation of the collateral received, indicative prices have been used in this detail list by the Collateral Management Division of KBC Bank.

TABLE OF CONTENTS

- 2. Information on KBC Equity Fund Buyback Europe
 - 2.1. Management report
 - 2.1.1. Launch date and subscription price
 - 2.1.2. Stock exchange listing
 - 2.1.3. Aim and distinctive features of the investment policy
 - 2.1.4. Financial portfolio management
 - 2.1.5. Distributors
 - 2.1.6. Index and benchmark
 - 2.1.7. Policy conducted during the financial year
 - 2.1.8. Future policy
 - 2.1.9. Synthetic risk and reward indicator (SRRI)
 - 2.2. Balance sheet
 - 2.3. Profit and loss account
 - 2.4. Composition of the assets and key figures
 - 2.4.1. Composition of the assets
 - 2.4.2. Change in the composition of the assets
 - 2.4.3. Value of commitments in respect of financial derivatives positions
 - 2.4.4. Evolution of the number of subscriptions, repayments and the net asset value
 - 2.4.5. Return figures
 - 2.4.6. Expenses
 - 2.4.7. Notes to the financial statements and other data

2 INFORMATION ON KBC EQUITY FUND BUYBACK EUROPE

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Classic Shares :

Launch date: 30 June 2000

Initial subscription price: 500 EUR

Currency: EUR

Institutional B Shares :

Launch date: 24 November 2011

Initial subscription price: 459.08 EUR

Currency: EUR

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

The main objective of this sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. To this end, the assets are invested, either directly or indirectly via correlated financial instruments, primarily in shares.

SUB-FUND'S INVESTMENT POLICY:

PERMITTED ASSET CLASSES:

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the sub-fund's object.

The sub-fund shall invest no more than 10% of its assets in units of other undertakings for collective investment.

RESTRICTIONS OF THE INVESTMENT POLICY:

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

PERMITTED DERIVATIVES TRANSACTIONS:

Derivates may be used either for hedging purposes or to achieve investment objectives.

Changes will be made to the investments at regular intervals to comply with the sub-fund's investment strategy. **In addition, listed and unlisted derivates may be used to achieve the objectives:** these may be forward contracts, options or swaps on securities, indices, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions. **Such derivatives may also be used to hedge the assets against exchange-rate fluctuations.** Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions.

STRATEGY SELECTED

A least 75% of the assets are invested in shares of European companies with a policy of share buy-backs. More specifically, this involves companies whose buy-back policy may be considered as an indicator of a capital gain on the investment in the short or medium term.

RISK CONCENTRATION

Shares of European companies with a policy of share buy-backs.

LENDING FINANCIAL INSTRUMENTS:

The sub-fund may lend financial instruments within the limits set by law and regulations.

This lending does not affect the sub-fund's risk profile since:

- it takes place within the framework of a securities lending system managed by a principal. In addition, the sub-fund has a relationship only with the principal of the securities lending system which acts as counterparty and to which title of the loaned securities is transferred. The choice of principal is subject to strict selection criteria. The return of securities similar to the securities that have been lent is guaranteed by the principal.
- through a margin management system, the sub-fund is always guaranteed financial security, the actual value of which always exceeds the actual value of the securities that have been lent, in case the principal does not return similar securities.

The return of securities similar to the securities that have been lent can be requested at any time, which means that the lending of securities does not affect the management of the sub-fund's assets. By lending securities, the sub-fund can generate an additional return. The principal pays a fee to the management company. After deducting the fee for the margin management and clearing services of KBC Bank, most of this fee is paid to the sub-fund.

The relationship with the counterparty or counterparties is governed by standard international agreements.

More information is provided on the terms and conditions governing securities lending in the annual or half-yearly report for the sub-fund.

VOLATILITY OF THE NET ASSET VALUE:

The volatility of the net asset value may be high due to the composition of the portfolio.

GENERAL STRATEGY FOR HEDGING THE EXCHANGE RATE RISK:

In order to protect its assets against exchange rate fluctuations and within the limitations laid down in the articles of association, the sub-fund may perform transactions relating to the sale of forward currency contracts, as well as the sale of call options and the purchase of put options on currencies. The transactions in question may relate solely to contracts traded on a regulated market that operates regularly, is recognised and is open to the public or that are traded with a recognised, prime financial institution specialising in such transactions and dealing in the over-the-counter (OTC) market in options. With the same objective, the sub-fund may also sell currencies forward or exchange them in private transactions with prime financial institutions specialising in such transactions. The hedging objective of the aforementioned transactions suggests that there is a direct link between these transactions and the assets to be hedged, which implies that the transactions carried out in a particular currency may in principle not exceed, in terms of volume, either the valuation value of all the assets in the same currency or the holding period of those assets.

SOCIAL, ETHICAL AND ENVIRONMENTAL ASPECTS:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

THE EUROPEAN SAVINGS DIRECTIVE AND TAX ON DEBT CLAIM RETURNS OBTAINED THROUGH THE REDEMPTION OF OWN UNITS OR IN THE EVENT OF FULL OR PARTIAL DISTRIBUTION OF EQUITY CAPITAL.

The following information is of a general character and is not intended to cover all aspects of an investment in a UCITS. In certain cases entirely different rules might even apply. Moreover, both tax law and the interpretation of it can change. Investors who wish to have more information about the tax implications – in both Belgium and abroad – of acquiring, holding and transferring units should seek the advice of their usual financial and tax advisers.

This UCITS shall invest a maximum of 15% of its assets directly or indirectly in debt instruments as intended by the European Savings Directive.

A. European Savings Directive (Directive 2003/48/EC)

The European Savings Directive has been implemented in Belgium through:

- The Law of 17 May 2004 transposing into Belgian law Directive 2003/48/EC of 3 June 2003 of the Council of the European Union on taxation of savings income in the form of interest payments and amending Income Tax Code 1992 on withholding tax;
- The Royal Decree of 27 September 2009 implementing Article 338bis § 2 of Income Tax Code 1992;
- The Royal Decree of 27 September 2009 concerning the entry into effect of Article 338bis § 2, paragraphs one to three, of Income Tax Code 1992;

Since this UCITS invests a maximum of 15% of its assets directly or indirectly in debt claims as intended by the European Savings Directive, the income of this UCITS does not fall within the scope of this directive.

B. Tax on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital (Article 19bis Income Tax Code 1992).

The income from this UCITS is not subject to the tax on debt instrument returns as intended by Article 19bis, Income Tax Code 1992.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company has delegated the intellectual management, to KBC Fund Management Limited, Joshua Dawson House, Dawson Street, Dublin 2, IRELAND..

2.1.5 DISTRIBUTORS

KBC Asset Management S.A., 5, Place de la Gare, L-1616 Luxembourg.

2.1.6 INDEX AND BENCHMARK

See 'Sub-fund's investment policy'.

2.1.7 POLICY PERSUED DURING THE FINANCIAL YEAR

KBC Equity Fund Buyback Europe invests in European stocks that buy back their own shares. Research has shown that companies that buy back their own shares, for valuation reasons, tend to outperform their peers over a 3-4 year period. The fund therefore adopts a buy and hold strategy for that period. The fund aims at sector and region neutrality, in order to avoid unintended sector/regional bets and is measured against the MSCI Europe Index.

Equity markets moved considerably higher to at the start of 2012. The Fed's announcement that rates will remain low until at least late 2014, record results from Apple and positive US GDP growth numbers were the key support factors for equity markets. It was not all good news however, as major French banks were downgraded and concerns about the Greek 'private' debt restructuring continued to prevail. Into February and after a short pause, markets climbed higher again in the second half of the month. Regionally, the euro area markets strongly outperformed with investors becoming convinced that after two years of crisis, the region has succeeded in isolating the Greek question. The risks of severe damage to the European economy as a whole and for the financial sector in particular fell sharply. Towards the end of the first quarter, positive macroeconomic developments, especially in the US, the successful Greek debt restructuring and the liquidity injection by central banks drove equity markets modestly higher in March. Towards the end of the month, investors' optimism was tempered by worries over the risks for a hard landing in China and the rise in government bond yields throughout the world.

The beginning of the second quarter saw a global pullback on equity markets, prompted by a slowdown in Chinese growth to its lowest level since Q2 2009, poor EU and US economic data and confirmation that the UK and Spain had slide back into recession. The European debt crisis flared up again as yields surged on Spanish bonds, the Dutch government resigned and the Presidential election in France led to much political uncertainty. Euro area concerns escalated in May as Greek exit fears rose after elections in the country produced a stalemate and the country was unable to form a government. Statements from various European officials alluding to the fact that an exit scenario had been discussed sent markets into a tailspin. Sentiment was further hit when periphery yields spiked after Spain partially nationalized Bankia, Spain's second largest mortgage lender. The EUR/USD rate fell sharply, breaking through 1.24 as safe-haven demand propelled USD gains during May. As the end of the second quarter approached, Equity markets surged on the final trading day of the June after unexpected policy responses from the EU Summit, involving an agreement to use the ESM to recapitalize banks directly and take steps towards banking union soothed market nerves and increased appetite for risk assets. Victory for the pro-EU/Bailout New Democrats in Greece also supported markets. The Euro gained 2.3% against the US dollar and 0.6% against sterling as the first half of the year came to a close.

In terms of the Buyback Europe fund performance, the first quarter of the year begun positively, continuing the rally that began in early January and sustaining this to quarter-end. The fund ended the quarter in positive territory on an absolute basis and broadly in line compared to the index of European stocks. The Banking sector proved to be the biggest contributor to positive performance lifted by the names such as KBC Groupe and Erste Groupe. The sector that was the biggest detractor to performance over the period was the Energy sector with the fund's overweight in Total and the fund's exclusion of Transocean the main reasons for underperformance within the sector.

The second quarter was marked with high volatility and a decline in markets globally. While the fund shared this decline it did not lag far behind the index. The negative performance during the quarter can mainly be attributed to the Media sector, where much of the underperformance was derived from Mediaset and Television Francaise, significantly down over the period on disappointing Quarter 1 results. Some of the poor performance was offset by the good performance of the Telecommunications sector where the fund's overweight in Vodafone and underweight in Telefonica played to the advantage of the fund. On an individual stock level, Astrazenica, the largest weight relative to the Benchmark was the best performing stock, while Ficher and Nokia were notable underperformers, the latter announcing in late Q2 that it would be seeking to cut 10,000 jobs worldwide in an attempt to cut costs.

So overall, the markets were very volatile during the first half of 2012 and while some concerns eased towards the end of the period, the volatility is likely to continue going forward. For KBC Equity Fund Buyback Europe, the fund performed positively on an absolute basis ending up in mid single digits. This was in the context of a very strong rise in Q1 and losing some of these gains in Q2. In relative terms over the half-year period the fund lagged the Benchmark after taking account of costs.

2.1.8 FUTURE POLICY

Globally, while recent moves by policy makers have been positive, we still expect turbulence in markets going forward. Europe has clearly made some steps forward, however the problems are not yet resolved and the growth outlook continues to be a concern. Budgetary cuts to control spending across the region have negative implications on demand in the context of international trade. This is a concern for Asia, where it is driven by both domestic and international factors.

We do continue to believe however, that the global economic picture is stronger than currently perceived. Falling inflation (triggered by another significant drop in the oil price) and very accommodating monetary policies: the first rate cut in China, ECB likely to cut further, and the Fed announced continuation of "Operation Twist" and additional measures if needed, should jump start the global economy in the coming months. Our stance on the Euro crisis remains unchanged: all actions needed to safeguard the union will be taken because the costs and political risks of a break-up are immense.

In relation to the buyback theme, while recent buyback announcements has declined somewhat, the level still remains close to the seven-year average. For those companies that do buy back and cancel those shares, the signals are very strong. Companies are trying to signal to the market that their share price is undervalued and that they are in good health. We believe that a lot of these companies are right to time these recent buybacks if they feel their company is truly undervalued. However, it is important to ensure that we find those companies that are committed to cancelling these shares and returning value to shareholders.

In line with the theme, KBC Equity Fund Buyback Europe will continue to invest in a portfolio of European shares that are buying back their own shares with the intention to create shareholder value. We will continue to ensure that the portfolio is diversified, with region and sector allocation in line with the MSCI Europe Index.

On 30 June 2012, the position in the issuer, HSBC Holdings, came to 11.02% of the assets due to price fluctuations. The situation is being rectified in the interests of the investors.

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

Classic Shares: 6 on a scale of 1 (lowest risk) to 7 (highest risk).

Institutional B Shares: 6 on a scale of 1 (lowest risk) to 7 (highest risk).

The value of a share can decrease or increase and the investor may not get back the amount invested.

In accordance with Commission Regulation (EU) No. 583/2010, a synthetic risk and reward indicator has been calculated. This indicator provides a quantitative measure of the sub-fund's potential return and the risk involved, calculated in the currency in which the sub-fund is denominated. It is given as a figure between 1 and 7. The higher the figure, the greater the potential return, but also the more difficult it is to predict this return. Losses are possible too. The lowest figure does not mean that the investment is entirely free of risk. However, it does indicate that, compared with the higher figures, this product will generally provide a lower, but more predictable return.

The synthetic risk and reward indicator is assessed regularly and can therefore go up or down based on data from the past. Data from the past is not always a reliable indicator of future risk and return.

The most recent indicator can be found under the 'Risk and reward profile' heading in the 'Key Investor Information' document.

2.2 BALANCE SHEET

Balance sheet layout	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
TOTAL NET ASSETS	82.672.403,14	157.550.288,43
II. Securities, money market instruments, UCIs and derivatives		
A. Bonds and other debt instruments		
a) Bonds	506.494,50	
a) Collateral received in the form of bonds	2.853.313,98	3.321.484,41
C. Shares and similar instruments		
a) Shares	81.749.058,74	157.096.119,04
Of which securities lent	2.729.470,23	3.055.431,90
D. Other securities	545,34	160.836,84
F. Derivative financial instruments		
j) Foreign exchange		
Futures and forward contracts (+/-)	-741,40	
m) Financial indices		
Futures and forward contracts (+/-)	19.692,77	
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable	17.091,90	56.001,50
b) Tax assets	11.982,30	14.636,05
B. Payables		
a) Accounts payable (-)	-838.052,37	-118.553,32
c) Borrowings (-)		-23.198,60
d) Collateral (-)	-2.853.313,98	-3.321.484,41
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	979.053,64	78.936,95
VI. Accruals and deferrals		
A. Expense to be carried forward	37.454,49	56.150,33
B. Accrued income	246.304,69	347.594,30
C. Accrued expense (-)	-56.481,46	-118.234,66
TOTAL SHAREHOLDERS' EQUITY	82.672.403,14	157.550.288,43
A. Capital	78.617.189,09	163.862.661,99
B. Income equalization	-46.311,52	130.262,29
D. Result for the period	4.101.525,57	-6.442.635,85

Off-balance-sheet headings

I	Collateral (+/-)		
I.A	Collateral (+/-)		
I.A.A	Securities/market instruments	2.853.313,98	3.321.484,41
III	Notional amounts of futures and forward contracts		
III.A	Purchased futures and forward contracts	771.031,53	
IX	Financial instruments lent	2.729.470,23	3.055.431,90

2.3 PROFIT AND LOSS ACCOUNT

Income Statement	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
I. Net gains(losses) on investments		
A. Bonds and other debt instruments		
a) Bonds	-55.173,00	
C. Shares and similar instruments		
a) Shares	981.974,80	-6.957.492,17
D. Other securities	-31.254,30	12.364,65
F. Derivative financial instruments		
l) Financial indices		
Futures and forward contracts	321.110,54	
H. Foreign exchange positions and transactions		
a) Derivative financial instruments		
Futures and forward contracts	-492,62	
b) Other foreign exchange positions and transactions	1.258.050,67	-1.644.570,10
II. Investment income and expenses		
A. Dividends	2.332.940,16	3.602.830,17
B. Interests		
a) Securities and money market instruments	84.580,81	10.106,85
b) Cash at bank and in hand and deposits	755,45	4.167,54
C. Interest on borrowings (-)	-2.061,15	-455,96
III. Other income		
A. Income received to cover the acquisition and realization of assets, to discourage withdrawals and for delivery charges	176.829,51	
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-205.203,04	-249.902,50
B. Financial expenses (-)	-757,16	-2.304,52
C. Custodian's fee (-)	-34.758,04	-46.007,17
D. Manager's fee (-)		
a) Financial management		
Classic Shares	-438.059,74	-975.871,80
Institutional B Shares	-175.697,56	
b) Administration and accounting management	-44.429,52	-74.230,69
E. Administrative expenses (-)	-962,57	-459,81
F. Formation and organisation expenses (-)	-5.116,26	-5.972,43
G. Remuneration, social security charges and pension	-6,67	-28,87
H. Services and sundry goods (-)	-9.522,06	-11.322,54
J. Taxes		
Classic Shares	-24.374,88	-62.460,47
Institutional B Shares	-1.100,10	
K. Other expenses (-)	-25.747,70	-41.026,03
Income and expenditure for the period		
Subtotal II + III + IV	1.627.309,48	2.147.061,77
V. Profit (loss) on ordinary activities before tax	4.101.525,57	-6.442.635,85
VII. Result for the period	4.101.525,57	-6.442.635,85

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC EQUITY FUND BUYBACK EUROPE

Name	Quantity on 30/06/2012	Currency	Price in currency	Evaluation (in the currency of the sub-fund)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
Bonds							
Corporate bonds							
<u>Ireland</u>							
D-STAR FINANCE PLC SUB 14/05/13	795.000,00	EUR	63,710	506.494,50		0,62	0,61
Total bonds				506.494,50		0,62	0,61
Shares							
Exchange-listed shares							
<u>Austria</u>							
AUSTRIA TECHNOLOGIE & SYSTEM (FRA)	4.801,00	EUR	8,149	39.123,35		0,05	0,05
ERSTE GROUP BANK AG -	36.035,00	EUR	14,945	538.543,08		0,66	0,65
<u>Belgium</u>							
AGEAS NV -	330.208,00	EUR	1,560	515.124,48		0,63	0,62
BREDERODE -	4.003,00	EUR	20,100	80.460,30		0,10	0,10
CIE BOIS SAUVAGE (BRU)	216,00	EUR	185,030	39.966,48		0,05	0,05
KBC GROUP -	30.411,00	EUR	16,665	506.799,32		0,62	0,61
SOFINA -	13.081,00	EUR	60,950	797.286,95		0,97	0,96
TELENET -	6.797,00	EUR	34,500	234.496,50		0,29	0,28
<u>Bermuda</u>							
STOLT-NIELSEN LTD -	17.612,00	NOK	100,000	233.463,24		0,28	0,28
<u>Denmark</u>							
D/S NORDEN -	20.604,00	DKK	155,400	430.681,91		0,52	0,52
GN-GREAT NORDIC LTD -	68.914,00	DKK	70,850	656.751,98		0,80	0,79
H. LUNDBECK A/S -	37.744,00	DKK	121,000	614.309,70		0,75	0,74
JYSKE BANK A/S REG	10.888,00	DKK	158,000	231.397,83		0,28	0,28
SJAELSO GRUPPEN A/S -	19.455,00	DKK	2,900	7.588,98		0,01	0,01
SYDBANK A/S -	19.162,00	DKK	94,950	244.731,50		0,30	0,30
TDC AS "B"	16.903,00	DKK	40,800	92.763,69		0,11	0,11
<u>Finland</u>							
KEMIRA (HEL)	56.239,00	EUR	9,215	518.242,39		0,63	0,63
NOKIA "A"	166.819,00	EUR	1,620	270.246,78		0,33	0,33
YIT OYJ -	54.744,00	EUR	13,380	732.474,72		0,89	0,89
<u>France</u>							
ACCOR -	19.509,00	EUR	24,680	481.482,12		0,59	0,58
BOIRON SA -	3.742,00	EUR	20,500	76.711,00		0,09	0,09
BOUYGUES -	46.543,00	EUR	21,200	986.711,60		1,20	1,19
CARREFOUR -	41.413,00	EUR	14,545	602.352,09		0,73	0,73
ETAB ECON CASINO GUICH-P (PAR)	10.399,00	EUR	69,310	720.754,69		0,88	0,87
ETAM DEVELOPPEMENT SA -	2.315,00	EUR	10,980	25.418,70		0,03	0,03
FFP (PAR)	3.299,00	EUR	25,300	83.464,70		0,10	0,10
FRANCE TELECOM -	94.528,00	EUR	10,375	980.728,00		1,19	1,19

GDF SUEZ -	89.590,00	EUR	18,755	1.680.260,45		2,04	2,03
GDF SUEZ STRIP VVPR	70,00	EUR	0,001	0,07			
HAVAS (PAR)	79.315,00	EUR	3,595	285.137,43		0,35	0,35
L'OREAL -	14.908,00	EUR	92,240	1.375.113,92		1,67	1,66
NEXITY -	21.166,00	EUR	18,800	397.920,80		0,48	0,48
PUBLICIS GROUPE SA -	14.628,00	EUR	36,050	527.339,40		0,64	0,64
SCOR REGROUPE (PAR)	23.546,00	EUR	19,110	449.964,06		0,55	0,54
TELEVISION FRANCAISE (TF1) (PAR)	30.802,00	EUR	6,290	193.744,58		0,24	0,23
TOTAL -	77.803,00	EUR	35,500	2.762.006,50		3,36	3,34
<u>Germany</u>							
BASF SE -	39.717,00	EUR	54,700	2.172.519,90		2,64	2,63
BAYERISCHE MOTOREN WERKE AG -	13.850,00	EUR	56,930	788.480,50		0,96	0,95
DAIMLER AG -	28.887,00	EUR	35,345	1.021.011,02		1,24	1,24
DEUTSCHE POSTBANK AG -	35.886,00	EUR	28,430	1.020.238,98		1,24	1,23
DEUTSCHE TELEKOM INT FIN REG	135.973,00	EUR	8,654	1.176.710,34		1,43	1,42
E.ON AG -	95.283,00	EUR	17,000	1.619.811,00		1,97	1,96
KABEL DEUTSCHLAND HOLDING AG -	9.097,00	EUR	49,125	446.890,13		0,54	0,54
MUNCHENER RUCKVERSICHERUNG AG REG	14.288,00	EUR	111,150	1.588.111,20		1,93	1,92
TELEGATE AG (FRA)	10.718,00	EUR	5,799	62.153,68		0,08	0,08
<u>Gibraltar</u>							
BWIN.PARTY DIGITAL ENTERTAINMENT -	5.041,00	GBP	1,100	6.853,42		0,01	0,01
<u>Greece</u>							
FOURLIS S.A. REG	18.342,00	EUR	1,030	18.892,26		0,02	0,02
INTRACOM HOLDINGS SA -	179.236,00	EUR	0,179	32.083,24		0,04	0,04
SARANTIS SA -	17.973,00	EUR	1,600	28.756,80		0,04	0,04
TERNA ENERGY SA -	39.535,00	EUR	1,370	54.162,95		0,07	0,07
<u>Ireland</u>							
AER LINGUS GROUP PLC -	328.073,00	EUR	1,010	331.353,73		0,40	0,40
FYFFES PLC -	177.467,00	EUR	0,420	74.536,14		0,09	0,09
ICON PLC -	4.619,00	EUR	17,473	80.706,86		0,10	0,10
UNITED DRUG PLC -	156.868,00	EUR	2,070	324.716,76		0,40	0,39
<u>Italy</u>							
CREDITO EMILIANO SPA -	216.674,00	EUR	2,880	624.021,12		0,76	0,76
EDITORIALE L'ESPRESSO (MIL)	85.542,00	EUR	0,606	51.795,68		0,06	0,06
FIAT SPA -	102.333,00	EUR	3,968	406.057,34		0,49	0,49
MEDIASET -	151.807,00	EUR	1,379	209.341,85		0,25	0,25
MONDADORI (MIL)	77.424,00	EUR	0,887	68.675,09		0,08	0,08
PIRELLI (MIL) SPA	41.856,00	EUR	8,295	347.195,52		0,42	0,42
SAES GETTERS SPA -	10.022,00	EUR	7,000	70.154,00		0,09	0,09
<u>Jersey/The Channel Islands</u>							
BEAZLEY PLC -	127.528,00	GBP	1,377	217.038,75		0,26	0,26
<u>Luxembourg</u>							
GAGFAH SA -	60.273,00	EUR	7,536	454.217,33		0,55	0,55
<u>Netherlands</u>							
KON. AHOLD -	83.115,00	EUR	9,774	812.366,01		0,99	0,98
KONINKLIJKE D.S.M. NV (AMS)	34.440,00	EUR	38,800	1.336.272,00		1,62	1,62
TELEGRAAF (HOLDINGMJ.) -	10.440,00	EUR	8,266	86.297,04		0,11	0,10
<u>Norway</u>							
DNB ASA -	115.777,00	NOK	58,950	904.723,63		1,10	1,09
ORKLA ASA "A"	187.976,00	NOK	43,060	1.072.966,75		1,30	1,30
SPAREBANK 1 SMN -	44.752,00	NOK	32,100	190.426,47		0,23	0,23
TELENOR A/S -	27.934,00	NOK	98,900	366.217,64		0,45	0,44

TOMRA SYSTEMS -	59.138,00	NOK	50,500	395.883,90		0,48	0,48
WILH WILHEMSEN HOLDING ASA -	3.681,00	NOK	145,000	70.752,80		0,09	0,09
<u>Portugal</u>							
PORTUGAL TELECOM INT FIN -	81.122,00	EUR	3,455	280.276,51		0,34	0,34
<u>Spain</u>							
BANESTO BCO ESPANOL DE CREDITO SA -	222.741,00	EUR	2,573	573.112,59		0,70	0,69
BARON DE LEY (MAD)	5.396,00	EUR	39,460	212.926,16		0,26	0,26
CORP FINANCIERA ALBA SA -	19.014,00	EUR	26,370	501.399,18		0,61	0,61
SOLARIA ENERGIA Y MEDIO AMBIENTE SA -	125.152,00	EUR	0,720	90.109,44		0,11	0,11
<u>Sweden</u>							
EAST CAPITAL EXPLORER AB -	35.614,00	SEK	47,500	193.123,47		0,24	0,23
FABEGE AB -	79.499,00	SEK	54,100	490.997,88		0,60	0,59
KINNEVIK INVESTMENT AB -B-	61.670,00	SEK	138,500	975.089,33		1,19	1,18
ORESUND INVESTMENT AB -	22.264,00	SEK	90,250	229.388,21		0,28	0,28
SKANDINAVISKA ENSKILDA "A"	326.873,00	SEK	44,760	1.670.282,03		2,03	2,02
SWEDISH MATCH AB -	51.563,00	SEK	278,700	1.640.574,02		1,99	1,98
TELIASONERA AB -	112.381,00	SEK	44,120	566.042,55		0,69	0,69
<u>Switzerland</u>							
BALOISE HLDG REG	5.368,00	CHF	62,500	279.315,66		0,34	0,34
BB BIOTECH AG -	8.417,00	CHF	76,200	533.967,78		0,65	0,65
GEORG.FISCHER (NAAM)	3.152,00	CHF	326,250	856.129,54		1,04	1,04
IMPLENIA AG -	9.506,00	CHF	29,800	235.839,65		0,29	0,29
NESTLE AG REG	99.870,00	CHF	56,550	4.701.867,79		5,72	5,69
NOVARTIS AG REG	85.964,00	CHF	52,900	3.785.951,46		4,60	4,58
PHOENIX MECANO AG -	438,00	CHF	465,000	169.562,50		0,21	0,21
<u>U.K.</u>							
ANITE PLC -	162.802,00	GBP	1,212	243.871,00		0,30	0,30
ARM HOLDG -	100.446,00	GBP	5,055	627.554,73		0,76	0,76
ASTRAZENECA PLC -	92.814,00	GBP	28,530	3.272.751,72		3,98	3,96
BAE SYSTEMS PLC -	490.789,00	GBP	2,886	1.750.608,15		2,13	2,12
BERKELEY GROUP (THE) PLC -	35.307,00	GBP	14,090	614.850,61		0,75	0,74
BILLITON PLC -	138.241,00	GBP	18,060	3.085.690,84		3,75	3,73
BP PLC -	417.769,00	GBP	4,220	2.178.687,80		2,65	2,64
CARNIVAL PLC PLC	8.760,00	GBP	21,820	236.241,75		0,29	0,29
CATLIN GROUP LTD -	62.148,00	GBP	4,255	326.831,96		0,40	0,40
CLS HOLDING PLC -	10.627,00	GBP	6,700	88.000,12		0,11	0,11
COMPASS GROUP -	61.504,00	GBP	6,690	508.542,53		0,62	0,62
DIGNITY PLC -	6.221,00	GBP	8,070	62.048,54		0,08	0,08
GRIFFIN MINING LTD -	160.413,00	GBP	0,338	66.913,10		0,08	0,08
HERITAGE OIL PLC -	121.607,00	GBP	1,230	184.867,89		0,23	0,22
HOME RETAIL GROUP -	124.820,00	GBP	0,847	130.589,70		0,16	0,16
LEGAL & GENERAL GROUP PLC -	748.354,00	GBP	1,273	1.177.425,09		1,43	1,42
MAN GROUP PLC -	378.088,00	GBP	0,762	355.844,78		0,43	0,43
NEXT PLC -	9.525,00	GBP	31,990	376.597,14		0,46	0,46
NOVAE GROUP PLC -	16.780,00	GBP	3,650	75.697,69		0,09	0,09
REGUS PLC -	553.681,00	GBP	0,899	615.201,11		0,75	0,74
RESOLUTION PLC -	105.475,00	GBP	1,959	255.376,99		0,31	0,31
RIGHTMOVE GROUP PLC -	11.873,00	GBP	15,920	233.615,33		0,28	0,28
ROYAL DUTCH SHELL PLC -A-	41.977,00	EUR	26,605	1.116.798,09		1,36	1,35
ROYAL DUTCH SHELL PLC -B-	104.946,00	GBP	22,250	2.885.982,57		3,51	3,49
SAGE GROUP -	287.240,00	GBP	2,773	984.447,56		1,20	1,19
SPIRENT COMMUNICATIONS PLC -	169.285,00	GBP	1,605	335.808,21		0,41	0,41
TRADING EMISSIONS PLC -	277.423,00	GBP	0,198	67.718,50		0,08	0,08
UNILEVER PLC -	86.083,00	GBP	21,440	2.281.077,15		2,77	2,76
VODAFONE GROUP PLC -	1.087.475,00	GBP	1,793	2.409.218,81		2,93	2,91

WETHERSPOON PLC -	18.678,00	GBP	4,262	98.387,88		0,12	0,12
WOLFSON MICROELECTRONICS PLC -	21.255,00	GBP	1,970	51.751,76		0,06	0,06
888 HOLDINGS PLC -	150.542,00	GBP	0,635	118.148,77		0,14	0,14
Total shares				81.749.058,74		99,36	98,88
Options and futures							
Exchange-listed futures							
<u>Belgium</u>							
EURO - STOXX 50 SEP 12	12,00	EUR	2.255,000	270.600,00		0,33	0,33
<u>Switzerland</u>							
SWISS MKT IX FUTR SEP 12	1,00	CHF	6.059,000	50.443,33		0,06	0,06
<u>U.K.</u>							
FTSE 100 ID X FUT SEP 12	3,00	GBP	5.523,000	204.783,09		0,25	0,25
Suspense accounts (futures)							
<u>Belgium</u>							
EURO - STOXX 50 SEP 12	-256.680,00	EUR	1,000	-256.680,00		-0,31	-0,31
<u>Switzerland</u>							
SWISS MKT IX FUTR SEP 12	-58.800,00	CHF	1,000	-48.953,09		-0,06	-0,06
<u>U.K.</u>							
FTSE 100 ID X FUT SEP 12	-162.225,00	GBP	1,000	-200.500,56		-0,24	-0,24
Total options and futures				19.692,77		0,02	0,02
Rights							
<u>Netherlands</u>							
DELTA LLOYD CP 25/05/12	894,00	EUR	0,610	545,34		0,00	0,00
Total rights				545,34		0,00	0,00
Forward contracts		EUR		-741,40			0,00
TOTAL SECURITIES PORTFOLIO				82.275.049,95		100,00	99,52
COLLATERAL RECEIVED							
<u>Belgium</u>							
KBC GROUP COLLATERAL EUR	2.853.313,98	EUR	1,000	2.853.313,98			3,45
TOTAL RECEIVED COLLATERAL				2.853.313,98			3,45
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP CHF	32.236,57	CHF	1,000	26.838,09			0,03
KBC GROUP DKK	49.547,64	DKK	1,000	6.664,65			0,01
KBC GROUP EURO	893.104,43	EUR	1,000	893.104,43			1,08
KBC GROUP GBP	45.978,61	GBP	1,000	56.826,86			0,07
KBC GROUP NOK	12.585,75	NOK	1,000	1.668,36			0,00
KBC GROUP SEK	5.765,27	SEK	1,000	658,17			0,00
KBC GROUP USD	4.842,78	USD	1,000	3.815,92			0,01
Total demand accounts				989.576,48			1,20
Managed futures accounts							
<u>Belgium</u>							
KBC GROUP EURO FUT REK	-4.789,02	EUR	1,000	-4.789,02			-0,01
KBC GROUP FUT.REK.CHF	-1.347,43	CHF	1,000	-1.121,78			0,00

KBC GROUP FUT.REK.GBP	-3.731,52	GBP	1,000	-4.611,94			-0,01
KBC GROUP FUT.REK.SEK	-0,90	SEK	1,000	-0,10			
Total managed futures accounts				-10.522,84			-0,01
TOTAL CASH AT BANK AND IN HAND				979.053,64			1,18
OTHER RECEIVABLES AND PAYABLES							
Receivables							
<u>Belgium</u>							
KBC GROUP EUR RECEIVABLE	17.091,90	EUR	1,000	17.091,90			0,02
KBC GROUP WHT TO BE RECOVERED EUR	11.982,30	EUR	1,000	11.982,30			0,01
Total receivables				29.074,20			0,04
Payables							
<u>Belgium</u>							
KBC GROUP COUNTERPART ENTRY COLLATERAL IN EUR	-2.853.313,98	EUR	1,000	-2.853.313,98			-3,45
KBC GROUP EUR PAYABLE	-838.052,37	EUR	1,000	-838.052,37			-1,01
Payables				-3.691.366,35			-4,47
TOTAL RECEIVABLES AND PAYABLES				-3.662.292,15			-4,43
OTHER							
Interest receivable		EUR		230.834,06			0,28
Accrued interest		EUR		15.470,63			0,02
Expenses payable		EUR		-56.481,46			-0,07
Expenses to be carried forward		EUR		37.454,49			0,05
TOTAL OTHER				227.277,72			0,28
TOTAL NET ASSETS				82.672.403,14			100,00

Geographic breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Austria	0,12	0,04	1,19	0,70
Belgium	0,91	0,48	1,70	2,66
Bermuda	0,11	0,18	0,18	0,28
Switzerland	13,97	11,90	13,36	12,84
Germany	12,76	13,80	10,81	12,03
Denmark	0,71	1,03	1,76	2,77
Spain	3,03	2,65	5,52	1,67
Finland	2,29	2,33	1,77	1,85
France	11,73	13,44	12,38	14,13
U.K.	32,49	31,59	34,96	32,61
Gibraltar	0,00	0,00	0,00	0,01
Greece	0,31	0,36	0,15	0,16
Ireland	0,23	0,26	0,94	1,60
Italy	6,35	7,03	1,91	2,16
Jersey/The Channel Islands	0,00	0,10	0,05	0,26
Luxembourg	0,00	0,56	0,41	0,55
Netherlands	5,04	4,97	3,98	2,72
Norway	2,72	2,39	2,04	3,65
Portugal	1,22	1,62	1,01	0,34
Sweden	4,31	5,01	5,88	7,01
Guernsey The Channel Islands	0,09	0,26	0,00	0,00
South Africa	1,61	0,00	0,00	0,00
Total	100,00	100,00	100,00	100,00

Sector breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Cyclicals	27,56	27,16	27,44	26,06
Consum(cycl)	13,99	13,81	12,72	11,68
Cons.goods	12,51	12,08	13,87	14,10
Pharma	8,09	8,29	10,33	11,38
Financials	21,17	21,14	17,68	18,54
Technology	4,28	3,24	3,44	3,67
Telecomm.	5,61	7,40	8,94	8,71
Utilities	4,57	4,54	3,96	4,09
Real est.	2,22	2,34	1,59	1,75
Various	0,00	0,00	0,03	0,02
Total	100,00	100,00	100,00	100,00

Currency breakdown (as a % of net assets)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
CHF	13,97	11,90	15,30	12,90
DKK	0,71	1,04	1,76	2,77
EUR	45,25	48,73	33,45	41,66
GBP	32,93	30,75	40,24	31,75
NOK	2,83	2,57	2,23	3,93
SEK	4,31	5,01	7,01	6,99
USD	0,00	0,00	0,01	0,00
Total	100,00	100,00	100,00	100,00

**2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC EQUITY FUND BUYBACK EUROPE
(IN THE CURRENCY OF THE SUB-FUND)**

	1st half of year	Year
Purchases	63.872.018,98	63.872.018,98
Sales	68.403.378,86	68.403.378,86
Total 1	132.275.397,84	132.275.397,84
Subscriptions	45.864.430,21	45.864.430,21
Redemptions	51.809.798,13	51.809.798,13
Total 2	97.674.228,34	97.674.228,34
Monthly average of total assets	91.447.562,40	91.447.562,40
Turnover rate	37,84 %	37,84 %

	1st half of year	Year
Purchases	63.872.018,98	63.872.018,98
Sales	68.403.378,86	68.403.378,86
Total 1	132.275.397,84	132.275.397,84
Subscriptions	45.864.430,21	45.864.430,21
Redemptions	51.809.798,13	51.809.798,13
Total 2	97.674.228,34	97.674.228,34
Monthly average of total assets	89.854.496,47	89.854.496,47
Corrected turnover rate	38,51 %	38,51 %

The table above shows the capital volume of portfolio transactions. This volume (adjusted to take account of total subscriptions and redemptions) is also compared to the average net assets at the beginning and end of the period.

A figure close to 0% implies that the transactions relating to the securities or transactions relating to the assets (excluding deposits and cash) in a given period only involve subscriptions and redemptions.

A negative percentage shows that subscriptions and redemptions entailed few, if any, transactions in the portfolio.

Active asset management may result in high turnover rates (monthly percentage >50%).

The detailed list of transactions is available for consultation free of charge at the registered office of the Bevek or fund at Havenlaan 2, 1080 Brussels.

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

NAME	Currency	Value in currency	In the currency of the sub-fund	Lot-size	Transaction date
KBC COLLATERAL EUR	EUR	2.853.313,98	2.853.313,98	N/A	29.06.2012
SMI 09/12/2012	CHF	60.590,01	50.443,33	10,00	12.06.2012
KBC AK-VK CHF-EUR 121214-120615 1.197326	CHF	57.000,00	47.454,52	N/A	15.06.2012
EUROSTOX 09/12/2012	EUR	270.600,00	270.600,00	10,00	12.06.2012
FTSE 09/12/2012	GBP	165.690,00	204.783,09	10,00	12.06.2012
KBC AK-VK GBP-EUR 121214-120615 0.808174	GBP	160.000,00	197.750,59	N/A	15.06.2012

2.4.4 CHANGES OF THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND THE NET ASSET VALUE

Classic Shares

Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2010 - 06	212.094,12	2.965,66	193.282,29	6.082,00	155.731,05	28.246,16	183.977,21
2011 - 06	270.526,45	5.205,00	169.716,21	5.878,00	256.541,29	27.573,16	284.114,45
2012 - 06	39.813,76	1.885,68	198.104,34	5.101,65	98.250,71	24.357,19	122.607,89

Period	Amounts received and paid by the UCI (in the currency of the class)				
Year	Subscriptions		Redemptions		
	Capitalization	Distribution	Capitalization	Distribution	
2010 - 06	109.025.561,65	1.205.919,63	99.887.214,76	2.523.289,13	
2011 - 06	155.512.650,03	2.446.653,46	94.849.322,08	2.708.923,57	
2012 - 06	20.935.234,68	819.008,51	96.921.434,89	2.109.102,36	

Period	Net asset value End of period (in the currency of the class)			
Year	Of the class	Of one share		
		Capitalization	Distribution	
2010 - 06	91.820.293,24	514,17	415,94	
2011 - 06	157.550.288,43	565,53	452,16	
2012 - 06	62.339.916,03	531,27	416,39	

Institutional B Shares

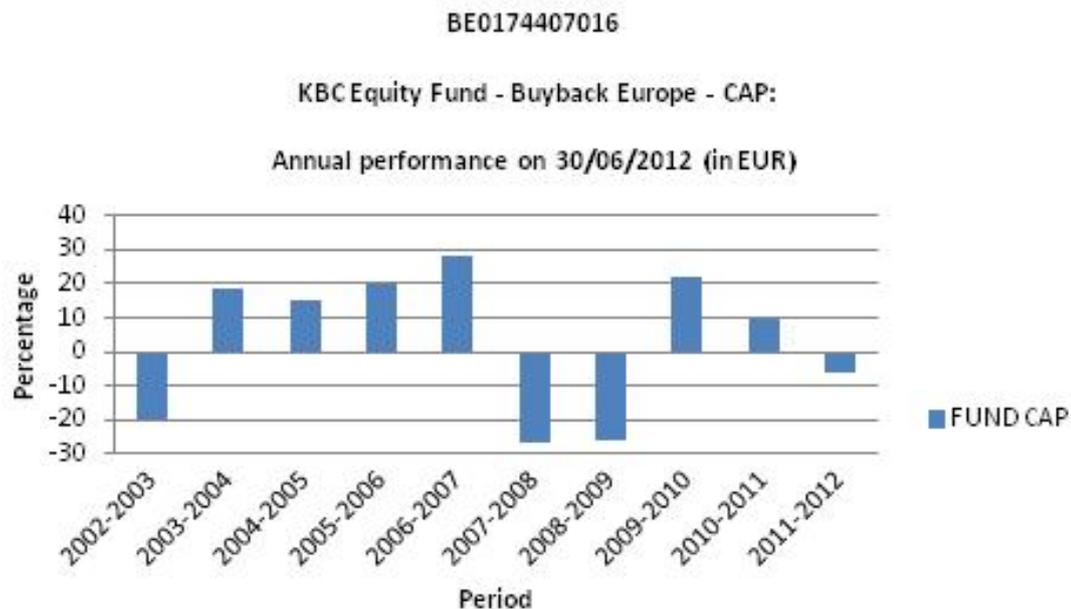
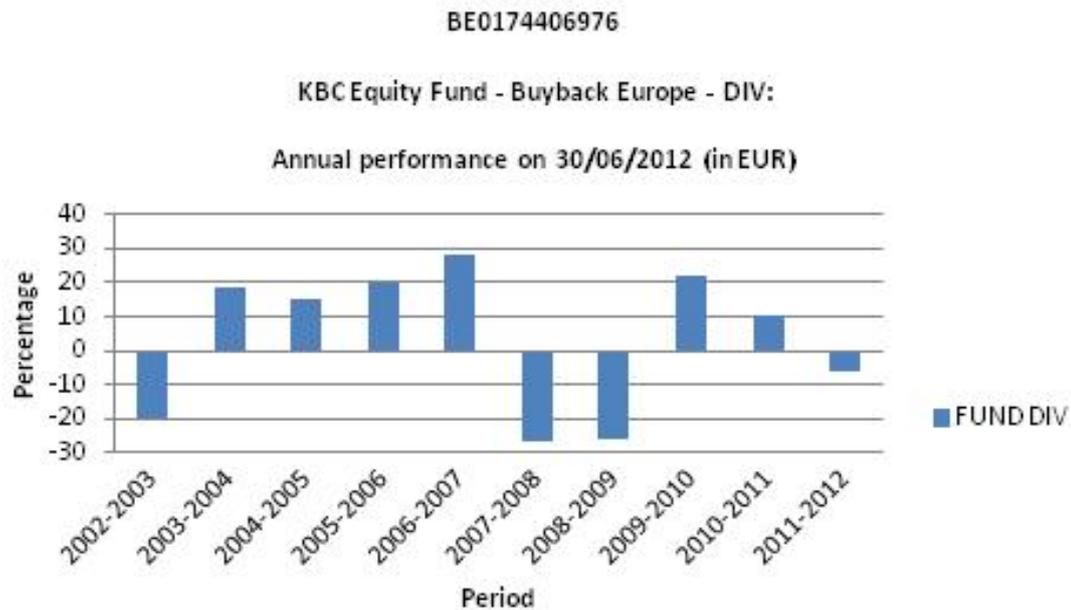
Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2012 - 06	123.597,00		85.361,00		38.236,00		38.236,00

Period	Amounts received and paid by the UCI (in the currency of the class)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2012 - 06	63.648.050,03		45.964.150,38	

Period	Net asset value End of period (in the currency of the class)		
Year	Of the class	Of one share	
		Capitalization	Distribution
2012 - 06	20.332.487,11	531,76	

2.4.5 PERFORMANCE FIGURES

Classic Shares



Cap Div	ISIN code	Cur- rency	1 Year		3 Years*		5 Years*		10 Years*		Since launch*	
			Share classes	Bench mark	Launch Date	Share classes						
CAP	BE0174407016	EUR	-6.06%		7.95%		-7.50%		1.36%		30/06/2000	0.51%
DIV	BE0174406976	EUR	-6.10%		7.96%		-7.50%		1.35%		30/06/2000	0.50%

Risk warning: Past performance is not a guide to future performance.

* Return on annual basis.

Institutional B Shares

The cumulative returns are shown where they relate to a period of at least one year.

Classic Shares

- The bar chart shows the performance for full financial years.
- The figures do not take account of any restructuring.
- Calculated in EUR.
- The return is calculated as the change in the net asset value between two dates expressed as a percentage. In the case of units that pay dividends, the dividend is incorporated geometrically in the return.
- Calculation method for date D, where NAV stands for net asset value:

Capitalisation units (CAP)

Return on date D over a period of X years:

$$[\text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where $Y = D - X$

Return on date D since the start date S of the unit:

$$[\text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where $F = 1$ if the unit has existed for less than one year on date D

where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D

Distribution units (DIV)

Return on date D over a period of X years:

$$[C * \text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where $Y = D - X$

Return on date D since the start date S of the unit:

$$[C * \text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where $F = 1$ if the unit has existed for less than one year on date D

where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D

where C is a factor that is determined for all N dividends between the calculation date D and the reference date.

For dividend i on date Di with value Wi:

$$C_i = [W_i / \text{NIW}(D_i)] + 1$$

$i = 1 \dots N$

from which $C = C_0 * \dots * C_N$.

- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the n^{th} square root of 1 plus the total return of the unit.
- The return figures shown above do not take account of the fees and charges associated with the issue and redemption of units.

These are the performance figures for capitalisation and distribution shares.

2.4.6 COSTS

Total expense ratio (TER): *

Classic Shares Distribution: 1.641%
Classic Shares Capitalization: 1.641%
Institutional B Shares Capitalization: Not applicable

Percentage calculated at the end of the financial year: 31 December

* The following costs have not been included in the TER:

- Transaction charges
- Interest payments on loans taken out
- Payments in respect of financial derivatives
- Fees and charges paid directly by the investor
- Any soft commissions

SOFT COMMISSIONS

The management company or the appointed manager, as the case may be, is the recipient of soft commissions.

The recipient has laid down an internal policy as regards accepting soft commissions and avoiding possible conflicts of interest in this respect, and has put appropriate internal controls in place to ensure this policy is observed.

For more information, please see the 'General' section of the annual report.

Broker	Commission gross in EUR paid during the period: 1-01-12 - 30-06-12	CSA Credits in EUR accrued during the period: 1-01-12 - 30-06-12	Percentage
CITI	11,713	7,321	62.50%
CSFBSAS	13,870	8,477	61.11%
DEUTSCHE	6,521	4,075	62.48%
HSBC	17	9	50.01%
JP MORGAN	15,082	9,427	62.50%
MORGAN STANLEY	4,473	2,465	55.11%
NOMURA	9,227	5,767	62.50%
UBSWDR	33,755	22,528	66.74%

FEE-SHARING AGREEMENTS AND REBATES:

The management company may share its fee with the distributor, and institutional and/or professional parties.

In principle, the percentage share amounts to between 35% and 60% if the distributor is an entity of KBC Group NV or to between 35% and 70% if the distributor is not an entity of KBC Group NV. However, in a small number of cases, the distributor's fee is less than 35%. Investors may, on request, obtain more information on these cases.

If the management company invests the assets of the undertaking for collective investment in units of undertakings for collective investment that are not managed by an entity of KBC Group NV, and receives a fee for doing so, it will pay this fee to the undertaking for collective investment.

Fee-sharing does not affect the amount of the management fee paid by the sub-fund to the management company. This management fee is subject to the limitations laid down in the articles of association. The limitations may only be amended after approval by the general meeting of shareholders.

The management company has concluded a distribution agreement with the distributor in order to facilitate the wider distribution of the sub-fund's units by using multiple distribution channels.

It is in the interests of the holders of units, the sub-fund and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund to be maximised in this way. In this respect, there is therefore no question of any conflict of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: 1.35% per annum calculated on the basis of the average total net assets of the sub-fund, excluding those assets invested in investment undertakings managed by a financial institution of the KBC group.

KBC Fund Management Limited receives a fee from the management company of max. 1.35% calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the average total net assets of the sub-fund.

Auditor's fee: 1 700 EUR per year. This fee is not including VAT and will be increased at the end of the 3-year mandate.

The custody fee is calculated on the value of the securities held in custody by the custodian on the final banking day of the preceding calendar year, except on those assets invested in investment undertakings managed by a financial institution of the KBC group. The custody fee is paid at the beginning of the calendar year.

Social, ethical and environmental aspects:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

Exercising voting rights

If necessary, relevant and in the interest of the shareholders, the management company will exercise the voting rights attached to the shares in the Bevek's portfolio.

The management company will adhere to the following criteria when determining how it stands relative to the items on the agenda that are put to the vote:

- Shareholder value may not be adversely affected.
- Corporate governance rules, especially with regard to the rights of minority shareholders, must be respected.
- The minimum standards with regard to sustainable business and corporate social responsibility must be met.

The list of companies for which voting rights are exercised is available at the registered office of the Bevek.

Financial derivatives on financial indices

The following financial indices were used as the underlying for financial derivatives:

The **Euro Stoxx 50** is a weighted equity index computed by Stoxx Ltd. The dividend is not reinvested. The main purpose of this index is to provide a continuous indication of market trends on the European stock markets. The base value of the index is 1000, calculated on the basis of the underlying prices recorded on 31 December 1991.

The Euro Stoxx 50 consists solely of shares from countries participating in the Economic and Monetary Union, with the exception of Luxembourg. On 10 April 1998, the following stock exchanges were included in the index: Austria (Vienna), Belgium (Brussels), Finland (Helsinki), France (Paris), Germany (Frankfurt), Italy (Milan), Ireland (Dublin), the Netherlands (Amsterdam), Portugal (Lisbon) and Spain (Madrid).

The index consists of the 50 largest European shares in terms of shares that are freely negotiable, and the shares are accordingly weighted on the basis of this criterion.

The Euro Stoxx 50 is published daily in L'Echo, De Tijd, The Financial Times and The Wall Street Journal Europe.

Stoxx Limited has all proprietary rights with respect to the index. In no way Stoxx Limited endorses, sponsors or is otherwise involved in the issue and offering the shares of this undertaking for collective investment. Stoxx Limited disclaims any liability for the issue and offering of the shares of this undertaking for collective investment.

The **FTSE 100** is an equity index computed by the Financial Times Ltd. The dividend is not reinvested. It comprises 100 shares. The FTSE 100 serves primarily as a continuous indicator of market trends on the UK stock market. The value of the FTSE 100 is based on the market value of the shares of 100 companies listed on the London Stock Exchange. These are the companies with the biggest market capitalisation, and the shares are weighted accordingly. The base value of the index is 1000, calculated on the basis of the underlying prices recorded on 3 January 1984.

The FTSE 100 is published daily in the leading financial newspapers, i.e. The Financial Times and The Wall Street Journal Europe. In Belgium, the index is published in De Tijd and L'Echo.

Financial Times Ltd has all proprietary rights with respect to the index. In no way Financial Times Ltd endorses, sponsors or is otherwise involved in the issue and offering the shares of this undertaking for collective investment. Financial Times Ltd disclaims any liability for the issue and offering of the shares of this undertaking for collective investment.

The **Swiss Market Index** is a capitalization-weighted index of the largest and most liquid stocks traded on the Electronic Bourse System. The equities use free float shares in the index calculation. The SMI was developed with a base value of 1500 as of June 30, 1988.

The Swiss Market Index is published daily in the leading financial newspapers, i.e. The Financial Times and The Wall Street Journal Europe. In Belgium, the index is published in De Tijd and L'Echo.

The value and, if available for distribution, the composition of the aforementioned financial indices may be obtained from the branches providing the financial service.

Securities lending

In accordance with the Royal Decree of 7 March 2006 concerning securities lending, the undertaking for collective investment has taken out securities loans with a principal to whom the full title of the loaned securities was transferred, without recording this transfer of ownership in the accounts.

For the period from 1 January 2012 to 30 June 2012, the fee for securities lent comes to - 4,585.26 EUR. KBC Asset Management NV receives 50% of the net fee received for securities lent.

The detailed list of securities lending transactions carried out can be obtained from the registered office of the collective investment undertaking at 2 Havenlaan, 1080 Brussels.

Overview of securities lent as at 30/06/2012

Name	Currency	Quantity	Price	Value in currency of the portfolio
BOUYGUES	EUR	35.625	21,200	755.250,00
GN-GREAT NORDIC LTD	DKK	8.567	70,850	81.643,70
HAVAS ADVERTISING	EUR	77.535	3,595	278.738,32
HOME RETAIL GROUP	GBP	67.908	0,847	71.046,99
PIRELLI E CO	EUR	41.200	8,295	341.754,00
PORTUGAL TELECOM SGPS -REGISTERED-	EUR	81.121	3,455	280.273,06
PUBLICIS GROUPE	EUR	14.627	36,050	527.303,35
SKANDIN ENSKILDA BK -A-FRIA	SEK	77.000	44,760	393.460,81
Total				2.729.470,23

Details of collateral received for securities lent

Name	Currency	Nominal value	Currency fund	Value in Currency fund
OESTERREICH 2009 3.40% 20/10/14	EUR	239.000	EUR	260.740,87
GERMANY 2009 2,25% 11/04/14	EUR	456.000	EUR	475.974,17
FRANCE 2001 3% 25/07/2012	EUR	802.000	EUR	1.025.452,44
OAT FRANCE 2005 3 1/2% 25/04/15	EUR	213.000	EUR	230.851,74
FRANCE 2011 3.25% 25/10/2021	EUR	335.000	EUR	361.897,15
FRANCE 2007 4,50% 12/07/2012	EUR	205.000	EUR	214.238,33
NETHERLANDS 2008 4% 15/07/2018	EUR	240.000	EUR	284.159,28
Total				2.853.313,98

For the valuation of the collateral received, indicative prices have been used in this detail list by the Collateral Management Division of KBC Bank.

TABLE OF CONTENTS

- 2. Information on KBC Equity Fund Global Leaders
 - 2.1. Management report
 - 2.1.1. Launch date and subscription price
 - 2.1.2. Stock exchange listing
 - 2.1.3. Aim and distinctive features of the investment policy
 - 2.1.4. Financial portfolio management
 - 2.1.5. Distributors
 - 2.1.6. Index and benchmark
 - 2.1.7. Policy conducted during the financial year
 - 2.1.8. Future policy
 - 2.1.9. Synthetic risk and reward indicator (SRRI)
 - 2.2. Balance sheet
 - 2.3. Profit and loss account
 - 2.4. Composition of the assets and key figures
 - 2.4.1. Composition of the assets
 - 2.4.2. Change in the composition of the assets
 - 2.4.3. Value of commitments in respect of financial derivatives positions
 - 2.4.4. Evolution of the number of subscriptions, repayments and the net asset value
 - 2.4.5. Return figures
 - 2.4.6. Expenses
 - 2.4.7. Notes to the financial statements and other data

2 INFORMATION ON KBC EQUITY FUND GLOBAL LEADERS

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Classic Shares :

Launch date: 1 September 2000
Initial subscription price: 500 EUR
Currency: EUR

Institutional B Shares :

Launch date: 25 November 2011
Initial subscription price: 223.71 EUR
Currency: EUR

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

The main objective of this sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. To this end, the assets are invested, either directly or indirectly via correlated financial instruments, primarily in shares.

SUB-FUND'S INVESTMENT POLICY:

PERMITTED ASSET CLASSES:

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the sub-fund's object.

The sub-fund shall invest no more than 10% of its assets in units of other undertakings for collective investment.

RESTRICTIONS OF THE INVESTMENT POLICY:

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

PERMITTED DERIVATIVES TRANSACTIONS:

Derivates may be used either for hedging purposes or to achieve investment objectives.

Changes will be made to the investments at regular intervals to comply with the sub-fund's investment strategy. **In addition, listed and unlisted derivates may be used to achieve the objectives:** these may be forward contracts, options or swaps on securities, indices, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions. **Such derivatives may also be used to hedge the assets against exchange-rate fluctuations.** Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions.

STRATEGY SELECTED

At least 75% of the assets are invested in a global selection of shares issued by large cap multinationals. The emphasis is on: multinational character, consolidation, market leader and extensive global presence.

LENDING FINANCIAL INSTRUMENTS:

The sub-fund may lend financial instruments within the limits set by law and regulations.

This lending does not affect the sub-fund's risk profile since:

- it takes place within the framework of a securities lending system managed by a principal. In addition, the sub-fund has a relationship only with the principal of the securities lending system which acts as counterparty and to which title of the loaned securities is transferred. The choice of principal is subject to strict selection criteria. The return of securities similar to the securities that have been lent is guaranteed by the principal.
- through a margin management system, the sub-fund is always guaranteed financial security, the actual value of which always exceeds the actual value of the securities that have been lent, in case the principal does not return similar securities.

The return of securities similar to the securities that have been lent can be requested at any time, which means that the lending of securities does not affect the management of the sub-fund's assets. By lending securities, the sub-fund can generate an additional return. The principal pays a fee to the management company. After deducting the fee for the margin management and clearing services of KBC Bank, most of this fee is paid to the sub-fund.

The relationship with the counterparty or counterparties is governed by standard international agreements.

More information is provided on the terms and conditions governing securities lending in the annual or half-yearly report for the sub-fund.

VOLATILITY OF THE NET ASSET VALUE:

The volatility of the net asset value may be high due to the composition of the portfolio.

GENERAL STRATEGY FOR HEDGING THE EXCHANGE RATE RISK:

In order to protect its assets against exchange rate fluctuations and within the limitations laid down in the articles of association, the sub-fund may perform transactions relating to the sale of forward currency contracts, as well as the sale of call options and the purchase of put options on currencies. The transactions in question may relate solely to contracts traded on a regulated market that operates regularly, is recognised and is open to the public or that are traded with a recognised, prime financial institution specialising in such transactions and dealing in the over-the-counter (OTC) market in options. With the same objective, the sub-fund may also sell currencies forward or exchange them in private transactions with prime financial institutions specialising in such transactions. The hedging objective of the aforementioned transactions suggests that there is a direct link between these transactions and the assets to be hedged, which implies that the transactions carried out in a particular currency may in principle not exceed, in terms of volume, either the valuation value of all the assets in the same currency or the holding period of those assets.

SOCIAL, ETHICAL AND ENVIRONMENTAL ASPECTS:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

THE EUROPEAN SAVINGS DIRECTIVE AND TAX ON DEBT CLAIM RETURNS OBTAINED THROUGH THE REDEMPTION OF OWN UNITS OR IN THE EVENT OF FULL OR PARTIAL DISTRIBUTION OF EQUITY CAPITAL.

The following information is of a general character and is not intended to cover all aspects of an investment in a UCITS. In certain cases entirely different rules might even apply. Moreover, both tax law and the interpretation of it can change. Investors who wish to have more information about the tax implications – in both Belgium and abroad – of acquiring, holding and transferring units should seek the advice of their usual financial and tax advisers.

This UCITS shall invest a maximum of 15% of its assets directly or indirectly in debt instruments as intended by the European Savings Directive.

A. European Savings Directive (Directive 2003/48/EC)

The European Savings Directive has been implemented in Belgium through:

- The Law of 17 May 2004 transposing into Belgian law Directive 2003/48/EC of 3 June 2003 of the Council of the European Union on taxation of savings income in the form of interest payments and amending Income Tax Code 1992 on withholding tax;
- The Royal Decree of 27 September 2009 implementing Article 338bis § 2 of Income Tax Code 1992;
- The Royal Decree of 27 September 2009 concerning the entry into effect of Article 338bis § 2, paragraphs one to three, of Income Tax Code 1992;

Since this UCITS invests a maximum of 15% of its assets directly or indirectly in debt claims as intended by the European Savings Directive, the income of this UCITS does not fall within the scope of this directive.

B. Tax on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital (Article 19bis Income Tax Code 1992).

The income from this UCITS is not subject to the tax on debt instrument returns as intended by Article 19bis, Income Tax Code 1992.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company has delegated the intellectual management, to KBC Fund Management Limited, Joshua Dawson House, Dawson Street , Dublin 2, IRELAND..

2.1.5 DISTRIBUTORS

KBC Asset Management S.A., 5, Place de la Gare, L-1616 Luxembourg.

2.1.6 INDEX AND BENCHMARK

See 'Sub-fund's investment policy'.

2.1.7 POLICY PERSUED DURING THE FINANCIAL YEAR

The fund invests in a global portfolio of multinational companies that are characterised by their market leadership and global presence. The universe consists of firms that earn revenue from foreign trade, thus benefiting from international diversification and greater exposure to markets. Over the first half of the year, the fund gained nearly 7% in euro terms, slightly lagging against the broad market.

Looking back over the first half of 2012, the first six months of the year were quite turbulent for equity markets. The changing situation in Europe was the primary concern for investors over the period, however there was also negative news concerns with regard to growth in China. Throughout the first quarter, the situation in Europe continued to evolve. At the beginning of the year, there was positive news from Greece as the country secured acceptance of their debt swap offer. The ECB continued to extend liquidity to European banks through the LTRO. In Russia, despite some unrest, Putin won the Russian presidential election. Markets were largely strong over this period, with both emerging and developed markets rising and with Emerging Asia outperforming.

Moving into the second quarter, the situation in Europe worsened. In May, French socialist, Francois Hollande won the French presidential election. Following parliamentary elections in Greece, it was not possible to form a government. Anti-austerity parties gained seats in this election, causing growing fears that the country would not remain in the euro. A second election was called for mid-June with the uncertainty continuing in the meantime. At this stage, concern spread to the situation in Spain, with growth disappointing further and banks coming under more pressure. Despite initially stating that the country did not need a bailout, by the end of June, Spain had requested assistance from Europe and the IMF. In June, the second Greek election took place, with the New Democracy winning narrowly and forming a government. Throughout this period of uncertainty, markets were very weak, with most regions reversing most of the gains achieved in Q1. On the final day of the quarter, EU leaders agreed that Europe would support troubled banks directly, without the need for local governments to add to their debt levels. This saw a significant rally on the final day of the first half.

While the volatility globally continued, Asian investors were also concerned about weakening growth in China. Growth was slower than most expected, with the official growth target being lowered to 7.5%. Most domestic activity metrics were weak – industrial production, investment and retail sales. On the positive side, inflation continued to fall, leaving room for policy makers to make changes if needed. While there was some slowdown in employment growth, there was no mass unemployment as was seen in 2008/2009. Following this slowdown, Chinese authorities began to take steps to boost growth. Initially the focus was on increasing investment, with particular focus on water and other environmental areas, utilities, railways and social housing. However at the beginning of June, the People's Bank of China took the decision to lower lending and deposit rates by 25bps. They also took steps to liberalise the interest rate regime, seen as a significant positive.

In terms of the Global Leaders fund performance, the first quarter was relatively robust. A rally started in early January and was sustained to quarter end, with the fund gaining nearly 10% over the period, slightly ahead of the broad market. The outperformance was mainly due to stock selection within the fund, with positive contributions coming most notably from within the Pharmaceuticals and Software segments. Overall, the top contributors over the first quarter were Waters Corp, Qualcomm Inc, Citigroup and HSBC. The second quarter however was more volatile and the fund lagged against the broad market in each month. The fund ended the quarter losing about 2.5%, lagging against the broad market by roughly 1.5%. Stock selection was again the main contributor, albeit negatively this time. The holdings in the Transportation and Technology segment weighed most negatively on performance, among others due to the lack of exposure to Apple Inc and the overweight positions in Qualcomm Inc and Expeditors.

2.1.8 FUTURE POLICY

Overall, the markets were very volatile during the first half of 2012 and while some concerns eased towards the end of the period, the volatility is likely to continue going forward. Globally, while recent moves by policy makers have been positive, we still expect turbulence in markets going forward. Europe has clearly made some steps forward, however the problems are not yet resolved and the growth outlook continues to be a concern. Budgetary cuts to control spending across the region have negative implications on demand in the context of international trade. This is a concern for Asia, where growth is driven by both domestic and international factors. Emerging markets - especially Asia - remain our focus for growth in the equities portfolio.

We do continue to believe however, that the global economic picture is stronger than currently perceived. Falling inflation (triggered by another significant drop in the oil price) and very accommodating monetary policies: the first rate cut in China, ECB likely to cut further, and the Fed announced continuation of "Operation Twist" and additional measures if needed, should jump start the global economy in the coming months. Our stance on the Euro crisis remains unchanged: all actions needed to safeguard the union will be taken because the costs and political risks of a break-up are immense.

In line with the theme, KBC Equity Fund Global Leaders will continue to invest in a global portfolio of multinational companies that are characterised by their market leadership and global presence. We will continue to ensure that the portfolio is diversified, with sector and regional allocation in line with the MSCI World All Countries Index.

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

Classic Shares: 6 on a scale of 1 (lowest risk) to 7 (highest risk).

Institutional B Shares: 6 on a scale of 1 (lowest risk) to 7 (highest risk).

The value of a share can decrease or increase and the investor may not get back the amount invested.

In accordance with Commission Regulation (EU) No. 583/2010, a synthetic risk and reward indicator has been calculated. This indicator provides a quantitative measure of the sub-fund's potential return and the risk involved, calculated in the currency in which the sub-fund is denominated. It is given as a figure between 1 and 7. The higher the figure, the greater the potential return, but also the more difficult it is to predict this return. Losses are possible too. The lowest figure does not mean that the investment is entirely free of risk. However, it does indicate that, compared with the higher figures, this product will generally provide a lower, but more predictable return.

The synthetic risk and reward indicator is assessed regularly and can therefore go up or down based on data from the past. Data from the past is not always a reliable indicator of future risk and return.

The most recent indicator can be found under the 'Risk and reward profile' heading in the 'Key Investor Information' document.

2.2 BALANCE SHEET

Balance sheet layout	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
TOTAL NET ASSETS	85.725.615,90	135.382.371,43
II. Securities, money market instruments, UCIs and derivatives		
A. Bonds and other debt instruments		
a) Bonds		
a) Collateral received in the form of bonds	2.357.316,00	1.686.348,12
C. Shares and similar instruments		
a) Shares	85.520.303,82	133.292.599,68
Of which securities lent	2.168.784,99	1.598.467,89
D. Other securities	5.368,69	39.892,11
E. Open-end undertakings for collective investment		1.119.120,62
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable	2.138,44	224.254,42
b) Tax assets	6.214,22	12.686,62
B. Payables		
a) Accounts payable (-)	-172.434,75	-103.979,16
d) Collateral (-)	-2.357.316,00	-1.686.348,12
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	122.009,43	422.869,48
VI. Accruals and deferrals		
A. Expense to be carried forward	39.647,28	71.948,52
B. Accrued income	259.462,93	405.739,16
C. Accrued expense (-)	-57.094,16	-102.760,02
TOTAL SHAREHOLDERS' EQUITY	85.725.615,90	135.382.371,43
A. Capital	80.530.031,37	143.927.132,45
B. Income equalization	-211.100,96	-104.355,16
D. Result for the period	5.406.685,49	-8.440.405,86

Off-balance-sheet headings

I	Collateral (+/-)		
I.A	Collateral (+/-)		
I.A.A	Securities/market instruments	2.357.316,00	1.686.348,12
IX	Financial instruments lent	2.168.784,99	1.598.467,89

2.3 PROFIT AND LOSS ACCOUNT

Income Statement	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
I. Net gains(losses) on investments		
C. Shares and similar instruments		
a) Shares	2.204.370,03	-809.602,98
D. Other securities	-13.218,62	112.195,12
E. Open-end undertakings for collective investment	15.517,16	-166.200,09
G. Receivables, deposits, cash at bank and in hand and payables		-0,01
H. Foreign exchange positions and transactions		
b) Other foreign exchange positions and transactions	2.619.202,48	-7.964.977,79
II. Investment income and expenses		
A. Dividends	1.544.878,31	1.909.955,64
B. Interests		
a) Securities and money market instruments	32.581,81	64.782,80
b) Cash at bank and in hand and deposits	5.113,74	4.197,85
C. Interest on borrowings (-)	-4.209,55	-1.706,90
III. Other income		
A. Income received to cover the acquisition and realization of assets, to discourage withdrawals and for delivery charges	210.405,40	
B. Other		522,57
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-219.879,86	-212.079,47
B. Financial expenses (-)	-838,33	-2.484,61
C. Custodian's fee (-)	-38.232,55	-60.920,67
D. Manager's fee (-)		
a) Financial management		
Classic Shares	-308.283,96	-1.112.932,63
Institutional B Shares	-516.021,68	
b) Administration and accounting management	-59.639,37	-74.732,26
E. Administrative expenses (-)	-176,07	-186,84
F. Formation and organisation expenses (-)	-6.543,57	-6.984,91
G. Remuneration, social security charges and pension	-10,22	-33,61
H. Services and sundry goods (-)	-12.017,81	-14.094,89
J. Taxes		
Classic Shares	-16.098,14	-53.018,58
Institutional B Shares	-2.101,65	
K. Other expenses (-)	-28.112,06	-52.103,60
Income and expenditure for the period		
Subtotal II + III + IV	580.814,44	388.179,89
V. Profit (loss) on ordinary activities before tax	5.406.685,49	-8.440.405,86
VII. Result for the period	5.406.685,49	-8.440.405,86

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC EQUITY FUND GLOBAL LEADERS

Name	Quantity on 30/06/2012	Currency	Price in currency	Evaluation (in the currency of the sub-fund)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
Shares							
Exchange-listed shares							
<u>Australia</u>							
BHP BILLITON LTD -	36.954,00	AUD	31,450	938.736,97		1,10	1,10
CSL LIMITED -	10.644,00	AUD	39,420	338.909,16		0,40	0,40
NATIONAL AUSTRALIA BANK -	61.369,00	AUD	23,540	1.166.856,15		1,36	1,36
THE NEWS CORPORATION INC NEW 'A'	21.383,00	USD	22,290	375.563,05		0,44	0,44
VIRGIN MEDIA INC -	16.999,00	USD	24,390	326.692,62		0,38	0,38
WESTFIELD GROUP -	55.659,00	AUD	9,500	427.091,39		0,50	0,50
WESTFIELD RETAIL TRUST -	106.141,00	AUD	2,850	244.337,35		0,29	0,29
WOODSIDE PETROLEUM LTD -	14.183,00	AUD	31,020	355.362,59		0,42	0,42
<u>Belgium</u>							
ANHEUSER-BUSCH INBEV NV -	4.795,00	EUR	61,300	293.933,50		0,34	0,34
<u>Bermuda</u>							
COVIDIEN LTD -	9.191,00	USD	53,500	387.454,50		0,45	0,45
<u>Brazil</u>							
CVRD-CIA VALE DO RIO DOCE PREF A	53.900,00	BRL	39,160	824.018,74		0,96	0,96
EMBRAER SA -	54.456,00	BRL	13,360	284.025,83		0,33	0,33
<u>Canada</u>							
BARRICK GOLD CORP -	8.130,00	CAD	38,350	240.993,62		0,28	0,28
BROOKFIELD ASSET MANAGEMENT -	20.665,00	CAD	33,710	538.448,04		0,63	0,63
BROOKFIELD RESIDENTIAL PROPERTIES -	1.425,00	CAD	11,000	12.115,94		0,01	0,01
GREAT-WEST LIFECO INC. -	13.879,00	CAD	22,070	236.760,99		0,28	0,28
MANULIFE FINANCIAL CORP -	29.644,00	CAD	11,090	254.107,80		0,30	0,30
ONEX CORPORATION -	12.665,00	CAD	39,530	386.973,87		0,45	0,45
POWER CORP -	14.760,00	CAD	23,920	272.896,00		0,32	0,32
POWER FINANCIAL CORP -	10.860,00	CAD	25,450	213.632,46		0,25	0,25
TECK RESOURCES CLASS B	10.619,00	CAD	31,530	258.795,80		0,30	0,30
<u>China</u>							
CHINA RONGSHENG HEAVY INDUSTRY -	1.979.500,00	HKD	1,790	359.952,97		0,42	0,42
<u>Colombia</u>							
BANCOLOMBIA SA -	32.979,00	COP	26.980,000	392.835,95		0,46	0,46
BANCOLOMBIA SA PREF	48.529,00	COP	27.800,000	595.631,88		0,70	0,70
<u>Denmark</u>							
NOVO NORDISK A/S "B"	2.844,00	DKK	848,500	324.590,28		0,38	0,38
<u>France</u>							
BNP PARIBAS -	3.786,00	EUR	30,335	114.848,31		0,13	0,13
L'OREAL -	2.666,00	EUR	92,240	245.911,84		0,29	0,29
LAFARGE -	20.299,00	EUR	35,155	713.611,35		0,83	0,83
PINAULT-PRINTEMPS-REDOUTE -	3.251,00	EUR	112,250	364.924,75		0,43	0,43

TECHNIP SA (PAR)	3.632,00	EUR	81,950	297.642,40		0,35	0,35
<u>Germany</u>							
DAIMLER AG -	6.783,00	EUR	35,345	239.745,14		0,28	0,28
HENKEL KGAA PREF	8.671,00	EUR	52,370	454.100,27		0,53	0,53
LANXESS -	6.773,00	EUR	49,720	336.753,56		0,39	0,39
SAP AG -	16.754,00	EUR	46,545	779.814,93		0,91	0,91
<u>Hong Kong</u>							
BELLE INTERNATIONAL HOLDINGS -	114.000,00	HKD	13,120	151.941,32		0,18	0,18
CATHAY PACIFIC AIRWAYS -	294.056,00	HKD	12,460	372.207,66		0,44	0,43
CHEUNG KONG INFRASTRUCTURE -	65.659,00	HKD	46,750	311.826,56		0,37	0,36
CLP -	72.000,00	HKD	65,750	480.911,84		0,56	0,56
HUTCHISON WHAMPOA -	33.523,00	HKD	66,500	226.465,34		0,27	0,26
MTR CORPORATION -	160.000,00	HKD	26,450	429.915,28		0,50	0,50
SWIRE PACIFIC LTD -	52.000,00	HKD	89,700	473.841,40		0,55	0,55
<u>Indonesia</u>							
INDO TAMBANGRAYA MEGAH PT -	100.000,00	IDR	35.950,000	301.604,08		0,35	0,35
<u>Ireland</u>							
ANGLO IRISH BANK CORP -	12.016,00	EUR	0,217	2.607,47		0,00	0,00
<u>Italy</u>							
ENI -	8.134,00	EUR	16,780	136.488,52		0,16	0,16
SAIPEM (MIL)	10.457,00	EUR	34,990	365.890,43		0,43	0,43
<u>Japan</u>							
CANON INC -	7.197,00	JPY	3.165,000	224.950,67		0,26	0,26
EISAI CO. -	45.400,00	JPY	3.490,000	1.564.744,22		1,83	1,83
FANUC CORP -	3.300,00	JPY	12.950,000	422.032,39		0,49	0,49
HONDA MOTOR CO -	11.216,00	JPY	2.749,000	304.491,25		0,36	0,36
HOYA CORPORATION -	18.200,00	JPY	1.747,000	313.997,63		0,37	0,37
INPEX CORP -	119,00	JPY	444.500,000	522.373,10		0,61	0,61
JAPAN TOBACCO -	12.600,00	JPY	2.361,000	293.784,32		0,34	0,34
KOMATSU -	20.000,00	JPY	1.878,000	370.926,33		0,43	0,43
MILLEA HOLDINGS INC -	19.400,00	JPY	1.986,000	380.489,83		0,45	0,44
MITSUBISHI CORP -	13.653,00	JPY	1.596,000	215.190,48		0,25	0,25
NIKON -	12.100,00	JPY	2.402,000	287.025,48		0,34	0,34
NINTENDO CO -	3,00	JPY	9.250,000	274,05			
SEVEN & I HOLDINGS CO LTD -	10.000,00	JPY	2.397,000	236.717,36		0,28	0,28
SHIMANO INC -	5.300,00	JPY	5.200,000	272.170,65		0,32	0,32
TDK CORP -	6.100,00	JPY	3.200,000	192.771,08		0,23	0,23
TORAY INDUSTRIES -	99.000,00	JPY	541,000	528.925,54		0,62	0,62
TOYOTA MOTOR_CREDIT -	17.769,00	JPY	3.190,000	559.777,90		0,66	0,65
<u>Luxembourg</u>							
SES GLOBAL -	33.123,00	EUR	18,640	617.412,72		0,72	0,72
<u>Malaysia</u>							
AXIATA GROUP BERHAD -	304.000,00	MYR	5,470	412.635,55		0,48	0,48
IOI CORP BERHAD -	270.490,00	MYR	5,190	348.356,81		0,41	0,41
MALAYAN BANKING BHD -	3,00	MYR	8,700	6,48			
Y.T.L. CORP (BERHAD)	719.806,00	MYR	2,020	360.805,01		0,42	0,42
YTL POWER INTERNATIONAL BHD -	892.707,00	MYR	1,760	389.876,75		0,46	0,46
<u>Mexico</u>							
AMERICA MOVIL S.A. DE C.V. -L-	298.200,00	MXN	17,390	304.357,15		0,36	0,36
CEMEX S.A. DE C.V. CPO	86,00	MXN	8,970	45,28			
GRUPOMEXICO SA -B-	19,00	MXN	39,590	44,15			

<u>Netherlands</u>							
UNILEVER CVA	21.249,00	EUR	26,385	560.654,87		0,66	0,65
VOPAK (KON.) (AMS)	11.632,00	EUR	50,550	587.997,60		0,69	0,69
<u>Norway</u>							
TELENOR A/S -	35.418,00	NOK	98,900	464.333,65		0,54	0,54
<u>Portugal</u>							
BANCO ESPIRITO SANTO SA (LIS)	125.489,00	EUR	0,538	67.513,08		0,08	0,08
JERONIMO MARTINS -	22.775,00	EUR	13,325	303.476,88		0,36	0,35
<u>Russia</u>							
GAZPROM ADR NEW	74.271,00	USD	9,430	551.867,88		0,65	0,64
<u>Singapore</u>							
FLEXTRONICS INTL LTD -	57.723,00	USD	6,200	281.997,16		0,33	0,33
NEPTUNE ORIENT LINES -	375,00	SGD	1,105	257,74			
SINGAPORE TELECOM -	430.993,00	SGD	3,300	884.665,61		1,03	1,03
<u>South Africa</u>							
IMPALA PLATINUM HOLDINGS LTD. -	27.755,00	ZAR	135,250	361.678,75		0,42	0,42
MTN GROUP LTD. -	35.671,00	ZAR	140,920	484.320,00		0,57	0,57
SASOL LTD -	30.031,00	ZAR	342,400	990.713,40		1,16	1,16
<u>South Korea</u>							
KIA MOTORS CORP. -	12.500,00	KRW	74.700,000	642.410,44		0,75	0,75
LG ELECTRONICS INC NEW	5.328,00	KRW	61.000,000	223.602,18		0,26	0,26
SAMSUNG ELECTRONICS -	133,00	KRW	1.201.000,000	109.894,67		0,13	0,13
SAMSUNG ENGINEERING CO LTD -	2.215,00	KRW	179.500,000	273.539,57		0,32	0,32
<u>Spain</u>							
BANCO SANTANDER CENTRAL HISPANO SA -	243.697,00	EUR	5,221	1.272.342,04		1,49	1,48
TELEFONICA SA -	20.261,00	EUR	10,370	210.106,57		0,25	0,25
<u>Sweden</u>							
HENNES&MAURITZ "B"	14.682,00	SEK	247,400	414.672,85		0,49	0,48
<u>Switzerland</u>							
ABB LTD -	30.198,00	CHF	15,450	388.427,01		0,45	0,45
COMPAGNIE FINANCIERE RICHEMONT "A"	5.955,00	CHF	51,850	257.059,28		0,30	0,30
NESTLE AG REG	18.819,00	CHF	56,550	885.996,30		1,04	1,03
NOVARTIS AG REG	8.201,00	CHF	52,900	361.181,28		0,42	0,42
ROCHE HOLDING GENOTS	3.385,00	CHF	163,600	461.046,50		0,54	0,54
SGS SA (REG)	189,00	CHF	1.775,000	279.294,84		0,33	0,33
SYNGENTA (NOM)	1.421,00	CHF	323,300	382.474,55		0,45	0,45
TE CONNECTIVITY LTD -	14.009,00	USD	31,910	352.239,53		0,41	0,41
THE SWATCH GROUP AG -	749,00	CHF	373,500	232.903,05		0,27	0,27
ZURICH INSURANCE GROUP AG -	1.369,00	CHF	213,500	243.334,72		0,29	0,28
<u>Taiwan</u>							
ACER INC. -	36,00	TWD	30,800	29,24			
HON HAI PRECISION -	455,00	TWD	89,400	1.072,55		0,00	0,00
KGI SECURITIES CO LTD -	726.998,00	TWD	13,050	250.156,20		0,29	0,29
SINOPAC FINANCIAL HOLDINGS -	1.959.000,00	TWD	11,200	578.522,16		0,68	0,68
TAIWAN SEMICONDUCTOR -	126.215,00	TWD	81,300	270.563,41		0,32	0,32
<u>U.K.</u>							
ANGLO AMERICAN PLC PLC	9.074,00	GBP	20,885	234.223,82		0,27	0,27
ASTRAZENECA PLC -	7.660,00	GBP	28,530	270.102,34		0,32	0,32
BARCLAYS BANK PLC -	92.605,00	GBP	1,629	186.388,88		0,22	0,22
BAT HOLDINS BV -	12.693,00	GBP	32,415	508.520,08		0,60	0,59

BG GROUP PLC -	15.805,00	GBP	13,000	253.942,65		0,30	0,30
BILLITON PLC -	17.333,00	GBP	18,060	386.891,58		0,45	0,45
BP PLC -	36.398,00	GBP	4,220	189.817,53		0,22	0,22
DIAGEO -	15.168,00	GBP	16,420	307.821,73		0,36	0,36
EXPERIAN GROUP LTD -	21.382,00	GBP	9,005	237.974,18		0,28	0,28
HSBC HOLDING PLC -	216.106,00	GBP	5,611	1.498.666,13		1,75	1,75
NAT. GRID PLC -	63.979,00	GBP	6,755	534.146,76		0,63	0,62
RIO TINTO PLC -	11.052,00	GBP	30,190	412.383,98		0,48	0,48
ROYAL DUTCH SHELL PLC -B-	9.865,00	GBP	22,250	271.284,45		0,32	0,32
SABMILLER PLC -	7.989,00	GBP	25,550	252.279,01		0,30	0,29
SCHRODERS PLC -	15.136,00	GBP	13,360	249.928,27		0,29	0,29
STANDARD CHARTERED -	38.733,00	GBP	13,845	662.783,82		0,78	0,77
TULLOW OIL INC (LON)	16.274,00	GBP	14,700	295.671,49		0,35	0,35
UNILEVER PLC -	9.104,00	GBP	21,440	241.243,06		0,28	0,28
VODAFONE GROUP PLC -	199.482,00	GBP	1,793	441.937,32		0,52	0,52
<u>U.S.A.</u>							
ACCENTURE LTD "A"	12.730,00	USD	60,090	602.746,59		0,71	0,70
ADOBE SYSTEMS -	18.485,00	USD	32,370	471.483,30		0,55	0,55
AES CORP -	131.532,00	USD	12,830	1.329.726,23		1,56	1,55
AFLAC INC -	7.799,00	USD	42,590	261.728,32		0,31	0,31
AGCO CORP -	10.116,00	USD	45,730	364.513,97		0,43	0,43
AMERICAN TOWER CORP CL A	6.184,00	USD	69,910	340.653,57		0,40	0,40
AON CORPORATION -	5.793,00	USD	46,780	213.534,43		0,25	0,25
APACHE CORP. -	6.908,00	USD	87,890	478.405,26		0,56	0,56
APPLIED MATERIALS -	55.929,00	USD	11,460	505.040,06		0,59	0,59
BAKER HUGHES INC -	7.914,00	USD	41,100	256.296,12		0,30	0,30
BAXTER INTL INC -	8.334,00	USD	53,150	349.028,52		0,41	0,41
BECTON DICKINSON -	7.031,00	USD	74,750	414.125,96		0,48	0,48
BORGWARNER INC -	4.280,00	USD	65,590	221.200,22		0,26	0,26
CAMERON INTERNATIONAL CORP -	6.966,00	USD	42,710	234.432,16		0,27	0,27
CATERPILLAR INC -	9.628,00	USD	84,910	644.167,90		0,75	0,75
CHEVRON CORP -	4.165,00	USD	105,500	346.235,52		0,41	0,40
CIT GROUP INC. -	41.053,00	USD	35,640	1.152.887,02		1,35	1,35
CITIGROUP INC -	42.688,00	USD	27,410	921.974,69		1,08	1,08
COCA-COLA CO -	22.249,00	USD	78,190	1.370.774,02		1,60	1,60
COLGATE - PALMOLIVE -	7.493,00	USD	104,100	614.625,56		0,72	0,72
CORNING INC -	36.883,00	USD	12,930	375.775,90		0,44	0,44
DENTSPLY INTERNATIONAL INC -	6.955,00	USD	37,810	207.208,69		0,24	0,24
EBAY INC. -	8.531,00	USD	42,010	282.394,85		0,33	0,33
EDWARDS LIFESCIENCES CORP. -	4.141,00	USD	103,300	337.061,93		0,39	0,39
EMERSON ELECTRIC CO -	6.961,00	USD	46,580	255.490,80		0,30	0,30
EXPEDITORS INTL OF WASHINGTON INC. -	39.747,00	USD	38,750	1.213.612,99		1,42	1,42
EXXON MOBIL CORP -	6.805,00	USD	85,570	458.832,13		0,54	0,54
FMC CORPORATION -	11.284,00	USD	53,480	475.508,88		0,56	0,56
FREEPORT-MCMORAN COPPER & GOLD, INC. -	17.521,00	USD	34,070	470.365,20		0,55	0,55
GOOGLE INC -A-	523,00	USD	580,070	239.048,63		0,28	0,28
I.B.M. -	14.421,00	USD	195,580	2.222.408,94		2,60	2,59
ILLINOIS TOOL WORKS INC -	7.407,00	USD	52,890	308.688,23		0,36	0,36
INTEL CORP -	48.550,00	USD	26,650	1.019.507,92		1,19	1,19
INTL FLAVORS & FRAG. -	11.667,00	USD	54,800	503.783,47		0,59	0,59
INVESCO LTD -	16.578,00	USD	22,600	295.219,29		0,35	0,34
KIMBERLEY-CLARK CORP -	8.684,00	USD	83,770	573.208,32		0,67	0,67
LAS VEGAS SANDS CORP -	7.778,00	USD	43,490	266.539,45		0,31	0,31
LIBERTY GLOBAL INC -C-	8.740,00	USD	47,750	328.843,27		0,38	0,38
MARSH & MCLENNAN CO -	9.676,00	USD	32,230	245.731,21		0,29	0,29
MASTERCARD INC -	804,00	USD	430,110	272.483,21		0,32	0,32
MAXIM INTEGRATED PRODUCTS -	16.193,00	USD	25,640	327.151,93		0,38	0,38

MC DONALD'S CORP -	10.362,00	USD	88,530	722.833,39		0,85	0,84
MERCK & CO -	9.957,00	USD	41,750	327.558,70		0,38	0,38
NATIONAL-OILWELL VARCO INC -	17.238,00	USD	64,440	875.279,11		1,02	1,02
NIKE "B"	4.955,00	USD	87,780	342.723,11		0,40	0,40
NORTHERN TRUST CORPORATION -	12.733,00	USD	46,020	461.723,00		0,54	0,54
ORACLE CORP -	16.594,00	USD	29,700	388.339,61		0,45	0,45
PFIZER -	20.233,00	USD	23,000	366.684,26		0,43	0,43
PHILIP MORRIS INTERNATIONAL INC. -	24.830,00	USD	87,260	1.707.245,92		2,00	1,99
PRICELINE.COM INC. -	871,00	USD	664,520	456.068,80		0,53	0,53
PROCTER & GAMBLE -	10.582,00	USD	61,250	510.714,29		0,60	0,60
PROLOGIS TRUST -	8.642,00	USD	33,230	226.281,35		0,27	0,26
QUALCOMM CORP -	33.841,00	USD	55,680	1.484.726,88		1,74	1,73
SANDISK CORP -	9.634,00	USD	36,480	276.927,21		0,32	0,32
SCHLUMBERGER -	22.861,00	USD	64,910	1.169.259,72		1,37	1,36
TEXAS INSTRUMENTS -	24.099,00	USD	28,690	544.795,77		0,64	0,64
TIFFANY & CO -	5.335,00	USD	52,950	222.589,43		0,26	0,26
TJX COMPANIES INC. -	9.368,00	USD	42,930	316.892,47		0,37	0,37
TYCO INTERNATIONAL -	5.582,00	USD	52,850	232.455,05		0,27	0,27
UNITED TECHNOLOGIES -	6.759,00	USD	75,530	402.259,29		0,47	0,47
VARIAN MEDICAL SYSTEMS -	4.769,00	USD	60,770	228.360,36		0,27	0,27
WAL-MART STORES -	11.341,00	USD	69,720	623.035,63		0,73	0,73
WATERS CORP -	20.964,00	USD	79,470	1.312.748,47		1,54	1,53
WYNN RESORTS LTD -	3.514,00	USD	103,720	287.189,41		0,34	0,34
YUM! BRANDS INC -	13.265,00	USD	64,420	673.336,46		0,79	0,79
3M CO -	36.055,00	USD	89,600	2.545.526,75		2,98	2,97
Total shares				85.520.303,82		99,99	99,76
Warrants							
<u>Malaysia</u>							
YTL POWER INTERNATIONAL BHD CW18	29.433,00	MYR	0,555	4.053,53		0,01	0,01
<u>Singapore</u>							
GOLDEN AGRI-RESOURCES LTD 23/07/12	16.915,00	SGD	0,125	1.315,16		0,00	0,00
Total Warrants				5.368,69		0,01	0,01
TOTAL SECURITIES PORTFOLIO				85.525.672,51		100,00	99,77
COLLATERAL RECEIVED							
<u>Belgium</u>							
KBC GROUP COLLATERAL EUR	2.357.316,00	EUR	1,000	2.357.316,00			2,75
TOTAL RECEIVED COLLATERAL				2.357.316,00			2,75
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP AUD	5.128,81	AUD	1,000	4.142,65			0,01
KBC GROUP CAD	4.469,19	CAD	1,000	3.454,45			0,00
KBC GROUP CHF	4.389,44	CHF	1,000	3.654,36			0,00
KBC GROUP CZK	20.839,42	CZK	1,000	816,18			0,00
KBC GROUP DKK	69.959,12	DKK	1,000	9.410,19			0,01
KBC GROUP EURO	3.769,45	EUR	1,000	3.769,45			0,00
KBC GROUP GBP	2.772,20	GBP	1,000	3.426,28			0,00
KBC GROUP HKD	31.938,60	HKD	1,000	3.244,54			0,00
KBC GROUP HUF	2.014.049,40	HUF	1,000	7.048,05			0,01
KBC GROUP JPY	323.002,00	JPY	1,000	3.189,83			0,00
KBC GROUP MXN	188.100,99	MXN	1,000	11.039,96			0,01
KBC GROUP NOK	80.492,39	NOK	1,000	10.670,01			0,01

KBC GROUP NZD	8.586,30	NZD	1,000	5.438,15		0,01
KBC GROUP PLN	11.527,77	PLN	1,000	2.721,90		0,00
KBC GROUP SEK	96.291,21	SEK	1,000	10.992,77		0,01
KBC GROUP SGD	7.093,57	SGD	1,000	4.412,25		0,01
KBC GROUP USD	41.764,14	USD	1,000	32.908,47		0,04
KBC GROUP ZAR	17.332,78	ZAR	1,000	1.669,99		0,00
Total demand accounts				122.009,48		0,14
Managed futures accounts						
<u>Belgium</u>						
KBC GROUP JPY FUT REK	-5,00	JPY	1,000	-0,05		
Total managed futures accounts				-0,05		
TOTAL CASH AT BANK AND IN HAND				122.009,43		0,14
OTHER RECEIVABLES AND PAYABLES						
Receivables						
<u>Belgium</u>						
KBC GROUP EUR RECEIVABLE	2.138,44	EUR	1,000	2.138,44		0,00
KBC GROUP WHT TO BE RECOVERED EUR	6.214,22	EUR	1,000	6.214,22		0,01
Total receivables				8.352,66		0,01
Payables						
<u>Belgium</u>						
KBC GROUP COUNTERPART ENTRY COLLATERAL IN EUR	-2.357.316,00	EUR	1,000	-2.357.316,00		-2,75
KBC GROUP EUR PAYABLE	-172.434,75	EUR	1,000	-172.434,75		-0,20
Payables				-2.529.750,75		-2,95
TOTAL RECEIVABLES AND PAYABLES				-2.521.398,09		-2,94
OTHER						
Interest receivable		EUR		253.953,20		0,30
Accrued interest		EUR		5.509,73		0,01
Expenses payable		EUR		-57.094,16		-0,07
Expenses to be carried forward		EUR		39.647,28		0,05
TOTAL OTHER				242.016,05		0,28
TOTAL NET ASSETS				85.725.615,90		100,00

Geographic breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Australia	5,79	5,45	4,70	4,50
Austria	0,18	1,27	0,35	0,00
Belgium	0,79	0,50	0,34	0,34
Bermuda	0,00	0,00	0,66	0,45
Brazil	0,73	0,71	0,47	1,30
Canada	5,54	5,48	4,58	2,82
Switzerland	2,71	3,23	4,28	4,08
Chile	0,00	0,10	0,11	0,00
China	0,28	0,42	0,35	0,42
Colombia	0,00	0,00	1,32	1,16
Germany	2,54	1,73	1,26	2,12
Denmark	0,29	0,27	0,39	0,38
Egypt	0,00	0,00	0,25	0,00
Spain	1,94	1,37	0,99	1,73
Finland	0,34	0,24	0,30	0,00
France	2,95	3,56	2,10	2,03
U.K.	11,11	10,59	9,91	9,04
Greece	0,07	0,15	0,00	0,00
Hong Kong	2,35	1,80	2,29	2,86
Hungary	0,66	0,00	0,00	0,00
India	1,42	0,83	0,15	0,00
Indonesia	0,00	0,23	0,21	0,35
Ireland	1,37	0,36	0,00	0,00
Israel	0,15	0,13	0,00	0,00
Italy	0,27	0,16	0,49	0,59
Japan	5,39	5,40	7,54	7,82
South Korea	1,57	1,88	0,80	1,46
Luxembourg	0,10	0,27	0,49	0,72
Mexico	1,29	1,84	0,48	0,36
Malaysia	1,53	2,71	2,00	1,77
Netherlands	0,98	0,92	1,13	1,34
Norway	0,00	0,00	0,00	0,54
Peru	0,19	0,12	0,20	0,00
Poland	0,20	0,00	0,10	0,00
Portugal	0,13	0,33	0,29	0,43
Russia	0,90	1,87	1,38	0,65
Singapore	1,76	1,16	0,93	1,37
Sweden	1,23	1,57	1,31	0,48
Taiwan	1,04	0,76	1,07	1,29
U.S.A.	40,86	40,77	44,38	45,45
South Africa	1,35	1,82	2,40	2,15
Total	100,00	100,00	100,00	100,00

Sector breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Cyclicals	30,42	30,41	28,45	27,55
Consum(cycl)	12,58	12,68	14,70	14,51
Cons.goods	9,68	9,99	11,12	11,68
Pharma	8,21	7,29	8,43	8,48
Financials	17,72	17,65	14,04	14,89
Technology	12,89	13,13	14,48	14,50
Telecomm.	3,81	3,98	3,34	3,26
Utilities	3,22	3,53	3,88	3,53
Real est.	1,47	1,34	1,56	1,60
Total	100,00	100,00	100,00	100,00

Currency breakdown (as a % of net assets)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
AUD	5,75	5,44	4,41	4,07
BRC	0,36	0,00	0,00	0,00
BRL	0,36	0,71	0,47	1,30
CAD	5,50	5,48	4,57	2,83
CHF	3,12	3,22	4,26	4,09
COP	0,00	0,00	1,07	1,16
DKK	0,29	0,27	0,40	0,39
EUR	11,09	10,37	7,85	9,13
GBP	10,24	9,88	9,56	8,70
HKD	2,60	2,03	2,53	3,29
HUF	0,66	0,01	0,01	0,01
IDR	0,50	0,25	0,21	0,35
INR	0,90	0,83	0,15	0,00
JPY	5,34	5,38	7,50	7,83
KRW	1,56	1,87	0,80	1,46
MXN	1,28	1,85	0,49	0,37
MYR	1,52	2,70	1,99	1,77
NOK	0,00	0,17	0,46	0,56
NZD	0,00	0,00	0,01	0,01
PLN	0,20	0,00	0,10	0,00
SEK	1,21	1,58	1,32	0,50
SGD	1,74	1,16	0,93	1,04
TWD	1,03	0,98	1,18	1,29
USD	43,48	44,00	47,33	47,70
ZAR	1,27	1,82	2,40	2,15
Total	100,00	100,00	100,00	100,00

**2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC EQUITY FUND GLOBAL LEADERS
(IN THE CURRENCY OF THE SUB-FUND)**

	1st half of year	Year
Purchases	79.386.936,28	79.386.936,28
Sales	90.322.844,40	90.322.844,40
Total 1	169.709.780,68	169.709.780,68
Subscriptions	62.299.565,42	62.299.565,42
Redemptions	73.567.456,08	73.567.456,08
Total 2	135.867.021,50	135.867.021,50
Monthly average of total assets	122.599.819,87	122.599.819,87
Turnover rate	27,60 %	27,60 %

	1st half of year	Year
Purchases	79.386.936,28	79.386.936,28
Sales	90.322.844,40	90.322.844,40
Total 1	169.709.780,68	169.709.780,68
Subscriptions	62.299.565,42	62.299.565,42
Redemptions	73.567.456,08	73.567.456,08
Total 2	135.867.021,50	135.867.021,50
Monthly average of total assets	121.222.004,37	121.222.004,37
Corrected turnover rate	27,92 %	27,92 %

The table above shows the capital volume of portfolio transactions. This volume (adjusted to take account of total subscriptions and redemptions) is also compared to the average net assets at the beginning and end of the period.

A figure close to 0% implies that the transactions relating to the securities or transactions relating to the assets (excluding deposits and cash) in a given period only involve subscriptions and redemptions.

A negative percentage shows that subscriptions and redemptions entailed few, if any, transactions in the portfolio.

Active asset management may result in high turnover rates (monthly percentage >50%).

The detailed list of transactions is available for consultation free of charge at the registered office of the Bevek or fund at Havenlaan 2, 1080 Brussels.

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

NAME	Currency	Value in currency	In the currency of the sub-fund	Lot-size	Transaction date
KBC COLLATERAL EUR	EUR	2.357.316,00	2.357.316,00	N/A	29.06.2012

2.4.4 CHANGES OF THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND THE NET ASSET VALUE

Classic Shares

Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2010 - 06	682.932,82	91.866,55	355.652,24	5.546,00	446.797,05	99.720,55	546.517,60
2011 - 06	463.846,82	39.279,51	427.053,52	90.770,55	483.590,35	48.229,51	531.819,86
2012 - 06	108.032,78	5.014,68	460.543,88	12.406,00	131.079,25	40.838,19	171.917,44

Period	Amounts received and paid by the UCI (in the currency of the class)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2010 - 06	154.831.579,03	18.672.961,93	81.961.825,59	1.100.097,98
2011 - 06	120.127.184,77	8.508.448,78	109.549.986,82	20.319.985,61
2012 - 06	26.525.021,18	1.069.240,99	107.233.134,09	2.603.576,09

Period	Net asset value End of period (in the currency of the class)		
Year	Of the class	Of one share	
		Capitalization	Distribution
2010 - 06	121.397.815,07	228,21	194,88
2011 - 06	135.382.371,43	258,05	219,66
2012 - 06	43.051.742,40	259,96	219,81

Institutional B Shares

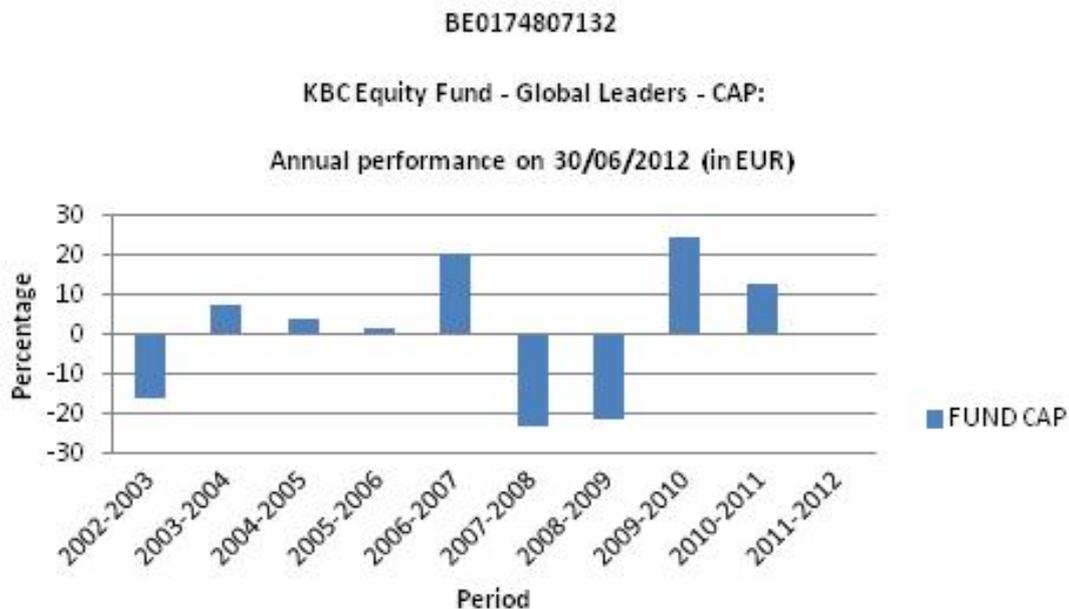
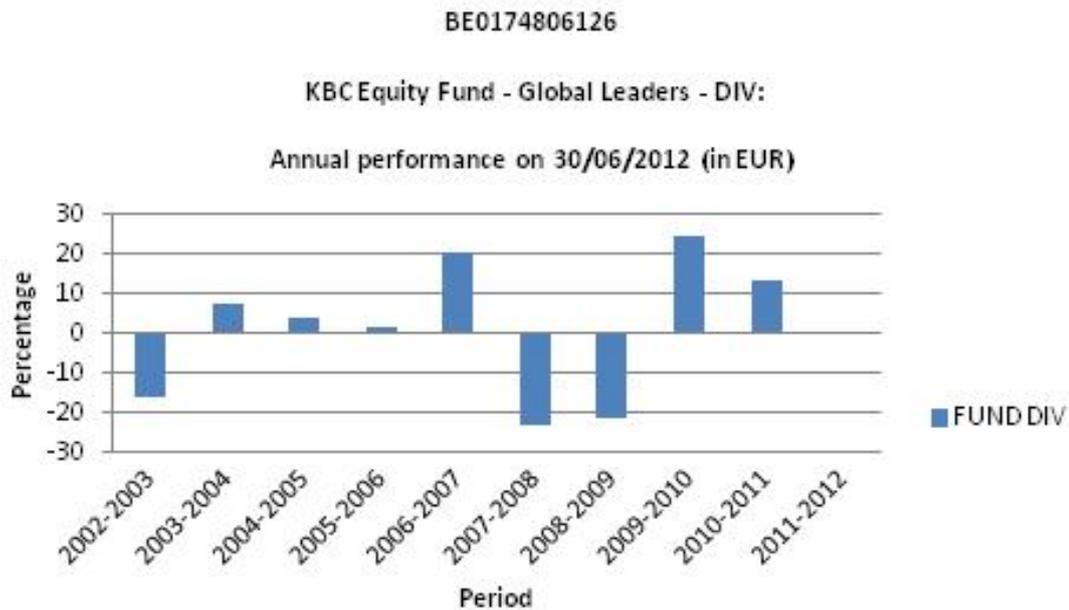
Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2012 - 06	427.720,00		263.720,00		164.000,00		164.000,00

Period	Amounts received and paid by the UCI (in the currency of the class)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2012 - 06	105.932.170,66		68.025.439,57	

Period	Net asset value End of period (in the currency of the class)		
Year	Of the class	Of one share	
		Capitalization	Distribution
2012 - 06	42.673.873,50	260,21	

2.4.5 PERFORMANCE FIGURES

Classic Shares



Cap Div	ISIN code	Cur- rency	1 Year		3 Years*		5 Years*		10 Years*		Since launch*	
			Share classes	Bench mark	Launch Date	Share classes						
CAP	BE0174807132	EUR	0.74%		12.38%		-2.99%		-0.07%		01/09/2000	-5.38%
DIV	BE0174806126	EUR	0.72%		12.40%		-2.98%		-0.07%		01/09/2000	-5.38%

Risk warning: Past performance is not a guide to future performance.

* Return on annual basis.

Institutional B Shares

The cumulative returns are shown where they relate to a period of at least one year.

Classic Shares

- The bar chart shows the performance for full financial years.
- The figures do not take account of any restructuring.
- Calculated in EUR.
- The return is calculated as the change in the net asset value between two dates expressed as a percentage. In the case of units that pay dividends, the dividend is incorporated geometrically in the return.
- Calculation method for date D, where NAV stands for net asset value:

Capitalisation units (CAP)

Return on date D over a period of X years:

$$[\text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where $Y = D - X$

Return on date D since the start date S of the unit:

$$[\text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where $F = 1$ if the unit has existed for less than one year on date D

where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D

Distribution units (DIV)

Return on date D over a period of X years:

$$[C * \text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where $Y = D - X$

Return on date D since the start date S of the unit:

$$[C * \text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where $F = 1$ if the unit has existed for less than one year on date D

where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D

where C is a factor that is determined for all N dividends between the calculation date D and the reference date.

For dividend i on date Di with value Wi:

$$C_i = [W_i / \text{NIW}(D_i)] + 1$$

$i = 1 \dots N$

from which $C = C_0 * \dots * C_N$.

- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the n^{th} square root of 1 plus the total return of the unit.
- The return figures shown above do not take account of the fees and charges associated with the issue and redemption of units.

These are the performance figures for capitalisation and distribution shares.

2.4.6 COSTS

Total expense ratio (TER): *

Classic Shares Distribution: 1.652%
Classic Shares Capitalization: 1.652%
Institutional B Shares Capitalization: Not applicable

Percentage calculated at the end of the financial year: 31 December

* The following costs have not been included in the TER:

- Transaction charges
- Interest payments on loans taken out
- Payments in respect of financial derivatives
- Fees and charges paid directly by the investor
- Any soft commissions

SOFT COMMISSIONS

The management company or the appointed manager, as the case may be, is the recipient of soft commissions.

The recipient has laid down an internal policy as regards accepting soft commissions and avoiding possible conflicts of interest in this respect, and has put appropriate internal controls in place to ensure this policy is observed.

For more information, please see the 'General' section of the annual report.

Broker	Commission gross in EUR paid during the period: 1-01-12 -	CSA Credits in EUR accrued during the period: 1-01-12 -	Percentage
	30-06-12	30-06-12	
CITI	39,824	24,150	60.64%
CSFBSAS	2,838	1,761	62.04%
EQ CSA MACQUARIE	464	290	62.50%
MERRILL	2,390	1,494	62.50%
MORGAN STANLEY	977	628	64.28%
NOMURA	26,984	14,805	54.87%
UBSWDR	57,888	36,487	63.03%

FEE-SHARING AGREEMENTS AND REBATES:

The management company may share its fee with the distributor, and institutional and/or professional parties.

In principle, the percentage share amounts to between 35% and 60% if the distributor is an entity of KBC Group NV or to between 35% and 70% if the distributor is not an entity of KBC Group NV. However, in a small number of cases, the distributor's fee is less than 35%. Investors may, on request, obtain more information on these cases.

If the management company invests the assets of the undertaking for collective investment in units of undertakings for collective investment that are not managed by an entity of KBC Group NV, and receives a fee for doing so, it will pay this fee to the undertaking for collective investment.

Fee-sharing does not affect the amount of the management fee paid by the sub-fund to the management company. This management fee is subject to the limitations laid down in the articles of association. The limitations may only be amended after approval by the general meeting of shareholders.

The management company has concluded a distribution agreement with the distributor in order to facilitate the wider distribution of the sub-fund's units by using multiple distribution channels.

It is in the interests of the holders of units, the sub-fund and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund to be maximised in this way. In this respect, there is therefore no question of any conflict of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: 1.35% per annum calculated on the basis of the average total net assets of the sub-fund, excluding those assets invested in investment undertakings managed by a financial institution of the KBC group.

KBC Fund Management Limited receives a fee from the management company of max. 1.35% calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the average total net assets of the sub-fund.

Auditor's fee: 1 700 EUR per year. This fee is not including VAT and will be increased at the end of the 3-year mandate.

The custody fee is calculated on the value of the securities held in custody by the custodian on the final banking day of the preceding calendar year, except on those assets invested in investment undertakings managed by a financial institution of the KBC group. The custody fee is paid at the beginning of the calendar year.

Social, ethical and environmental aspects:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

Exercising voting rights

If necessary, relevant and in the interest of the shareholders, the management company will exercise the voting rights attached to the shares in the Bevek's portfolio.

The management company will adhere to the following criteria when determining how it stands relative to the items on the agenda that are put to the vote:

- Shareholder value may not be adversely affected.
- Corporate governance rules, especially with regard to the rights of minority shareholders, must be respected.
- The minimum standards with regard to sustainable business and corporate social responsibility must be met.

The list of companies for which voting rights are exercised is available at the registered office of the Bevek.

Securities lending

In accordance with the Royal Decree of 7 March 2006 concerning securities lending, the undertaking for collective investment has taken out securities loans with a principal to whom the full title of the loaned securities was transferred, without recording this transfer of ownership in the accounts.

For the period from 1 January 2012 to 30 June 2012, the fee for securities lent comes to 27,071.44 EUR. KBC Asset Management NV receives 50% of the net fee received for securities lent. The detailed list of securities lending transactions carried out can be obtained from the registered office of the collective investment undertaking at 2 Havenlaan, 1080 Brussels.

Overview of securities lent as at 30/06/2012

Name	Currency	Quantity	Price	Value in currency of the portfolio
BELLE INTERNATIONAL HOLDINGS LTD	HKD	113.999	13,120	151.939,99
BNP PARIBAS	EUR	1	30,335	30,34
CATHAY PAC AIRWAYS	HKD	91.001	12,460	115.186,46
CHEUNG KONG INFRASTRUCTURE	HKD	65.658	46,750	311.821,81
CSL LIMITED	AUD	8.943	39,420	284.748,65
HUTCHISON WHAMPOA	HKD	8.189	66,500	55.320,96
JERONIMO MARTINS SA	EUR	22.774	13,325	303.463,55
MANULIFE FINANCIAL CORP	CAD	29.643	11,090	254.099,22
MTR CORPORATION LTD -H-	HKD	6.000	26,450	16.121,82
POWER FINANCIAL CORP	CAD	10.850	25,450	213.435,75
SHIMANO INC	JPY	1.000	5.200,000	51.352,95
SWIRE PACIFIC LTD SIE A	HKD	10.000	89,700	91.123,35
WESTFIELD GROUP	AUD	9.879	9,500	75.805,10
WESTFIELD RETAIL TRUST	AUD	106.140	2,850	244.335,04
			Total	2.168.784,99

Details of collateral received for securities lent

Name	Currency	Nominal value	Currency fund	Value in Currency fund
OESTERREICH 2007 4.3% 15/09/17	EUR	731.000	EUR	858.922,81
OESTERREICH 2009 3.40% 20/10/14	EUR	115.000	EUR	125.461,09
GERMANY 2009 2,25% 11/04/14	EUR	352.000	EUR	367.418,66
FRANCE 2010 3,50% 25/04/2026	EUR	366.000	EUR	382.529,29
BTAN FRANCE 2008 4 1/2% 12/07/13	EUR	169.000	EUR	183.832,45
NEDERLAND 2009 4.00% 15/07/19	EUR	368.000	EUR	439.151,70
			Total	2.357.316,00

For the valuation of the collateral received, indicative prices have been used in this detail list by the Collateral Management Division of KBC Bank.

TABLE OF CONTENTS

- 2. Information on KBC Equity Fund Eurozone
 - 2.1. Management report
 - 2.1.1. Launch date and subscription price
 - 2.1.2. Stock exchange listing
 - 2.1.3. Aim and distinctive features of the investment policy
 - 2.1.4. Financial portfolio management
 - 2.1.5. Distributors
 - 2.1.6. Index and benchmark
 - 2.1.7. Policy conducted during the financial year
 - 2.1.8. Future policy
 - 2.1.9. Synthetic risk and reward indicator (SRRI)
 - 2.2. Balance sheet
 - 2.3. Profit and loss account
 - 2.4. Composition of the assets and key figures
 - 2.4.1. Composition of the assets
 - 2.4.2. Change in the composition of the assets
 - 2.4.3. Value of commitments in respect of financial derivatives positions
 - 2.4.4. Evolution of the number of subscriptions, repayments and the net asset value
 - 2.4.5. Return figures
 - 2.4.6. Expenses
 - 2.4.7. Notes to the financial statements and other data

2 INFORMATION ON KBC EQUITY FUND EUROZONE

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Classic Shares :

Launch date: 2 February 2001
Initial subscription price: 500 EUR
Currency: EUR

Institutional B Shares :

Launch date: 24 November 2011
Initial subscription price: 264.23 EUR
Currency: EUR

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

The main objective of this sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. To this end, the assets are invested, either directly or indirectly via correlated financial instruments, primarily in shares.

SUB-FUND'S INVESTMENT POLICY:

PERMITTED ASSET CLASSES:

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the sub-fund's object.

The sub-fund shall invest no more than 10% of its assets in units of other undertakings for collective investment.

RESTRICTIONS OF THE INVESTMENT POLICY:

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

PERMITTED DERIVATIVES TRANSACTIONS:

Derivates may be used either for hedging purposes or to achieve investment objectives.

Changes will be made to the investments at regular intervals to comply with the sub-fund's investment strategy. **In addition, listed and unlisted derivates may be used to achieve the objectives:** these may be forward contracts, options or swaps on securities, indices, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions. **Such derivatives may also be used to hedge the assets against exchange-rate fluctuations.** Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions.

STRATEGY SELECTED

At least 75% of the assets are invested in shares of euro-area companies.

LENDING FINANCIAL INSTRUMENTS:

The sub-fund may lend financial instruments within the limits set by law and regulations.

This lending does not affect the sub-fund's risk profile since:

- it takes place within the framework of a securities lending system managed by a principal. In addition, the sub-fund has a relationship only with the principal of the securities lending system which acts as counterparty and to which title of the loaned securities is transferred. The choice of principal is subject to strict selection criteria. The return of securities similar to the securities that have been lent is guaranteed by the principal.
- through a margin management system, the sub-fund is always guaranteed financial security, the actual value of which always exceeds the actual value of the securities that have been lent, in case the principal does not return similar securities.

The return of securities similar to the securities that have been lent can be requested at any time, which means that the lending of securities does not affect the management of the sub-fund's assets. By lending securities, the sub-fund can generate an additional return. The principal pays a fee to the management company. After deducting the fee for the margin management and clearing services of KBC Bank, most of this fee is paid to the sub-fund.

The relationship with the counterparty or counterparties is governed by standard international agreements.

More information is provided on the terms and conditions governing securities lending in the annual or half-yearly report for the sub-fund.

VOLATILITY OF THE NET ASSET VALUE:

The volatility of the net asset value may be high due to the composition of the portfolio.

GENERAL STRATEGY FOR HEDGING THE EXCHANGE RATE RISK:

In order to protect its assets against exchange rate fluctuations and within the limitations laid down in the articles of association, the sub-fund may perform transactions relating to the sale of forward currency contracts, as well as the sale of call options and the purchase of put options on currencies. The transactions in question may relate solely to contracts traded on a regulated market that operates regularly, is recognised and is open to the public or that are traded with a recognised, prime financial institution specialising in such transactions and dealing in the over-the-counter (OTC) market in options. With the same objective, the sub-fund may also sell currencies forward or exchange them in private transactions with prime financial institutions specialising in such transactions. The hedging objective of the aforementioned transactions suggests that there is a direct link between these transactions and the assets to be hedged, which implies that the transactions carried out in a particular currency may in principle not exceed, in terms of volume, either the valuation value of all the assets in the same currency or the holding period of those assets.

SOCIAL, ETHICAL AND ENVIRONMENTAL ASPECTS:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

THE EUROPEAN SAVINGS DIRECTIVE AND TAX ON DEBT CLAIM RETURNS OBTAINED THROUGH THE REDEMPTION OF OWN UNITS OR IN THE EVENT OF FULL OR PARTIAL DISTRIBUTION OF EQUITY CAPITAL.

The following information is of a general character and is not intended to cover all aspects of an investment in a UCITS. In certain cases entirely different rules might even apply. Moreover, both tax law and the interpretation of it can change. Investors who wish to have more information about the tax implications – in both Belgium and abroad – of acquiring, holding and transferring units should seek the advice of their usual financial and tax advisers.

This UCITS shall invest a maximum of 15% of its assets directly or indirectly in debt instruments as intended by the European Savings Directive.

A. European Savings Directive (Directive 2003/48/EC)

The European Savings Directive has been implemented in Belgium through:

- The Law of 17 May 2004 transposing into Belgian law Directive 2003/48/EC of 3 June 2003 of the Council of the European Union on taxation of savings income in the form of interest payments and amending Income Tax Code 1992 on withholding tax;
- The Royal Decree of 27 September 2009 implementing Article 338bis § 2 of Income Tax Code 1992;
- The Royal Decree of 27 September 2009 concerning the entry into effect of Article 338bis § 2, paragraphs one to three, of Income Tax Code 1992;

Since this UCITS invests a maximum of 15% of its assets directly or indirectly in debt claims as intended by the European Savings Directive, the income of this UCITS does not fall within the scope of this directive.

B. Tax on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital (Article 19bis Income Tax Code 1992).

The income from this UCITS is not subject to the tax on debt instrument returns as intended by Article 19bis, Income Tax Code 1992.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

There is no delegation of the portfolio.

2.1.5 DISTRIBUTORS

KBC Asset Management S.A., 5, Place de la Gare, L-1616 Luxembourg.

2.1.6 INDEX AND BENCHMARK

See 'Sub-fund's investment policy'.

2.1.7 POLICY PERSUED DURING THE FINANCIAL YEAR

The macroeconomic outlook improved during the first quarter. Economic growth picked up steadily in the US. The emerging markets experienced a soft landing and Europe appears to have reached its trough. The persistent public-sector debt crisis remains the biggest risk in Europe. Greece's problems were isolated to prevent contamination. The worst-case scenario in the euro bond markets was avoided.

The macroeconomic outlook then deteriorated somewhat in the second quarter. Employment growth slowed down in the US, while confidence indicators remained strong. Confidence indicators and production data both dipped, by contrast, in Europe and the emerging markets. The euro crisis escalated. The results of the Greek elections did not offer any immediate solution. Spain's banking crisis grew acute.

There were no pronounced sector focuses in the KB Equity Fund Eurozone portfolio in the first half of the financial year. The financial sector, with a weighting of over 18% in the MSCI EMU, looked cheap, for instance, but visibility within the banking sector was limited and the willingness to agree sustainable, structural reforms in Europe was uncertain. Taking those factors into account, the sector was neutral to slightly underweight in the portfolio.

The equity markets' occasionally pronounced risk aversion translated into relatively good performance by sectors deemed defensive (food and drink manufacturers, domestic goods and personal care). These sectors were initially overweighted in the portfolio, with names like BAT, Imperial Tobacco, Kerry and Anheuser-Bush. As their valuations grew increasingly generous, their weighting was skimmed off to arrive at a more neutral level.

The energy sector was viewed as relatively attractive in terms of valuation and dividend yield, and with upside potential on any recovery in economic growth. The sector was overweighted in the portfolio.

Doubts about the sustainability of margins and the lasting nature of the economic recovery globally, and particularly in Asia, underpinned an underweighting of the capital goods sector.

We also became warier toward more consumer-oriented cyclical stocks because of weak economic growth in the Western world.

Telecom is a slow growth sector that has to contend with pressure on margins and political risk. The sector seems cheap (high dividend yield) but failed to attract investors. The telecoms sector was underweight in the portfolio in the first half of the year.

Utilities are expensive based on price/earnings, but they do offer a high dividend yield. They are underweighted in the portfolio because of their low profitability, regulatory risk associated with government debt, and low growth.

The health care sector is not expensive. Good cash flows and better results from the pipeline point toward a fundamentally more positive assessment. The sector's weighting in the portfolio was raised in the second quarter.

2.1.8 FUTURE POLICY

The current sector allocation will be retained in the short term, given the uncertainties in terms of economic trends and euro area public-sector debt. The financial sector will remain underweight for the time being because of uncertainty regarding structural (political) actions in the banking sector and the underweight position of real estate in the portfolio. The public-sector debt problem simultaneously explains the persistent underweighting of utilities, which are also expensive in terms of their price/earnings ratios. Telecoms is struggling with low growth, pressure on margins and political risk. The sector remains underweight, despite its very high dividend yield. As far as more consumer-related sectors are concerned, rising valuations will be used to further scale down portfolio holdings. In the industrial, cyclical sectors, market reactions to anticipated shifts in the general economic climate could result in sharp price movements. That is because several stocks in the basic goods sector are trading at historically low valuations. The limited active positions in these cyclical sectors – both underweight (capital goods) and overweight (basic goods) – will therefore be maintained. Technology is benefiting from strong growth in new products, good results and margins. Earnings revisions remain positive, but are losing momentum. The sector remains overweight for the time being, but profit-taking cannot be ruled out.

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

Classic Shares: 7 on a scale of 1 (lowest risk) to 7 (highest risk).

Institutional B Shares: 6 on a scale of 1 (lowest risk) to 7 (highest risk).

The value of a share can decrease or increase and the investor may not get back the amount invested.

In accordance with Commission Regulation (EU) No. 583/2010, a synthetic risk and reward indicator has been calculated. This indicator provides a quantitative measure of the sub-fund's potential return and the risk involved, calculated in the currency in which the sub-fund is denominated. It is given as a figure between 1 and 7. The higher the figure, the greater the potential return, but also the more difficult it is to predict this return. Losses are possible too. The lowest figure does not mean that the investment is entirely free of risk. However, it does indicate that, compared with the higher figures, this product will generally provide a lower, but more predictable return.

The synthetic risk and reward indicator is assessed regularly and can therefore go up or down based on data from the past. Data from the past is not always a reliable indicator of future risk and return.

The most recent indicator can be found under the 'Risk and reward profile' heading in the 'Key Investor Information' document.

2.2 BALANCE SHEET

Balance sheet layout	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
TOTAL NET ASSETS	507.316.949,23	33.052.229,25
II. Securities, money market instruments, UCIs and derivatives		
A. Bonds and other debt instruments		
a) Bonds	811.665,40	
a) Collateral received in the form of bonds	11.206.121,55	957.756,50
C. Shares and similar instruments		
a) Shares	497.118.649,71	30.176.761,83
Of which securities lent	10.691.059,08	882.083,92
D. Other securities	149.644,82	57.055,17
E. Open-end undertakings for collective investment		2.393.076,50
F. Derivative financial instruments		
j) Foreign exchange		
Futures and forward contracts (+/-)	211.046,33	
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable	92.110,30	10.477,18
b) Tax assets	140.532,95	26.048,04
B. Payables		
a) Accounts payable (-)	-785.590,12	-599.271,00
c) Borrowings (-)	-997.271,72	
d) Collateral (-)	-11.206.121,55	-957.756,50
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	10.308.474,25	953.414,12
VI. Accruals and deferrals		
A. Expense to be carried forward	76.168,47	32.286,51
B. Accrued income	493.635,34	25.108,73
C. Accrued expense (-)	-302.116,50	-22.727,83
TOTAL SHAREHOLDERS' EQUITY	507.316.949,23	33.052.229,25
A. Capital	522.191.873,11	31.151.163,26
B. Income equalization	-449.606,81	-280.113,88
D. Result for the period	-14.425.317,07	2.181.179,87

Off-balance-sheet headings

I	Collateral (+/-)		
I.A	Collateral (+/-)		
I.A.A	Securities/market instruments	11.206.121,55	957.756,50
III	Notional amounts of futures and forward contracts		
III.B	Written futures and forward contracts	-23.925.692,11	
IX	Financial instruments lent	10.691.059,08	882.083,92

2.3 PROFIT AND LOSS ACCOUNT

Income Statement	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
I. Net gains(losses) on investments		
A. Bonds and other debt instruments		
a) Bonds	-88.415,60	
C. Shares and similar instruments		
a) Shares	-24.562.794,96	1.423.891,77
D. Other securities	-7.375,09	-1.949,28
E. Open-end undertakings for collective investment		114.678,00
F. Derivative financial instruments		
I) Financial indices		
Futures and forward contracts		35.260,06
H. Foreign exchange positions and transactions		
a) Derivative financial instruments		
Futures and forward contracts	211.046,33	
b) Other foreign exchange positions and transactions	729.932,20	-11.468,54
II. Investment income and expenses		
A. Dividends	12.478.999,15	1.111.744,99
B. Interests		
a) Securities and money market instruments	335.962,71	51.210,81
b) Cash at bank and in hand and deposits	5.569,66	415,03
C. Interest on borrowings (-)	-689,73	-1.529,90
III. Other income		
A. Income received to cover the acquisition and realization of assets, to discourage withdrawals and for delivery charges	770.234,37	

IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-976.230,13	-104.192,99
B. Financial expenses (-)	-2.366,85	-1.591,10
C. Custodian's fee (-)	-67.648,57	-26.485,68
D. Manager's fee (-)		
a) Financial management		
Classic Shares	-194.564,34	-343.545,70
Institutional B Shares	-2.530.561,58	
b) Administration and accounting management	-218.082,78	-22.705,36
E. Administrative expenses (-)	-857,54	-1.610,08
F. Formation and organisation expenses (-)	-20.097,54	-2.322,44
G. Remuneration, social security charges and pension	-65,91	-10,24
H. Services and sundry goods (-)	-38.222,72	-4.990,94
J. Taxes		
Classic Shares	-16.837,40	-12.415,04
Institutional B Shares	-23.939,76	
K. Other expenses (-)	-208.310,99	-21.203,50
Income and expenditure for the period		
Subtotal II + III + IV	9.292.290,05	620.767,86
V. Profit (loss) on ordinary activities before tax	-14.425.317,07	2.181.179,87
VII. Result for the period	-14.425.317,07	2.181.179,87

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC EQUITY FUND EUROZONE

Name	Quantity on 30/06/2012	Cur rency	Price in currency	Evaluation (in the currency of the sub-fund)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
Bonds							
Corporate bonds							
<u>Ireland</u>							
D-STAR FINANCE PLC SUB 14/05/13	1.274.000,00	EUR	63,710	811.665,40		0,16	0,16
Total bonds				811.665,40		0,16	0,16
Shares							
Exchange-listed shares							
<u>Austria</u>							
BANK AUSTRIA CREDITANSTALT AG -	340,00	EUR	0,000	0,00			
<u>Belgium</u>							
AGEAS NV (BRU) B STRIP-VVPR	11.672,00	EUR	0,001	11,67			
AGEAS NV -	1.243.003,00	EUR	1,560	1.939.084,68		0,39	0,38
ANHEUSER-BUSCH INBEV NV -	273.427,00	EUR	61,300	16.761.075,10		3,36	3,30
ANHEUSER-BUSCH INBEV NV STRIP-VVPR	1.704,00	EUR	0,001	1,70			
KBC GROUP -	39.147,00	EUR	16,665	652.384,76		0,13	0,13
NYRSTAR -	230.132,00	EUR	4,478	1.030.531,10		0,21	0,20
NYRSTAR STRIP VVPR	28.588,00	EUR	0,001	28,59			
SIPEF (BRU)	42.505,00	EUR	56,900	2.418.534,50		0,49	0,48
SOLVAY -	24.361,00	EUR	77,780	1.894.798,58		0,38	0,37
TELENET -	8.291,00	EUR	34,500	286.039,50		0,06	0,06
THROMBOGENICS NV -	49.217,00	EUR	21,300	1.048.322,10		0,21	0,21
UMICORE -	28.280,00	EUR	36,370	1.028.543,60		0,21	0,20
VAN DE VELDE -	115,00	EUR	34,100	3.921,50		0,00	0,00
<u>Denmark</u>							
DSV DE SAMMENSLUTTEDE VOGNMAEND -	166.729,00	DKK	116,100	2.603.738,96		0,52	0,51
<u>Finland</u>							
FORTUM CORPORATION -	37.937,00	EUR	14,970	567.916,89		0,11	0,11
NOKIAN RENKAAT OYJ -	28.040,00	EUR	29,860	837.274,40		0,17	0,17
UPM-KYMMENE CORP -	138.406,00	EUR	8,900	1.231.813,40		0,25	0,24
<u>France</u>							
ACCOR -	52.679,00	EUR	24,680	1.300.117,72		0,26	0,26
AIR LIQUIDE (L') -	52.475,00	EUR	90,050	4.725.373,75		0,95	0,93
ALSTOM -	88.030,00	EUR	24,930	2.194.587,90		0,44	0,43
ATOS SA -	34.072,00	EUR	47,120	1.605.472,64		0,32	0,32
AXA -	440.998,00	EUR	10,480	4.621.659,04		0,93	0,91
BNP PARIBAS -	229.643,00	EUR	30,335	6.966.220,41		1,40	1,37
CHRISTIAN DIOR -	17.718,00	EUR	108,250	1.917.973,50		0,39	0,38
COMPAGNIE GENERALE DE GEOPHYSIQUE SA -	114.950,00	EUR	20,235	2.326.013,25		0,47	0,46
FRANCE TELECOM -	303.160,00	EUR	10,375	3.145.285,00		0,63	0,62
GDF SUEZ -	175.162,00	EUR	18,755	3.285.163,31		0,66	0,65
GDF SUEZ STRIP VVPR	647,00	EUR	0,001	0,65			

GEMALTO NV -	29.447,00	EUR	56,590	1.666.405,73		0,33	0,33
ILIAD SA -	9.910,00	EUR	114,250	1.132.217,50		0,23	0,22
IMERYS (PAR)	6.623,00	EUR	40,090	265.516,07		0,05	0,05
LEGRAND (PAR)	92.884,00	EUR	26,755	2.485.111,42		0,50	0,49
LVMH-MOET H.L.VUIT. -	60.844,00	EUR	119,850	7.292.153,40		1,46	1,44
MICHELIN (PAR)	49.253,00	EUR	51,480	2.535.544,44		0,51	0,50
NATIXIS (PAR)	725.000,00	EUR	2,118	1.535.550,00		0,31	0,30
PERNOD-RICARD -	79.474,00	EUR	84,260	6.696.479,24		1,34	1,32
PINAULT-PRINTEMPS-REDOUTE -	19.710,00	EUR	112,250	2.212.447,50		0,44	0,44
PUBLICIS GROUPE SA -	49.074,00	EUR	36,050	1.769.117,70		0,36	0,35
REMY COINTREAU SA -	7.046,00	EUR	86,580	610.042,68		0,12	0,12
RENAULT (PAR)	45.434,00	EUR	31,440	1.428.444,96		0,29	0,28
REXEL SA (PAR)	48.815,00	EUR	13,465	657.293,98		0,13	0,13
SAFRAN SA (PAR)	79.980,00	EUR	29,200	2.335.416,00		0,47	0,46
SAINT GOBAIN -	50.640,00	EUR	29,100	1.473.624,00		0,30	0,29
SANOFI -	287.986,00	EUR	59,740	17.204.283,64		3,50	3,39
SCHNEIDER ELECTRIC SA -	187.909,00	EUR	43,730	8.217.260,57		1,65	1,62
SCOR REGROUPE (PAR)	88.875,00	EUR	19,110	1.698.401,25		0,34	0,34
SOCIETE GENERALE -	286.889,00	EUR	18,410	5.281.626,49		1,06	1,04
SODEXHO ALLIANCE -	29.757,00	EUR	61,400	1.827.079,80		0,37	0,36
SUEZ ENVIRONNEMENT SA -	221.565,00	EUR	8,465	1.875.547,73		0,38	0,37
TECHNIP SA (PAR)	25.677,00	EUR	81,950	2.104.230,15		0,42	0,42
TELECOM CITY -	113.408,00	GBP	8,030	1.125.529,90		0,23	0,22
TOTAL -	459.351,00	EUR	35,500	16.306.960,50		3,27	3,21
VINCI S.A. -	143.140,00	EUR	36,785	5.265.404,90		1,06	1,04
VIVENDI -	353.737,00	EUR	14,630	5.175.172,31		1,04	1,02
<u>Germany</u>							
ADIDAS AG -	48.975,00	EUR	56,460	2.765.128,50		0,56	0,55
ALLIANZ AG REG	83.275,00	EUR	79,110	6.587.885,25		1,32	1,30
BASF SE -	233.262,00	EUR	54,700	12.759.431,40		2,56	2,52
BAYER AG -	205.985,00	EUR	56,780	11.695.828,30		2,35	2,31
BAYERISCHE MOTOREN WERKE AG -	83.155,00	EUR	56,930	4.734.014,15		0,95	0,93
BEIERSDORF AG -	26.675,00	EUR	51,150	1.364.426,25		0,27	0,27
BRENNTAG AG -	30.300,00	EUR	87,180	2.641.554,00		0,53	0,52
CONTINENTAL AG -	25.275,00	EUR	65,620	1.658.545,50		0,33	0,33
DAIMLER AG -	215.187,00	EUR	35,345	7.605.784,52		1,53	1,50
DEUTSCHE BANK AG REG	210.255,00	EUR	28,500	5.992.267,50		1,20	1,18
DEUTSCHE BOERSE AG -	48.426,00	EUR	42,530	2.059.557,78		0,41	0,41
DEUTSCHE POST AG -	232.673,00	EUR	13,940	3.243.461,62		0,65	0,64
DEUTSCHE TELEKOM INT FIN REG	501.456,00	EUR	8,654	4.339.600,22		0,87	0,86
E.ON AG -	486.559,00	EUR	17,000	8.271.503,00		1,66	1,63
FRESENIUS SE & CO KGAA (FRA)	106.388,00	EUR	81,780	8.700.410,64		1,75	1,72
HEIDELBERGCEMENT AG -	34.872,00	EUR	37,765	1.316.941,08		0,26	0,26
HENKEL KGAA (FRA)	117.496,00	EUR	43,780	5.143.974,88		1,03	1,01
HENKEL KGAA PREF	47.585,00	EUR	52,370	2.492.026,45		0,50	0,49
INFINEON TECHNOLOGIES AG -	298.790,00	EUR	5,332	1.593.148,28		0,32	0,31
K+S AG (FRA)	45.377,00	EUR	36,000	1.633.572,00		0,33	0,32
KABEL DEUTSCHLAND HOLDING AG -	26.657,00	EUR	49,125	1.309.525,13		0,26	0,26
LANXESS -	23.605,00	EUR	49,720	1.173.640,60		0,24	0,23
LINDE AG -	17.724,00	EUR	122,650	2.173.848,60		0,44	0,43
MUNCHENER RUCKVERSICHERUNG AG REG	23.598,00	EUR	111,150	2.622.917,70		0,53	0,52
PORSCHE AUTOMOBIL HOLDING SE PREF	35.225,00	EUR	39,145	1.378.882,63		0,28	0,27
SAP AG -	245.339,00	EUR	46,545	11.419.303,76		2,29	2,25
SIEMENS AG REG	222.172,00	EUR	66,140	14.694.456,08		2,95	2,90
VOLKSWAGEN AG PREF	40.263,00	EUR	124,600	5.016.769,80		1,01	0,99
WACKER CHEMIE AG -	3.063,00	EUR	54,200	166.014,60		0,03	0,03

<u>Ireland</u>							
C.R.H. PLC -	162.742,00	EUR	15,110	2.459.031,62		0,49	0,49
GLANBIA PLC -	415.136,00	EUR	5,840	2.424.394,24		0,49	0,48
KERRY GROUP PLC -	35.037,00	EUR	34,600	1.212.280,20		0,24	0,24
<u>Italy</u>							
ASSICURAZIONI GENERALI -	120.938,00	EUR	10,660	1.289.199,08		0,26	0,25
AZIMUT HOLDING SPA -	119.296,00	EUR	8,080	963.911,68		0,19	0,19
E.N.E.L. -	1.490.566,00	EUR	2,542	3.789.018,77		0,76	0,75
ENEL GREEN POWER SPA -	1.369.226,00	EUR	1,244	1.703.317,14		0,34	0,34
ENI -	498.075,00	EUR	16,780	8.357.698,50		1,68	1,65
FIAT SPA -	307.449,00	EUR	3,968	1.219.957,63		0,25	0,24
INTESA SANPAOLO SPA -	3.507.888,00	EUR	1,118	3.921.818,78		0,79	0,77
MEDIOBANCA (MIL)	609.373,00	EUR	3,474	2.116.961,80		0,43	0,42
SAIPEM (MIL)	65.945,00	EUR	34,990	2.307.415,55		0,46	0,46
SNAM RETE GAS S.P.A. -	423.342,00	EUR	3,520	1.490.163,84		0,30	0,29
TELECOM ITALIA (MIL)	2.496.586,00	EUR	0,781	1.948.585,37		0,39	0,38
TELECOM ITALIA (MIL) DI RISPARMIO NWE	2.403.364,00	EUR	0,637	1.529.741,19		0,31	0,30
TERNA SPA -	614.863,00	EUR	2,844	1.748.670,37		0,35	0,35
UNICREDIT SPA -	1.382.731,00	EUR	2,980	4.120.538,38		0,83	0,81
<u>Japan</u>							
SMC CORP. -	12.600,00	JPY	13.710,000	1.705.964,84		0,34	0,34
<u>Jersey/The Channel Islands</u>							
BEAZLEY PLC -	644.937,00	GBP	1,377	1.097.612,47		0,22	0,22
<u>Luxembourg</u>							
ARCELORMITTAL -	434.995,00	EUR	12,110	5.267.789,45		1,06	1,04
SES GLOBAL -	100.713,00	EUR	18,640	1.877.290,32		0,38	0,37
TENARIS SA -	120.902,00	EUR	13,790	1.667.238,58		0,34	0,33
<u>Netherlands</u>							
A.K.Z.O. NOBEL -	91.389,00	EUR	37,040	3.385.048,56		0,68	0,67
AEGON -	958.329,00	EUR	3,644	3.492.150,88		0,70	0,69
ASM INTERNATIONAL -	33.184,00	EUR	29,900	992.201,60		0,20	0,20
ASML HOLDING NV -	111.986,00	EUR	40,065	4.486.719,09		0,90	0,88
EUROPEAN AERONAUTIC DEF.&SPACE -	34.367,00	EUR	27,940	960.213,98		0,19	0,19
FUGRO NV CVA	69.923,00	EUR	47,730	3.337.424,79		0,67	0,66
ING GROEP NV -	1.370.445,00	EUR	5,266	7.216.763,37		1,45	1,42
KONINKLIJKE D.S.M. NV (AMS)	40.371,00	EUR	38,800	1.566.394,80		0,31	0,31
KONINKLIJKE KPN NV -	366.140,00	EUR	7,556	2.766.553,84		0,56	0,55
NUTRECO NV -	42.355,00	EUR	54,930	2.326.560,15		0,47	0,46
RANDSTAD HOLDING (AMS)	81.908,00	EUR	23,175	1.898.217,90		0,38	0,37
REED ELSEVIER NV -	234.438,00	EUR	9,012	2.112.755,26		0,42	0,42
UNILEVER CVA	158.987,00	EUR	26,385	4.194.872,00		0,84	0,83
WOLTERS KLUWER -	119.298,00	EUR	12,530	1.494.803,94		0,30	0,30
ZIGGO BV -	72.279,00	EUR	25,185	1.820.346,62		0,37	0,36
<u>Norway</u>							
STOREBRAND ASA -	813.640,00	NOK	23,190	2.501.168,06		0,50	0,49
YARA INTL ASA -	77.867,00	NOK	258,800	2.671.330,05		0,54	0,53
<u>South Korea</u>							
SAMSUNG ELECTRONICS -	1.979,00	KRW	1.201.000,000	1.635.199,62		0,33	0,32
<u>Spain</u>							
AMADEUS IT HOLDING SA -	120.543,00	EUR	16,700	2.013.068,10		0,40	0,40
BANCO BILBAO VIZCAYA ARGENTARIA -	877.452,00	EUR	5,629	4.939.177,31		0,99	0,97
BANCO SANTANDER CENTRAL HISPANO SA -	2.212.109,00	EUR	5,221	11.549.421,09		2,32	2,28

EDP RENOVAVEIS SA -	324.013,00	EUR	2,701	875.159,11		0,18	0,17
FERROVIAL SA -	256.707,00	EUR	8,887	2.281.355,11		0,46	0,45
GAS NATURAL SDG -	91.935,00	EUR	10,105	929.003,18		0,19	0,18
IBERDROLA SA -	543.628,00	EUR	3,719	2.021.752,53		0,41	0,40
INDUSTRIA DE DISENO TEXTIL SA -	50.407,00	EUR	81,530	4.109.682,71		0,83	0,81
RED ELECTRICA DE ESPANA -	29.099,00	EUR	34,410	1.001.296,59		0,20	0,20
REPSOL INTL FINANCE -	270.117,00	EUR	12,640	3.414.278,88		0,69	0,67
TELEFONICA SA -	567.416,00	EUR	10,370	5.884.103,92		1,18	1,16
<u>Sweden</u>							
ATLAS COPCO AB AB "B" FRIA	100.703,00	SEK	131,400	1.510.631,22		0,30	0,30
SWEDISH MATCH AB -	45.602,00	SEK	278,700	1.450.913,57		0,29	0,29
VOLVO TREASURY AB "B"	225.801,00	SEK	78,750	2.030.004,99		0,41	0,40
<u>Switzerland</u>							
NOVARTIS AG REG	113.314,00	CHF	52,900	4.990.476,29		1,00	0,98
U.B.S. REG	109.351,00	CHF	11,050	1.005.976,40		0,20	0,20
<u>U.K.</u>							
AVIVA PLC -	556.874,00	GBP	2,726	1.876.206,31		0,38	0,37
BARCLAYS BANK PLC -	487.413,00	GBP	1,629	981.030,86		0,20	0,19
BAT HOLDINS BV -	87.886,00	GBP	32,415	3.520.979,72		0,71	0,69
BG GROUP PLC -	160.550,00	GBP	13,000	2.579.594,61		0,52	0,51
CENTRICA -	359.818,00	GBP	3,180	1.414.190,14		0,28	0,28
IMI PLC (LON)	67.015,00	GBP	8,315	688.703,16		0,14	0,14
IMPERIAL TOBACCO GR PLC -	210.993,00	GBP	24,550	6.402.024,66		1,29	1,26
JAZZTEL PLC -	331.962,00	EUR	4,470	1.483.870,14		0,30	0,29
PENNON GROUP PLC -	98.009,00	GBP	7,620	923.036,19		0,19	0,18
RIO TINTO PLC -	99.192,00	GBP	30,190	3.701.157,43		0,74	0,73
ROLLS ROYCE GROUP PLC -	150.876,00	GBP	8,580	1.599.945,72		0,32	0,32
ROYAL BANK OF SCOTLAND GROUP PLC -	516.944,00	GBP	2,153	1.375.578,34		0,28	0,27
ROYAL DUTCH SHELL PLC -A-	71.125,00	EUR	26,605	1.892.280,63		0,38	0,37
SMITHS GROUP PLC -	131.513,00	GBP	10,150	1.649.804,66		0,33	0,33
TRAVIS PERINKS PLC -	88.752,00	GBP	9,705	1.064.563,29		0,21	0,21
VODAFONE GROUP PLC -	540.903,00	GBP	1,793	1.198.329,78		0,24	0,24
WEIR GROUP PLC (THE) -	108.387,00	GBP	15,300	2.049.587,32		0,41	0,40
XSTRATA PLC -	107.584,00	GBP	7,986	1.061.878,41		0,21	0,21
3IGROUP -	413.528,00	GBP	1,971	1.007.370,77		0,20	0,20
<u>U.S.A.</u>							
APPLE INC -	1.821,00	USD	584,000	837.967,06		0,17	0,17
EBAY INC. -	35.639,00	USD	42,010	1.179.729,25		0,24	0,23
MICROSOFT CORP -	30.014,00	USD	30,590	723.448,32		0,15	0,14
NU SKIN ENTERPRISES INC "A"	71.687,00	USD	46,900	2.649.216,22		0,53	0,52
TRANSOCEAN SEDCO FOREX INC. -	29.911,00	CHF	42,220	1.051.361,13		0,21	0,21
Total shares				497.118.649,71		99,77	97,99
Rights							
<u>Spain</u>							
REPSOL YPF SA CP 21/06/12	270.117,00	EUR	0,554	149.644,82		0,03	0,03
Total rights				149.644,82		0,03	0,03
Forward contracts		EUR		211.046,33			0,04
TOTAL SECURITIES PORTFOLIO				498.291.006,26		100,00	98,22

COLLATERAL RECEIVED							
<u>Belgium</u>							
KBC GROUP COLLATERAL EUR	11.206.121,55	EUR	1,000	11.206.121,55			2,21
TOTAL RECEIVED COLLATERAL				11.206.121,55			2,21
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP CHF	30.228,32	CHF	1,000	25.166,15			0,01
KBC GROUP DKK	6.525,80	DKK	1,000	877,78			
KBC GROUP EURO	10.262.510,17	EUR	1,000	10.262.510,17			2,02
KBC GROUP GBP	-806.892,55	GBP	1,000	-997.271,72			-0,20
KBC GROUP JPY	1.133.768,00	JPY	1,000	11.196,60			0,00
KBC GROUP NOK	2.259,57	NOK	1,000	299,53			
KBC GROUP SEK	3.920,07	SEK	1,000	447,52			
KBC GROUP USD	10.122,98	USD	1,000	7.976,50			0,00
Total demand accounts				9.311.202,53			1,84
TOTAL CASH AT BANK AND IN HAND				9.311.202,53			1,84
OTHER RECEIVABLES AND PAYABLES							
Receivables							
<u>Belgium</u>							
KBC GROUP EUR RECEIVABLE	60.837,10	EUR	1,000	60.837,10			0,01
KBC GROUP GBP RECEIVABLE	25.303,15	GBP	1,000	31.273,20			0,01
KBC GROUP WHT TO BE RECOVERED EUR	140.532,95	EUR	1,000	140.532,95			0,03
Total receivables				232.643,25			0,05
Payables							
<u>Belgium</u>							
KBC GROUP COUNTERPART ENTRY COLLATERAL IN EUR	-11.206.121,55	EUR	1,000	-11.206.121,55			-2,21
KBC GROUP EUR PAYABLE	-785.590,12	EUR	1,000	-785.590,12			-0,16
Payables				-11.991.711,67			-2,36
TOTAL RECEIVABLES AND PAYABLES				-11.759.068,42			-2,32
OTHER							
Interest receivable		EUR		301.650,62			0,06
Accrued interest		EUR		191.984,72			0,04
Expenses payable		EUR		-302.116,50			-0,06
Expenses to be carried forward		EUR		76.168,47			0,02
TOTAL OTHER				267.687,31			0,05
TOTAL NET ASSETS				507.316.949,23			100,00

Geographic breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Austria	2,56	1,11	0,37	0,00
Belgium	5,98	4,88	4,90	5,47
Bermuda	0,03	0,03	0,00	0,00
Switzerland	0,00	0,00	2,10	1,20
Cayman Islands	0,00	0,00	0,09	0,00
Germany	27,71	30,97	25,37	27,41
Denmark	0,00	0,00	0,31	0,52
Spain	10,46	9,80	8,46	7,86
Finland	4,46	2,30	1,39	0,53
France	29,20	29,15	24,59	26,54
U.K.	0,00	1,73	7,57	7,32
Greece	0,41	0,00	0,00	0,00
Ireland	1,23	1,38	2,26	1,39
Italy	5,20	7,80	6,44	7,33
Jersey/The Channel Islands	0,00	0,00	0,56	0,22
Japan	0,00	0,00	0,38	0,34
South Korea	0,00	0,00	0,20	0,33
Luxembourg	2,44	1,96	2,11	1,77
Netherlands	10,04	8,38	9,53	8,44
Norway	0,00	0,00	0,52	1,04
Portugal	0,28	0,51	0,88	0,00
Sweden	0,00	0,00	1,36	1,00
U.S.A.	0,00	0,00	0,61	1,29
Total	100,00	100,00	100,00	100,00

Sector breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Cyclicals	30,72	30,06	30,15	33,54
Consum(cycl)	14,96	14,71	13,64	13,38
Cons.goods	8,92	9,01	12,94	11,81
Pharma	4,17	4,46	5,25	6,41
Financials	20,49	21,91	19,60	18,15
Technology	4,58	4,49	5,25	6,11
Telecomm.	7,98	6,75	6,86	5,12
Utilities	8,12	8,42	6,31	5,48
Real est.	0,06	0,14	0,00	0,00
Various	0,00	0,05	0,00	0,00
Total	100,00	100,00	100,00	100,00

Currency breakdown (as a % of net assets)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
CHF	0,00	0,00	2,30	0,02
DKK	0,00	0,00	0,31	0,51
EUR	100,00	98,35	86,92	92,31
GBP	0,00	1,65	7,51	3,44
JPY	0,00	0,00	0,38	0,34
KRW	0,00	0,00	0,20	0,32
NOK	0,00	0,00	0,52	1,02
SEK	0,00	0,00	1,35	0,98
USD	0,00	0,00	0,51	1,06
Total	100,00	100,00	100,00	100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC EQUITY FUND EUROZONE (IN THE CURRENCY OF THE SUB-FUND)

	1st half of year	Year
Purchases	569.743.603,96	569.743.603,96
Sales	225.345.989,90	225.345.989,90
Total 1	795.089.593,86	795.089.593,86
Subscriptions	470.904.027,15	470.904.027,15
Redemptions	125.687.122,96	125.687.122,96
Total 2	596.591.150,11	596.591.150,11
Monthly average of total assets	434.237.109,74	434.237.109,74
Turnover rate	45,71 %	45,71 %

	1st half of year	Year
Purchases	569.743.603,96	569.743.603,96
Sales	225.345.989,90	225.345.989,90
Total 1	795.089.593,86	795.089.593,86
Subscriptions	470.904.027,15	470.904.027,15
Redemptions	125.687.122,96	125.687.122,96
Total 2	596.591.150,11	596.591.150,11
Monthly average of total assets	405.462.953,97	405.462.953,97
Corrected turnover rate	48,96 %	48,96 %

The table above shows the capital volume of portfolio transactions. This volume (adjusted to take account of total subscriptions and redemptions) is also compared to the average net assets at the beginning and end of the period.

A figure close to 0% implies that the transactions relating to the securities or transactions relating to the assets (excluding deposits and cash) in a given period only involve subscriptions and redemptions.

A negative percentage shows that subscriptions and redemptions entailed few, if any, transactions in the portfolio.

Active asset management may result in high turnover rates (monthly percentage >50%).

The detailed list of transactions is available for consultation free of charge at the registered office of the Bevek or fund at Havenlaan 2, 1080 Brussels.

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

NAME	Currency	Value in currency	In the currency of the sub-fund	Lot-size	Transaction date
KBC COLLATERAL EUR	EUR	11.206.121,55	11.206.121,55	N/A	29.06.2012
KBC VK-AK CHF-EUR 120731-120628 1.20075	CHF	-8.400.000,00	-6.993.298,09	N/A	28.06.2012
KBC VK-AK GBP-EUR 120731-120628 0.79937	GBP	- 13.700.000,00	-16.932.394,02	N/A	28.06.2012

2.4.4 CHANGES OF THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND THE NET ASSET VALUE

Classic Shares

Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2010 - 06	96.111,17	181.693,00	26.662,33	187.299,00	115.454,99	99.369,00	214.823,99
2011 - 06	14.321,68	153.554,00	88.696,38	189.402,00	41.080,29	63.521,00	104.601,29
2012 - 06	95.134,33	61.186,58	50.601,64	58.220,00	85.612,97	66.487,58	152.100,56

Period	Amounts received and paid by the UCI (in the currency of the class)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2010 - 06	29.892.905,22	49.487.120,65	8.503.845,53	49.903.256,35
2011 - 06	4.975.370,72	43.694.936,30	31.742.518,78	53.900.722,32
2012 - 06	29.607.487,15	16.043.578,43	14.706.423,92	15.205.174,48

Period	Net asset value End of period (in the currency of the class)		
Year	Of the class	Of one share	
		Capitalization	Distribution
2010 - 06	61.359.280,30	309,56	257,81
2011 - 06	33.052.229,25	353,33	291,83
2012 - 06	42.484.116,32	304,37	247,05

Institutional B Shares

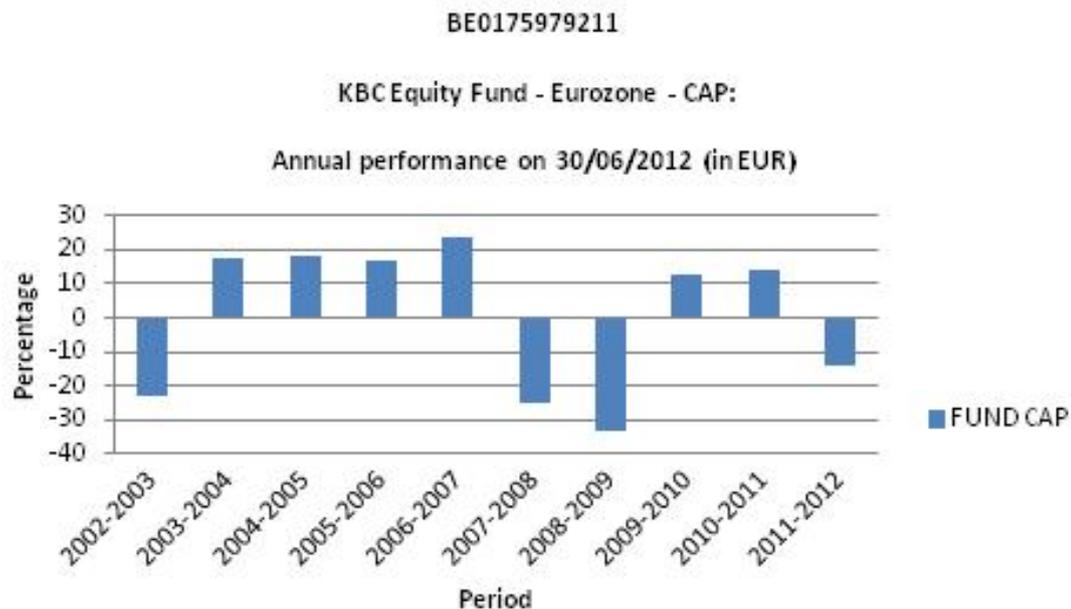
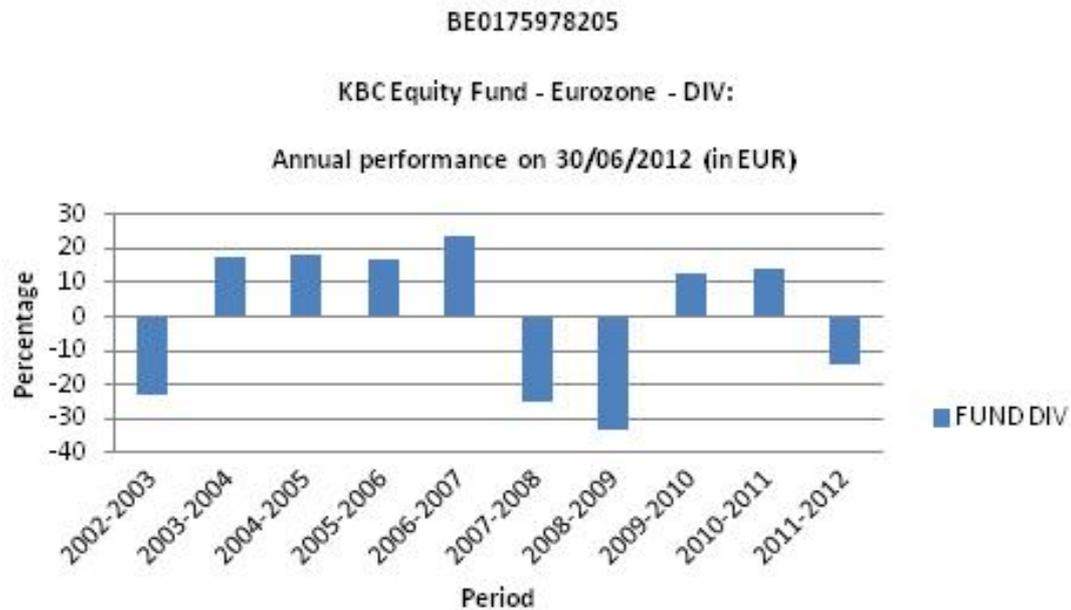
Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2012 - 06	1.927.471,00		402.362,00		1.525.109,00		1.525.109,00

Period	Amounts received and paid by the UCI (in the currency of the class)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2012 - 06	599.877.077,33		121.593.032,65	

Period	Net asset value End of period (in the currency of the class)		
Year	Of the class	Of one share	
		Capitalization	Distribution
2012 - 06	464.832.832,91	304,79	

2.4.5 PERFORMANCE FIGURES

Classic Shares



Cap Div	ISIN code	Cur- rency	1 Year		3 Years*		5 Years*		10 Years*		Since launch*	
			Share classes	Bench mark	Launch Date	Share classes						
CAP	BE0175979211	EUR	-13.86%		3.41%		-11.21%		-1.53%		02/02/2001	-4.26%
DIV	BE0175978205	EUR	-14.13%		3.25%		-11.29%		-1.58%		02/02/2001	-4.30%

Risk warning: Past performance is not a guide to future performance.

* Return on annual basis.

Institutional B Shares

The cumulative returns are shown where they relate to a period of at least one year.

Classic Shares

- The bar chart shows the performance for full financial years.
- The figures do not take account of any restructuring.
- Calculated in EUR.
- The return is calculated as the change in the net asset value between two dates expressed as a percentage. In the case of units that pay dividends, the dividend is incorporated geometrically in the return.
- Calculation method for date D, where NAV stands for net asset value:

Capitalisation units (CAP)

Return on date D over a period of X years:

$$[\text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where $Y = D - X$

Return on date D since the start date S of the unit:

$$[\text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where $F = 1$ if the unit has existed for less than one year on date D

where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D

Distribution units (DIV)

Return on date D over a period of X years:

$$[C * \text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where $Y = D - X$

Return on date D since the start date S of the unit:

$$[C * \text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where $F = 1$ if the unit has existed for less than one year on date D

where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D

where C is a factor that is determined for all N dividends between the calculation date D and the reference date.

For dividend i on date Di with value Wi:

$$C_i = [W_i / \text{NIW}(D_i)] + 1$$

$i = 1 \dots N$

from which $C = C_0 * \dots * C_N$.

- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the n^{th} square root of 1 plus the total return of the unit.
- The return figures shown above do not take account of the fees and charges associated with the issue and redemption of units.

These are the performance figures for capitalisation and distribution shares.

2.4.6 COSTS

Total expense ratio (TER): *

Classic Shares Distribution: 1.47%
Classic Shares Capitalization: 1.47%
Institutional B Shares Capitalization: Not applicable

Percentage calculated at the end of the financial year: 31 December

* The following costs have not been included in the TER:

- Transaction charges
- Interest payments on loans taken out
- Payments in respect of financial derivatives
- Fees and charges paid directly by the investor
- Any soft commissions

SOFT COMMISSIONS

The management company or the appointed manager, as the case may be, is the recipient of soft commissions.

The recipient has laid down an internal policy as regards accepting soft commissions and avoiding possible conflicts of interest in this respect, and has put appropriate internal controls in place to ensure this policy is observed.

For more information, please see the 'General' section of the annual report.

Broker	Commission gross in EUR paid during the period: 1-01-12 - 30-06-12	CSA Credits in EUR accrued during the period: 1-01-12 - 30-06-12	Percentage
CITI	52,092	32,557	62.50%
CSFBSAS	38,801	21,773	56.12%
DEUTSCHE	85,423	51,346	60.11%
HSBC	9,816	4,936	50.28%
JP MORGAN	1,791	995	55.56%
MERRILL	6,669	4,168	62.50%
MORGAN STANLEY	85,794	53,120	61.92%
NOMURA	38,458	23,927	62.22%
UBSWDR	112,773	68,368	60.62%

FEE-SHARING AGREEMENTS AND REBATES:

The management company may share its fee with the distributor, and institutional and/or professional parties.

In principle, the percentage share amounts to between 35% and 60% if the distributor is an entity of KBC Group NV or to between 35% and 70% if the distributor is not an entity of KBC Group NV. However, in a small number of cases, the distributor's fee is less than 35%. Investors may, on request, obtain more information on these cases.

If the management company invests the assets of the undertaking for collective investment in units of undertakings for collective investment that are not managed by an entity of KBC Group NV, and receives a fee for doing so, it will pay this fee to the undertaking for collective investment.

Fee-sharing does not affect the amount of the management fee paid by the sub-fund to the management company. This management fee is subject to the limitations laid down in the articles of association. The limitations may only be amended after approval by the general meeting of shareholders.

The management company has concluded a distribution agreement with the distributor in order to facilitate the wider distribution of the sub-fund's units by using multiple distribution channels. It is in the interests of the holders of units, the sub-fund and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund to be maximised in this way. In this respect, there is therefore no question of any conflict of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: 1.25% per annum calculated on the basis of the average total net assets of the sub-fund, excluding those assets invested in investment undertakings managed by a financial institution of the KBC group.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the average total net assets of the sub-fund.

Auditor's fee: 1 700 EUR per year. This fee is not including VAT and will be increased at the end of the 3-year mandate.

The custody fee is calculated on the value of the securities held in custody by the custodian on the final banking day of the preceding calendar year, except on those assets invested in investment undertakings managed by a financial institution of the KBC group. The custody fee is paid at the beginning of the calendar year.

Social, ethical and environmental aspects:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

Exercising voting rights

If necessary, relevant and in the interest of the shareholders, the management company will exercise the voting rights attached to the shares in the Bevek's portfolio.

The management company will adhere to the following criteria when determining how it stands relative to the items on the agenda that are put to the vote:

- Shareholder value may not be adversely affected.
- Corporate governance rules, especially with regard to the rights of minority shareholders, must be respected.
- The minimum standards with regard to sustainable business and corporate social responsibility must be met.

The list of companies for which voting rights are exercised is available at the registered office of the Bevek.

Securities lending

In accordance with the Royal Decree of 7 March 2006 concerning securities lending, the undertaking for collective investment has taken out securities loans with a principal to whom the full title of the loaned securities was transferred, without recording this transfer of ownership in the accounts.

For the period from 1 January 2012 to 30 June 2012, the fee for securities lent comes to 25,880.17 EUR. KBC Asset Management NV receives 50% of the net fee received for securities lent. The detailed list of securities lending transactions carried out can be obtained from the registered office of the collective investment undertaking at 2 Havenlaan, 1080 Brussels.

Overview of securities lent as at 30/06/2012

Name	Currency	Quantity	Price	Value in currency of the portfolio
BNP PARIBAS	EUR	1	30,335	30,34
FUGRO CVA	EUR	210	47,730	10.023,30
PERNOD-RICARD	EUR	79.473	84,260	6.696.394,98
PUBLICIS GROUPE	EUR	49.073	36,050	1.769.081,65
WACKER-CHEMIE GMBH	EUR	3.062	54,200	165.960,40
WEIR GROUP PLC	GBP	108.386	15,300	2.049.568,41
Total				10.691.059,08

Details of collateral received for securities lent

Name	Currency	Nominal value	Currency fund	Value in Currency fund
OESTERREICH 2009 3.40% 20/10/14	EUR	2.000	EUR	2.181,93
GERMANY 2009 2,25% 11/04/14	EUR	2.101.000	EUR	2.193.030,10
FRANCE 2001 3% 25/07/2012	EUR	3.255.000	EUR	4.161.904,85
OAT FRANCE 2005 3 1/2% 25/04/15	EUR	1.580.000	EUR	1.712.421,38
OAT FRANCE 2005 3% 25/10/15	EUR	835.000	EUR	908.615,27
FRANCE 2010 3,50% 25/04/2026	EUR	4.000	EUR	4.180,65
FRANCE 2007 4,50% 12/07/2012	EUR	1.521.000	EUR	1.589.543,87
BTAN FRANCE 2008 4 1/2% 12/07/13	EUR	499.000	EUR	542.795,23
NETHERLANDS 2008 4% 15/07/2018	EUR	47.000	EUR	55.647,86
NEDERLAND 2009 4.00% 15/07/19	EUR	30.000	EUR	35.800,41
Total				11.206.121,55

For the valuation of the collateral received, indicative prices have been used in this detail list by the Collateral Management Division of KBC Bank.

TABLE OF CONTENTS

- 2. Information on KBC Equity Fund Central Europe
 - 2.1. Management report
 - 2.1.1. Launch date and subscription price
 - 2.1.2. Stock exchange listing
 - 2.1.3. Aim and distinctive features of the investment policy
 - 2.1.4. Financial portfolio management
 - 2.1.5. Distributors
 - 2.1.6. Index and benchmark
 - 2.1.7. Policy conducted during the financial year
 - 2.1.8. Future policy
 - 2.1.9. Synthetic risk and reward indicator (SRRI)
 - 2.2. Balance sheet
 - 2.3. Profit and loss account
 - 2.4. Composition of the assets and key figures
 - 2.4.1. Composition of the assets
 - 2.4.2. Change in the composition of the assets
 - 2.4.3. Value of commitments in respect of financial derivatives positions
 - 2.4.4. Evolution of the number of subscriptions, repayments and the net asset value
 - 2.4.5. Return figures
 - 2.4.6. Expenses
 - 2.4.7. Notes to the financial statements and other data

2 INFORMATION ON KBC EQUITY FUND CENTRAL EUROPE

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Classic Shares :

Launch date: 30 March 2001

Initial subscription price: 500 EUR

Currency: EUR

Institutional B Shares :

Launch date: 24 November 2011

Initial subscription price: 791.28 EUR

Currency: EUR

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

The main objective of this sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. To this end, the assets are invested, either directly or indirectly via correlated financial instruments, primarily in shares.

SUB-FUND'S INVESTMENT POLICY:

PERMITTED ASSET CLASSES:

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the sub-fund's object.

The sub-fund shall invest no more than 10% of its assets in units of other undertakings for collective investment.

RESTRICTIONS OF THE INVESTMENT POLICY:

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

PERMITTED DERIVATIVES TRANSACTIONS:

Derivates may be used either for hedging purposes or to achieve investment objectives.

Changes will be made to the investments at regular intervals to comply with the sub-fund's investment strategy. **In addition, listed and unlisted derivates may be used to achieve the objectives:** these may be forward contracts, options or swaps on securities, indices, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions. **Such derivatives may also be used to hedge the assets against exchange-rate fluctuations.** Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions.

STRATEGY SELECTED

At least 75% of the assets are invested in shares of Central European companies.

RISK CONCENTRATION

Central European shares.

LENDING FINANCIAL INSTRUMENTS:

The sub-fund may lend financial instruments within the limits set by law and regulations.

This lending does not affect the sub-fund's risk profile since:

- it takes place within the framework of a securities lending system managed by a principal. In addition, the sub-fund has a relationship only with the principal of the securities lending system which acts as counterparty and to which title of the loaned securities is transferred. The choice of principal is subject to strict selection criteria. The return of securities similar to the securities that have been lent is guaranteed by the principal.
- through a margin management system, the sub-fund is always guaranteed financial security, the actual value of which always exceeds the actual value of the securities that have been lent, in case the principal does not return similar securities.

The return of securities similar to the securities that have been lent can be requested at any time, which means that the lending of securities does not affect the management of the sub-fund's assets. By lending securities, the sub-fund can generate an additional return. The principal pays a fee to the management company. After deducting the fee for the margin management and clearing services of KBC Bank, most of this fee is paid to the sub-fund.

The relationship with the counterparty or counterparties is governed by standard international agreements.

More information is provided on the terms and conditions governing securities lending in the annual or half-yearly report for the sub-fund.

VOLATILITY OF THE NET ASSET VALUE:

The volatility of the net asset value may be high due to the composition of the portfolio.

GENERAL STRATEGY FOR HEDGING THE EXCHANGE RATE RISK:

In order to protect its assets against exchange rate fluctuations and within the limitations laid down in the articles of association, the sub-fund may perform transactions relating to the sale of forward currency contracts, as well as the sale of call options and the purchase of put options on currencies. The transactions in question may relate solely to contracts traded on a regulated market that operates regularly, is recognised and is open to the public or that are traded with a recognised, prime financial institution specialising in such transactions and dealing in the over-the-counter (OTC) market in options. With the same objective, the sub-fund may also sell currencies forward or exchange them in private transactions with prime financial institutions specialising in such transactions. The hedging objective of the aforementioned transactions suggests that there is a direct link between these transactions and the assets to be hedged, which implies that the transactions carried out in a particular currency may in principle not exceed, in terms of volume, either the valuation value of all the assets in the same currency or the holding period of those assets.

SOCIAL, ETHICAL AND ENVIRONMENTAL ASPECTS:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

THE EUROPEAN SAVINGS DIRECTIVE AND TAX ON DEBT CLAIM RETURNS OBTAINED THROUGH THE REDEMPTION OF OWN UNITS OR IN THE EVENT OF FULL OR PARTIAL DISTRIBUTION OF EQUITY CAPITAL.

The following information is of a general character and is not intended to cover all aspects of an investment in a UCITS. In certain cases entirely different rules might even apply. Moreover, both tax law and the interpretation of it can change. Investors who wish to have more information about the tax implications – in both Belgium and abroad – of acquiring, holding and transferring units should seek the advice of their usual financial and tax advisers.

This UCITS shall invest a maximum of 15% of its assets directly or indirectly in debt instruments as intended by the European Savings Directive.

A. European Savings Directive (Directive 2003/48/EC)

The European Savings Directive has been implemented in Belgium through:

- The Law of 17 May 2004 transposing into Belgian law Directive 2003/48/EC of 3 June 2003 of the Council of the European Union on taxation of savings income in the form of interest payments and amending Income Tax Code 1992 on withholding tax;
- The Royal Decree of 27 September 2009 implementing Article 338bis § 2 of Income Tax Code 1992;
- The Royal Decree of 27 September 2009 concerning the entry into effect of Article 338bis § 2, paragraphs one to three, of Income Tax Code 1992;

Since this UCITS invests a maximum of 15% of its assets directly or indirectly in debt claims as intended by the European Savings Directive, the income of this UCITS does not fall within the scope of this directive.

B. Tax on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital (Article 19bis Income Tax Code 1992).

The income from this UCITS is not subject to the tax on debt instrument returns as intended by Article 19bis, Income Tax Code 1992.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company has delegated the intellectual management, to CSOB Asset Management a.s., Radlicka 333/150 , 150 57 Praha 5, CZECH REPUBLIC..

2.1.5 DISTRIBUTORS

KBC Asset Management S.A., 5, Place de la Gare, L-1616 Luxembourg.

2.1.6 INDEX AND BENCHMARK

See 'Sub-fund's investment policy'.

2.1.7 POLICY PERSUED DURING THE FINANCIAL YEAR

Equities enjoyed strong growth in the first quarter of the year driven by rather political decisions. ECB introduced second round of long term refinancing operations (LTRO), Greece received new aid package and European stability mechanism fund (ESM) increased its capacity. Two rounds of LTROs reached altogether stunning 1 trillion EUR of liquidity provided by ECB. However, political measures proved to have positive effect on markets for short period of time only. In the second quarter, worse macro data in Europe, China and US showed global slow-down may be sharper than previously expected. Moreover, Greek elections brought deadlock result in May, which increased the risk of a chaotic bankruptcy with all negative effects to the rest of Europe. Repeated elections a month later were successful for pro-savings parties. Investors focused also on deteriorating situation in Spain and Italy. Eventually, Spanish banks received new aid from EU in the amount of 100 bln EUR.

Central European (CE) markets followed global trend with positive returns in the first quarter and sell-off in the second. The best performing market in the CE was Hungary thanks to lower base from previous year and turn-around in negotiations between the Hungarian government and IMF/EU. Prime Minister Orban eventually stepped back from controversial amendments, which were criticised by EU and IMF. Hungarian forint gave positive reaction and strongly appreciated by 9.4 % to euro. In euro terms, Hungarian market increased by 16 %. Polish market, which has currently the most favourable macro background in the CE region, gained 14.3 % in euro terms, supported by the appreciation of the Polish zloty by 5.5 %. Czech market was the clear laggard in the region, troubled by low liquidity and lack of interest from international investors. It was the only equity market in the region ending in red. MSCI Czech Republic decreased by 1.05 %.

Because of non-transparent fiscal policy in Hungary, we are strategically underweight in this country. Czech companies didn't have specific drivers during the first half of 2012. Czech market performs well during downturns and our lower exposure reflected slightly bullish bias. Most preferred market within CE region was Poland. Polish market offers sector diversification and both growth and value stories. As return enhancement, we successfully added shares of Erste Bank and Raiffeisen bank from the Austrian market to our portfolio as proxies to Central and Eastern European banking systems.

Overall, KBC Equity Fund Central Europe increased by 8.45 % in the first half of the year.

2.1.8 FUTURE POLICY

On one hand, markets are currently concerned over euro zone debt situation and slow down in China and US. On the other hand, hopes are raised by possible interventions of both monetary authorities and governments. Investors look for signs of the third round of quantitative easing by FED (so called QE3) and higher determination and ability to reach consensus among top EU partners in battling debt crisis and spill-over effects.

China is broadly expected to be successful in handling cooling economy and rising social tensions, which may bring negative surprises if it fails to deliver.

Even though we keep mildly bullish base case scenario, our approach takes into account risks on the downside. Therefore, we prefer countries with small structure imbalances and healthy financial system. These apply well to Poland and to less extent to the Czech Republic. Hungarian market fails due to high political risks represented by controversial policy of PM Orban.

Sector wise, we keep slightly pro-cyclical approach with beta higher than 1, which is compliant with the mildly bullish base case scenario.

On 30 June 2012, the sum of the positions of more than 5% of the assets came to more than 40% (42.45%) of the assets. The situation is being rectified in the interests of the investors.

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

Classic Shares: 7 on a scale of 1 (lowest risk) to 7 (highest risk).

Institutional B Shares: 7 on a scale of 1 (lowest risk) to 7 (highest risk).

The value of a share can decrease or increase and the investor may not get back the amount invested.

In accordance with Commission Regulation (EU) No. 583/2010, a synthetic risk and reward indicator has been calculated. This indicator provides a quantitative measure of the sub-fund's potential return and the risk involved, calculated in the currency in which the sub-fund is denominated. It is given as a figure between 1 and 7. The higher the figure, the greater the potential return, but also the more difficult it is to predict this return. Losses are possible too. The lowest figure does not mean that the investment is entirely free of risk. However, it does indicate that, compared with the higher figures, this product will generally provide a lower, but more predictable return.

The synthetic risk and reward indicator is assessed regularly and can therefore go up or down based on data from the past. Data from the past is not always a reliable indicator of future risk and return.

The most recent indicator can be found under the 'Risk and reward profile' heading in the 'Key Investor Information' document.

2.2 BALANCE SHEET

Balance sheet layout	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
TOTAL NET ASSETS	24.337.332,01	45.460.458,49
II. Securities, money market instruments, UCIs and derivatives		
A. Bonds and other debt instruments		
a) Bonds		
a) Collateral received in the form of bonds	15.307.801,75	13.969.892,97
C. Shares and similar instruments		
a) Shares	24.145.303,37	45.145.934,81
Of which securities lent	14.417.110,68	13.368.486,63
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable	250,09	5.117,32
B. Payables		
a) Accounts payable (-)	-175.120,86	-29.234,72
c) Borrowings (-)	-296.367,91	-311.642,67
d) Collateral (-)	-15.307.801,75	-13.969.892,97
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	255.296,58	259.900,46
VI. Accruals and deferrals		
A. Expense to be carried forward	12.291,44	27.894,18
B. Accrued income	410.782,70	388.994,21
C. Accrued expense (-)	-15.103,40	-26.505,10
TOTAL SHAREHOLDERS' EQUITY	24.337.332,01	45.460.458,49
A. Capital	22.184.247,99	43.619.194,71
B. Income equalization	936,64	6.429,35
D. Result for the period	2.152.147,38	1.834.834,43

Off-balance-sheet headings

I	Collateral (+/-)		
I.A	Collateral (+/-)		
I.A.A	Securities/market instruments	15.307.801,75	13.969.892,97
IX	Financial instruments lent	14.417.110,68	13.368.486,63

2.3 PROFIT AND LOSS ACCOUNT

Income Statement	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
I. Net gains(losses) on investments		
C. Shares and similar instruments		
a) Shares	894.699,45	756.192,21
D. Other securities	-8.403,71	282,23
H. Foreign exchange positions and transactions		
b) Other foreign exchange positions and transactions	989.563,08	776.251,90
II. Investment income and expenses		
A. Dividends	519.967,15	804.854,22
B. Interests		
a) Securities and money market instruments	17.631,07	3.581,07
b) Cash at bank and in hand and deposits	649,51	4.048,58
C. Interest on borrowings (-)	-262,22	-757,97
III. Other income		
A. Income received to cover the acquisition and realization of assets, to discourage withdrawals and for delivery charges	10.700,01	
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-34.682,08	-71.659,97
B. Financial expenses (-)	-194,84	-1.470,81
C. Custodian's fee (-)	-11.760,36	-22.854,27
D. Manager's fee (-)		
a) Financial management		
Classic Shares	-180.783,67	-360.647,08
Institutional B Shares	-18.088,00	
b) Administration and accounting management	-12.655,85	-22.269,40
E. Administrative expenses (-)	-238,52	-57,01
F. Formation and organisation expenses (-)	-1.646,53	-1.897,23
G. Remuneration, social security charges and pension		-8,77
H. Services and sundry goods (-)	-3.481,12	-3.790,26
J. Taxes		
Classic Shares	-6.099,58	-17.493,55
Institutional B Shares	-23,96	
K. Other expenses (-)	-2.742,45	-7.469,46
Income and expenditure for the period		
Subtotal II + III + IV	276.288,56	302.108,09
V. Profit (loss) on ordinary activities before tax	2.152.147,38	1.834.834,43
VII. Result for the period	2.152.147,38	1.834.834,43

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC EQUITY FUND CENTRAL EUROPE

Name	Quantity on 30/06/2012	Currency	Price in currency	Evaluation (in the currency of the sub-fund)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
Shares							
Exchange-listed shares							
<u>Austria</u>							
ERSTE GROUP BANK AG -	110.000,00	EUR	14,945	1.643.950,00		6,81	6,76
RAIFFEISEN BANK INTL -	30.000,00	EUR	25,750	772.500,00		3,20	3,17
VIENNA INSURANCE GROUP -	7.000,00	EUR	31,880	223.160,00		0,92	0,92
WIENERBERGER AG (WIEN)	35.000,00	EUR	7,421	259.735,00		1,08	1,07
<u>Bulgaria</u>							
ELANA HOLDING ELANA AGRICULTURE LAND OPP FUND	237.044,00	BGN	1,910	231.433,85		0,96	0,95
<u>Czech Republic</u>							
CEZ A.S. -	70.000,00	CZK	696,900	1.910.586,30		7,91	7,85
KOMERCNI BANKA -	5.000,00	CZK	3.500,000	685.387,54		2,84	2,82
PEGAS NONWOVENS SA -	5.185,00	CZK	429,000	87.117,26		0,36	0,36
TELEFONICA CZECH REPUBLIC -	30.000,00	CZK	385,000	452.355,77		1,87	1,86
<u>Hungary</u>							
EGIS GYOGYS. RESZVENY -	2.000,00	HUF	14.650,000	102.533,59		0,43	0,42
GEDEON RICHTER -	4.500,00	HUF	37.200,000	585.806,27		2,43	2,41
MAGYAR OLAJ-ES GAZIPARI RT. -	13.500,00	HUF	16.300,000	770.051,79		3,19	3,16
OTP BANK RT. -	25.000,00	HUF	3.570,000	312.325,03		1,29	1,28
<u>Poland</u>							
ASSECO POLAND SA -	60.000,00	PLN	48,800	691.348,70		2,86	2,84
BANK HANDLOWY W WARSZAWIE -	20.000,00	PLN	80,800	381.564,03		1,58	1,57
BANK PEKAO SA -	33.000,00	PLN	151,500	1.180.463,73		4,89	4,85
BRE -	9.000,00	PLN	296,900	630.926,52		2,61	2,59
CYFROWY POLSAT SA -	25.000,00	PLN	14,600	86.182,47		0,36	0,35
ENEA SA -	40.000,00	PLN	15,870	149.886,66		0,62	0,62
GLOBE TRADE CENTRE SA -	60.000,00	PLN	6,370	90.243,67		0,37	0,37
KERNEL HOLDING SA -	45.000,00	PLN	60,950	647.608,14		2,68	2,66
KGHM POLSKA MIEDZ SA -	38.000,00	PLN	145,000	1.301.001,13		5,39	5,35
LUBELSKI WEGIEL BOGDANKA SA -	28.000,00	PLN	122,000	806.573,48		3,34	3,31
POLISH OIL & GAS -	450.000,00	PLN	4,150	440.947,30		1,83	1,81
POLSKA GRUPA ENERGETYCZNA SA -	175.000,00	PLN	19,440	803.267,85		3,33	3,30
POLSKI KONCERN NAFTOWY ORLEN SA -	135.000,00	PLN	37,410	1.192.470,25		4,94	4,90
POWOSZECHNA KASA OSZCZEDNOSCI BANK -	225.000,00	PLN	34,600	1.838.165,85		7,61	7,55
POWSZECHNY BANK KREDYTOWY SA -	28.500,00	PLN	334,000	2.247.591,61		9,31	9,24
SYNTHOS SA -	240.000,00	PLN	5,930	336.040,80		1,39	1,38
TAURON POLSKA ENERGIA SA -	190.000,00	PLN	4,570	205.019,83		0,85	0,84
TELEKOMUNIKACJA POLSKA SA -	200.000,00	PLN	15,570	735.266,34		3,05	3,02
<u>Portugal</u>							
JERONIMO MARTINS -	78.000,00	EUR	13,325	1.039.350,00		4,31	4,27

<u>Romania</u>							
BANCA TRANSILVANIA -	64.415,00	RON	0,948	13.725,65		0,06	0,06
SC FONDUL PROPRIETATEA SA -	7.000.000,00	RON	0,457	718.251,29		2,98	2,95
SSIF BROKER SA -	53.103,00	RON	0,098	1.168,53		0,01	0,01
<u>Slovenia</u>							
KRKA DD -	5.000,00	EUR	42,000	210.000,00		0,87	0,86
<u>U.K.</u>							
NEW WORLD RESOURCES PLC -	90.000,00	CZK	102,500	361.297,14		1,50	1,49
Total shares				24.145.303,37		100,00	99,21
TOTAL SECURITIES PORTFOLIO				24.145.303,37		100,00	99,21
COLLATERAL RECEIVED							
<u>Belgium</u>							
KBC GROUP COLLATERAL EUR	15.307.801,75	EUR	1,000	15.307.801,75			62,90
TOTAL RECEIVED COLLATERAL				15.307.801,75			62,90
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP CZK	60.068,96	CZK	1,000	2.352,60			0,01
KBC GROUP EURO	-296.367,91	EUR	1,000	-296.367,91			-1,22
KBC GROUP GBP	5.820,87	GBP	1,000	7.194,25			0,03
KBC GROUP HRK	17.050,04	HRK	1,000	2.267,50			0,01
KBC GROUP HUF	96.228,77	HUF	1,000	336,75			0,00
KBC GROUP NEW BULGAARSE LEVA	1.449,99	BGN	1,000	741,19			0,00
KBC GROUP PLN	991.744,84	PLN	1,000	234.167,18			0,96
KBC GROUP RON	8.918,70	RON	1,000	2.004,65			0,01
KBC GROUP TRY	6.388,57	TRY	1,000	2.783,21			0,01
KBC GROUP USD	4.377,44	USD	1,000	3.449,25			0,01
Total demand accounts				-41.071,33			-0,17
TOTAL CASH AT BANK AND IN HAND				-41.071,33			-0,17
OTHER RECEIVABLES AND PAYABLES							
Receivables							
<u>Belgium</u>							
KBC GROUP EUR RECEIVABLE	250,09	EUR	1,000	250,09			0,00
Total receivables				250,09			0,00
Payables							
<u>Belgium</u>							
KBC GROUP COUNTERPART ENTRY COLLATERAL IN EUR	-15.307.801,75	EUR	1,000	-15.307.801,75			-62,90
KBC GROUP EUR PAYABLE	-175.120,86	EUR	1,000	-175.120,86			-0,72
Payables				-15.482.922,61			-63,62
TOTAL RECEIVABLES AND PAYABLES				-15.482.672,52			-63,62
OTHER							
Interest receivable		EUR		409.146,98			1,68
Accrued interest		EUR		1.635,72			0,01
Expenses payable		EUR		-15.103,40			-0,06

Expenses to be carried forward		EUR		12.291,44			0,05
TOTAL OTHER				407.970,74			1,68
TOTAL NET ASSETS				24.337.332,01			100,00

Geographic breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Austria	15,35	14,63	7,78	12,01
Bulgaria	0,11	0,20	0,40	0,96
Czech Republic	14,43	16,89	18,35	12,99
U.K.	0,00	4,49	1,96	1,50
Hungary	11,47	12,09	5,00	7,33
Croatia	1,09	0,60	0,00	0,00
Luxembourg	0,01	0,00	0,00	0,00
Netherlands	4,91	0,00	0,00	0,00
Poland	46,96	44,05	55,93	57,00
Portugal	1,73	3,37	4,94	4,30
Romania	2,78	3,39	3,69	3,04
Slovenia	0,00	0,00	1,95	0,87
U.S.A.	1,16	0,29	0,00	0,00
Total	100,00	100,00	100,00	100,00

Sector breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Cyclicals	30,22	31,08	20,06	25,33
Consum(cycl)	3,95	1,91	0,89	0,36
Cons.goods	3,27	3,89	5,22	4,66
Pharma	3,35	2,55	3,94	3,72
Financials	40,37	38,99	40,46	44,11
Technology	3,06	3,16	3,84	2,86
Telecomm.	4,86	6,05	9,75	4,92
Utilities	9,03	11,13	15,44	12,71
Real est.	1,89	1,24	0,40	1,33
Total	100,00	100,00	100,00	100,00

Currency breakdown (as a % of net assets)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
BGN	0,11	0,20	0,40	0,97
CZK	19,67	21,20	20,28	14,62
EUR	17,71	17,92	14,78	15,37
GBP	0,01	0,01	0,03	0,03
HRK	1,18	0,61	0,01	0,01
HUF	11,36	12,11	4,99	7,40
PLN	45,98	44,67	55,81	58,51
RON	2,76	2,97	3,68	3,07
TRY	0,00	0,01	0,01	0,01
USD	1,22	0,30	0,01	0,01
Total	100,00	100,00	100,00	100,00

**2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC EQUITY FUND CENTRAL EUROPE
(IN THE CURRENCY OF THE SUB-FUND)**

	1st half of year	Year
Purchases	16.883.603,12	16.883.603,12
Sales	10.891.161,01	10.891.161,01
Total 1	27.774.764,14	27.774.764,14
Subscriptions	4.598.518,81	4.598.518,81
Redemptions	9.572.297,39	9.572.297,39
Total 2	14.170.816,20	14.170.816,20
Monthly average of total assets	26.656.368,48	26.656.368,48
Turnover rate	51,03 %	51,03 %

	1st half of year	Year
Purchases	16.883.603,12	16.883.603,12
Sales	10.891.161,01	10.891.161,01
Total 1	27.774.764,14	27.774.764,14
Subscriptions	4.598.518,81	4.598.518,81
Redemptions	9.572.297,39	9.572.297,39
Total 2	14.170.816,20	14.170.816,20
Monthly average of total assets	26.234.086,58	26.234.086,58
Corrected turnover rate	51,86 %	51,86 %

The table above shows the capital volume of portfolio transactions. This volume (adjusted to take account of total subscriptions and redemptions) is also compared to the average net assets at the beginning and end of the period.

A figure close to 0% implies that the transactions relating to the securities or transactions relating to the assets (excluding deposits and cash) in a given period only involve subscriptions and redemptions.

A negative percentage shows that subscriptions and redemptions entailed few, if any, transactions in the portfolio.

Active asset management may result in high turnover rates (monthly percentage >50%).

The detailed list of transactions is available for consultation free of charge at the registered office of the Bevek or fund at Havenlaan 2, 1080 Brussels.

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

NAME	Currency	Value in currency	In the currency of the sub-fund	Lot-size	Transaction date
KBC COLLATERAL EUR	EUR	15.307.801,75	15.307.801,75	N/A	29.06.2012

2.4.4 CHANGES OF THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND THE NET ASSET VALUE

Classic Shares

Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2010 - 06	52.612,32	948,77	47.093,55	677,00	53.124,60	3.303,78	56.428,37
2011 - 06	25.148,88	627,00	42.871,47	763,77	35.402,01	3.167,00	38.569,02
2012 - 06	8.094,20	370,58	19.513,65	628,99	23.982,56	2.908,59	26.891,15

Period	Amounts received and paid by the UCI (in the currency of the class)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2010 - 06	53.335.073,34	899.403,32	47.775.113,15	604.870,17
2011 - 06	28.504.756,81	633.879,53	49.041.513,81	777.074,03
2012 - 06	7.544.250,12	295.844,26	17.561.949,36	505.635,51

Period	Net asset value End of period (in the currency of the class)		
Year	Of the class	Of one share	
		Capitalization	Distribution
2010 - 06	53.819.123,45	960,16	850,83
2011 - 06	45.460.458,47	1.190,27	1.049,06
2012 - 06	23.385.487,50	882,92	760,06

Institutional B Shares

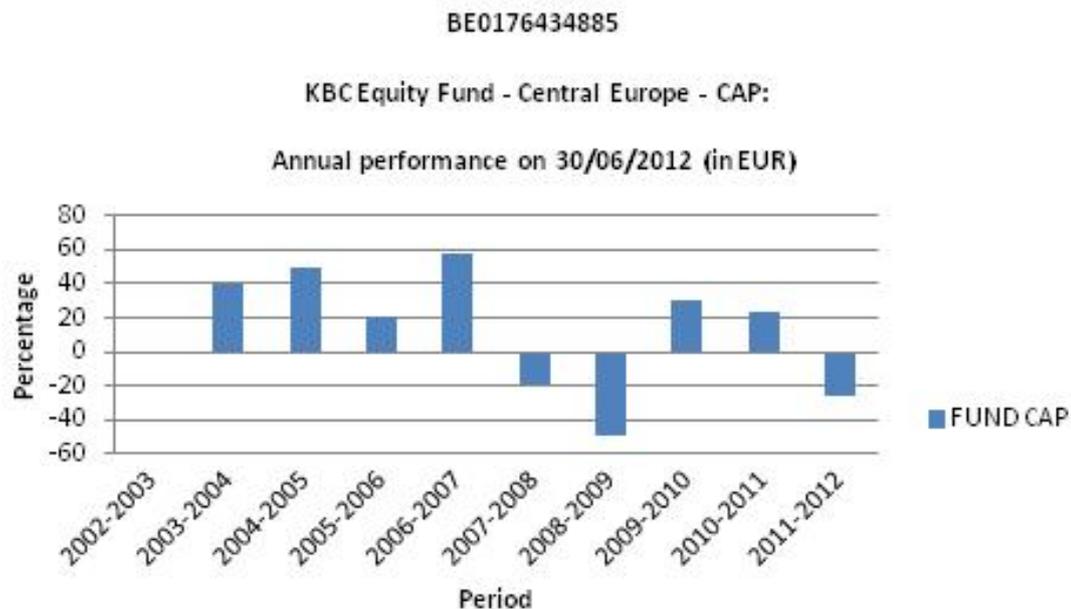
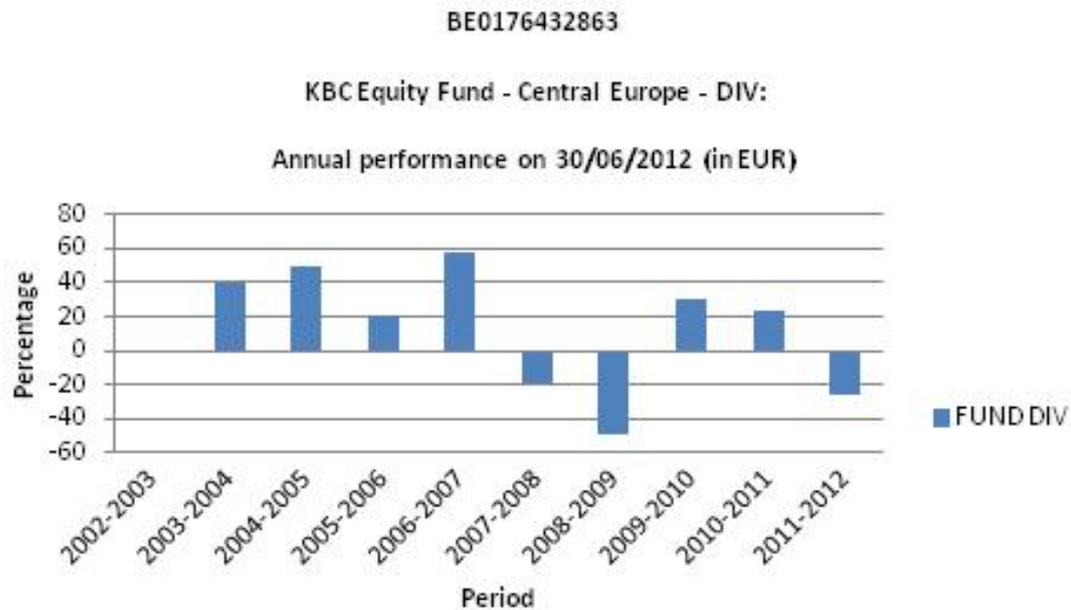
Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2012 - 06	9.511,00		8.434,00		1.077,00		1.077,00

Period	Amounts received and paid by the UCI (in the currency of the class)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2012 - 06	7.862.894,91		7.251.461,94	

Period	Net asset value End of period (in the currency of the class)		
Year	Of the class	Of one share	
		Capitalization	Distribution
2012 - 06	951.844,49	883,79	

2.4.5 PERFORMANCE FIGURES

Classic Shares



Cap Div	ISIN code	Currency	1 Year		3 Years*		5 Years*		10 Years*		Since launch*	
			Share classes	Bench mark	Launch Date	Share classes						
CAP	BE0176434885	EUR	-25.82%		6.05%		-13.28%		6.81%		30/03/2001	5.18%
DIV	BE0176432863	EUR	-25.83%		6.03%		-13.29%		6.80%		30/03/2001	5.17%

Risk warning: Past performance is not a guide to future performance.

* Return on annual basis.

Institutional B Shares

The cumulative returns are shown where they relate to a period of at least one year.

Classic Shares

- The bar chart shows the performance for full financial years.
- The figures do not take account of any restructuring.
- Calculated in EUR.
- The return is calculated as the change in the net asset value between two dates expressed as a percentage. In the case of units that pay dividends, the dividend is incorporated geometrically in the return.
- Calculation method for date D, where NAV stands for net asset value:

Capitalisation units (CAP)

Return on date D over a period of X years:

$$[\text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where $Y = D - X$

Return on date D since the start date S of the unit:

$$[\text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where $F = 1$ if the unit has existed for less than one year on date D

where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D

Distribution units (DIV)

Return on date D over a period of X years:

$$[C * \text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where $Y = D - X$

Return on date D since the start date S of the unit:

$$[C * \text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where $F = 1$ if the unit has existed for less than one year on date D

where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D

where C is a factor that is determined for all N dividends between the calculation date D and the reference date.

For dividend i on date Di with value Wi:

$$C_i = [W_i / \text{NIW}(D_i)] + 1$$

$i = 1 \dots N$

from which $C = C_0 * \dots * C_N$.

- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the n^{th} square root of 1 plus the total return of the unit.
- The return figures shown above do not take account of the fees and charges associated with the issue and redemption of units.

These are the performance figures for capitalisation and distribution shares.

2.4.6 COSTS

Total expense ratio (TER): *

Classic Shares Distribution: 1.835%
Classic Shares Capitalization: 1.835%
Institutional B Shares Capitalization: Not applicable

Percentage calculated at the end of the financial year: 31 December

* The following costs have not been included in the TER:

- Transaction charges
- Interest payments on loans taken out
- Payments in respect of financial derivatives
- Fees and charges paid directly by the investor
- Any soft commissions

SOFT COMMISSIONS

The management company or the appointed manager, as the case may be, is the recipient of soft commissions.

The recipient has laid down an internal policy as regards accepting soft commissions and avoiding possible conflicts of interest in this respect, and has put appropriate internal controls in place to ensure this policy is observed.

For more information, please see the 'General' section of the annual report.

	Commission gross in EUR paid during the period: 1-01-12 -	CSA Credits in EUR accrued during the period: 1-01-12 -	
Broker	30-06-12	30-06-12	Percentage
CSFBSAS	1,882	862	45.79%
DEUTSCHE	1,890	500	26.48%
HSBC	347	87	25.00%
MORGAN STANLEY	739	299	40.46%
UBSWDR	440	220	50.00%
WOOD	6,414	1,604	25.00%

FEE-SHARING AGREEMENTS AND REBATES:

The management company may share its fee with the distributor, and institutional and/or professional parties.

In principle, the percentage share amounts to between 35% and 60% if the distributor is an entity of KBC Group NV or to between 35% and 70% if the distributor is not an entity of KBC Group NV. However, in a small number of cases, the distributor's fee is less than 35%. Investors may, on request, obtain more information on these cases.

If the management company invests the assets of the undertaking for collective investment in units of undertakings for collective investment that are not managed by an entity of KBC Group NV, and receives a fee for doing so, it will pay this fee to the undertaking for collective investment.

Fee-sharing does not affect the amount of the management fee paid by the sub-fund to the management company. This management fee is subject to the limitations laid down in the articles of association. The limitations may only be amended after approval by the general meeting of shareholders.

The management company has concluded a distribution agreement with the distributor in order to facilitate the wider distribution of the sub-fund's units by using multiple distribution channels.

It is in the interests of the holders of units, the sub-fund and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund to be maximised in this way. In this respect, there is therefore no question of any conflict of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: 1.5% per annum calculated on the basis of the average total net assets of the sub-fund, excluding those assets invested in investment undertakings managed by a financial institution of the KBC group.

CSOB Asset Management a.s. receives a fee from the management company of max. 1.5% calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the average total net assets of the sub-fund.

Auditor's fee: 1 700 EUR per year. This fee is not including VAT and will be increased at the end of the 3-year mandate.

The custody fee is calculated on the value of the securities held in custody by the custodian on the final banking day of the preceding calendar year, except on those assets invested in investment undertakings managed by a financial institution of the KBC group. The custody fee is paid at the beginning of the calendar year.

Social, ethical and environmental aspects:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

Exercising voting rights

If necessary, relevant and in the interest of the shareholders, the management company will exercise the voting rights attached to the shares in the Bevek's portfolio.

The management company will adhere to the following criteria when determining how it stands relative to the items on the agenda that are put to the vote:

- Shareholder value may not be adversely affected.
- Corporate governance rules, especially with regard to the rights of minority shareholders, must be respected.
- The minimum standards with regard to sustainable business and corporate social responsibility must be met.

The list of companies for which voting rights are exercised is available at the registered office of the Bevek.

Securities lending

In accordance with the Royal Decree of 7 March 2006 concerning securities lending, the undertaking for collective investment has taken out securities loans with a principal to whom the full title of the loaned securities was transferred, without recording this transfer of ownership in the accounts.

For the period from 1 January 2012 to 30 June 2012, the fee for securities lent comes to 15,995.35 EUR. KBC Asset Management NV receives 50% of the net fee received for securities lent. The detailed list of securities lending transactions carried out can be obtained from the registered office of the collective investment undertaking at 2 Havenlaan, 1080 Brussels.

Overview of securities lent as at 30/06/2012

Name	Currency	Quantity	Price	Value in currency of the portfolio
BANK PEKAO SA	PLN	32.999	151,500	1.180.427,96
ERSTE GROUP BANK AG	EUR	100.334	14,945	1.499.491,63
JERONIMO MARTINS SA	EUR	63.999	13,325	852.786,68
KGHM POLSKA MIEDZ SA	PLN	37.999	145,000	1.300.966,90
MAGYAR OLAJ-ES (BUD)	HUF	13.499	16.300,000	769.994,75
OTP BANK RT.	HUF	24.999	3.570,000	312.312,53
POLISH OIL & GAS	PLN	449.999	4,150	440.946,32
POLSKA GRUPA ENERGETYCZNA SA	PLN	174.999	19,440	803.263,26
POLSKI KONCERN NAFTO	PLN	134.999	37,410	1.192.461,42
POWSZECHNA KASA OSZC	PLN	239.999	34,600	1.960.702,07
POWSZECHNY ZAKLAD UBEZPIECZEN SA	PLN	28.499	334,000	2.247.512,75
RAIFFEISEN BANK INTL	EUR	27.524	25,750	708.743,00
TAURON POLSKA ENERGIA SA	PLN	189.999	4,570	205.018,75
TELEKOMUNIKACJA POLS	PLN	199.999	15,570	735.262,66
VIENNA INSUR GR AG WIENER VERSICH	EUR	6.500	31,880	207.220,00
			Total	14.417.110,68

Details of collateral received for securities lent

Name	Currency	Nominal value	Currency fund	Value in Currency fund
FLEMISH 2009 3,875% 20/07/2016	EUR	10.650.000	EUR	11.914.235,40
OAT FRANCE 2005 3% 25/10/15	EUR	2.866.000	EUR	3.118.672,29
FRANCE 2007 4,50% 12/07/2012	EUR	177.000	EUR	184.976,51
BTAN FRANCE 2008 4 1/2% 12/07/13	EUR	41.000	EUR	44.598,41
NETHERLANDS 2008 4% 15/07/2018	EUR	3.000	EUR	3.551,99
NEDERLAND 2009 4.00% 15/07/19	EUR	35.000	EUR	41.767,15
			Total	15.307.801,75

For the valuation of the collateral received, indicative prices have been used in this detail list by the Collateral Management Division of KBC Bank.

TABLE OF CONTENTS

- 2. Information on KBC Equity Fund High Dividend North America
 - 2.1. Management report
 - 2.1.1. Launch date and subscription price
 - 2.1.2. Stock exchange listing
 - 2.1.3. Aim and distinctive features of the investment policy
 - 2.1.4. Financial portfolio management
 - 2.1.5. Distributors
 - 2.1.6. Index and benchmark
 - 2.1.7. Policy conducted during the financial year
 - 2.1.8. Future policy
 - 2.1.9. Synthetic risk and reward indicator (SRRI)
 - 2.2. Balance sheet
 - 2.3. Profit and loss account
 - 2.4. Composition of the assets and key figures
 - 2.4.1. Composition of the assets
 - 2.4.2. Change in the composition of the assets
 - 2.4.3. Value of commitments in respect of financial derivatives positions
 - 2.4.4. Evolution of the number of subscriptions, repayments and the net asset value
 - 2.4.5. Return figures
 - 2.4.6. Expenses
 - 2.4.7. Notes to the financial statements and other data

2 INFORMATION ON KBC EQUITY FUND HIGH DIVIDEND NORTH AMERICA

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Classic Shares :

Launch date: 30 April 2001

Initial subscription price: 500 USD

Currency: USD

Institutional B Shares :

Launch date: 25 November 2011

Initial subscription price: 470.49 USD

Currency: USD

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

The main objective of this sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. To this end, the assets are invested, either directly or indirectly via correlated financial instruments, primarily in shares.

SUB-FUND'S INVESTMENT POLICY:

PERMITTED ASSET CLASSES:

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the sub-fund's object.

The sub-fund shall invest no more than 10% of its assets in units of other undertakings for collective investment.

RESTRICTIONS OF THE INVESTMENT POLICY:

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

PERMITTED DERIVATIVES TRANSACTIONS:

Derivates may be used either for hedging purposes or to achieve investment objectives.

Changes will be made to the investments at regular intervals to comply with the sub-fund's investment strategy. **In addition, listed and unlisted derivates may be used to achieve the objectives:** these may be forward contracts, options or swaps on securities, indices, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions. **Such derivatives may also be used to hedge the assets against exchange-rate fluctuations.** Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions.

STRATEGY SELECTED

The assets are invested primarily in shares with a high dividend yield of companies in North American countries.

LENDING FINANCIAL INSTRUMENTS:

The sub-fund may lend financial instruments within the limits set by law and regulations.

This lending does not affect the sub-fund's risk profile since:

- it takes place within the framework of a securities lending system managed by a principal. In addition, the sub-fund has a relationship only with the principal of the securities lending system which acts as counterparty and to which title of the loaned securities is transferred. The choice of principal is subject to strict selection criteria. The return of securities similar to the securities that have been lent is guaranteed by the principal.
- through a margin management system, the sub-fund is always guaranteed financial security, the actual value of which always exceeds the actual value of the securities that have been lent, in case the principal does not return similar securities.

The return of securities similar to the securities that have been lent can be requested at any time, which means that the lending of securities does not affect the management of the sub-fund's assets. By lending securities, the sub-fund can generate an additional return. The principal pays a fee to the management company. After deducting the fee for the margin management and clearing services of KBC Bank, most of this fee is paid to the sub-fund.

The relationship with the counterparty or counterparties is governed by standard international agreements.

More information is provided on the terms and conditions governing securities lending in the annual or half-yearly report for the sub-fund.

VOLATILITY OF THE NET ASSET VALUE:

The volatility of the net asset value may be high due to the composition of the portfolio.

GENERAL STRATEGY FOR HEDGING THE EXCHANGE RATE RISK:

In order to protect its assets against exchange rate fluctuations and within the limitations laid down in the articles of association, the sub-fund may perform transactions relating to the sale of forward currency contracts, as well as the sale of call options and the purchase of put options on currencies. The transactions in question may relate solely to contracts traded on a regulated market that operates regularly, is recognised and is open to the public or that are traded with a recognised, prime financial institution specialising in such transactions and dealing in the over-the-counter (OTC) market in options. With the same objective, the sub-fund may also sell currencies forward or exchange them in private transactions with prime financial institutions specialising in such transactions. The hedging objective of the aforementioned transactions suggests that there is a direct link between these transactions and the assets to be hedged, which implies that the transactions carried out in a particular currency may in principle not exceed, in terms of volume, either the valuation value of all the assets in the same currency or the holding period of those assets.

SOCIAL, ETHICAL AND ENVIRONMENTAL ASPECTS:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

THE EUROPEAN SAVINGS DIRECTIVE AND TAX ON DEBT CLAIM RETURNS OBTAINED THROUGH THE REDEMPTION OF OWN UNITS OR IN THE EVENT OF FULL OR PARTIAL DISTRIBUTION OF EQUITY CAPITAL.

The following information is of a general character and is not intended to cover all aspects of an investment in a UCITS. In certain cases entirely different rules might even apply. Moreover, both tax law and the interpretation of it can change. Investors who wish to have more information about the tax implications – in both Belgium and abroad – of acquiring, holding and transferring units should seek the advice of their usual financial and tax advisers.

This UCITS shall invest a maximum of 15% of its assets directly or indirectly in debt instruments as intended by the European Savings Directive.

A. European Savings Directive (Directive 2003/48/EC)

The European Savings Directive has been implemented in Belgium through:

- The Law of 17 May 2004 transposing into Belgian law Directive 2003/48/EC of 3 June 2003 of the Council of the European Union on taxation of savings income in the form of interest payments and amending Income Tax Code 1992 on withholding tax;
- The Royal Decree of 27 September 2009 implementing Article 338bis § 2 of Income Tax Code 1992;
- The Royal Decree of 27 September 2009 concerning the entry into effect of Article 338bis § 2, paragraphs one to three, of Income Tax Code 1992;

Since this UCITS invests a maximum of 15% of its assets directly or indirectly in debt claims as intended by the European Savings Directive, the income of this UCITS does not fall within the scope of this directive.

B. Tax on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital (Article 19bis Income Tax Code 1992).

The income from this UCITS is not subject to the tax on debt instrument returns as intended by Article 19bis, Income Tax Code 1992.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

There is no delegation of the portfolio.

2.1.5 DISTRIBUTORS

KBC Asset Management S.A., 5, Place de la Gare, L-1616 Luxembourg.

2.1.6 INDEX AND BENCHMARK

See 'Sub-fund's investment policy'.

2.1.7 POLICY PERSUED DURING THE FINANCIAL YEAR

The world economy emerged from a deep recession in mid-2009, but the recovery was highly dependent on massive government budgetary and monetary stimuli. Doubts about the sustainability of the economic recovery continued to dominate the investment climate in the past period under review. In Europe, the debt crisis continued to rage unabated. Five euro countries needed a bail-out from the European emergency fund. Greece reached agreement with its private sector creditors on restructuring the bond debt it owes them. The continued existence of the euro was even called into question. Fortunately, this was offset to some extent by the boom in Asia.

More jobs were created than lost in the US since 2010, but the rate of employment growth remained on the low side. In addition, wages increased very little: household purchasing power remained extremely modest and managed to support only scant growth. Economic growth (barely +1.6% year-on-year in the first six months of 2012) was further hampered by the financial restructuring undertaken by states and local authorities and the increase in imports.

The recovery in corporate earnings as from the fourth quarter of 2009 was just as impressive as the decline in earnings during the recession. So, although the economic recovery in the West may be modest, the same was certainly not true of corporate earnings. After going from negative to positive in the last quarter of 2009, earnings per share of the S&P 500 companies as a whole rose by an average 48% in 2010, by 14% in 2011 and by 9.4% in the first quarter of 2012. That robust recovery was not attributable to exceptional or one-off events, but was evident in almost all sectors. The economic downturn in the West did not prevent turnover from rising sharply (the year-on-year increase came to an average 8.5% in 2011). The emerging economies, which are booming, are becoming an increasingly significant market outlet for Western companies. However, the improved earnings were due more to a sharp reduction in (wage) cost pressure than to increased turnover.

The initial phase of the economic recovery went hand in hand with a fine stock-market rally, resulting in the S&P 500 being 75% higher at the end of April 2010 than its low point on 9 March 2009. Since then, the equity markets have struggled to find fresh impetus. The euro crisis and fear that the European banking sector would collapse naturally continued to cast a dark cloud over the market. On top of this, the stock markets were affected by changeable sentiment about the economic situation, and the same is true of 2012. Relative optimism about the economy caused the stock markets to improve in the first quarter, but they have since run out of steam. On 30 June 2012, the MSCI All Countries (the broadest global index) recorded a return of 8.7% in EUR over the past six months.

Of the traditional markets, the underperformance by Western Europe (MSCI Europe return index over the past six months, -5.2%) was fairly limited. Nevertheless, the problems in the EMU kept stacking up: they include the Greek debt crisis, the threat of an extremist separatist party winning the Greek elections, the undercapitalisation of Spanish banks, the referendum in Ireland, and the financial collapse in Cyprus. Apparently, the underperformance of European shares over many years has widened the valuation gap with US shares so much that fresh events in the euro crisis have less impact on the stock markets. In any event, the gap that had opened up in Europe in comparison with the US in recent years widened slightly during the reporting period. Wall Street closed the year under review considerably up (S&P 500: +8.6%, Dow Jones: +6.4%), while European investors also benefited from an increase in the value of the dollar (return MSCI USA in euros: +11.9%).

2.1.8 FUTURE POLICY

Business confidence indicators in the US and Europe hit new highs in the spring of 2011, but have dropped back to more neutral levels over the past twelve months. Considerable divergence between the US and Europe has developed since September. At the moment, the US producer confidence index points to some optimism about the economy. In Europe, confidence is continuing to slip and has entered the twilight zone of recession. We expect growth in the US to remain positive but modest (around 1.5-2% year-on-year in the next couple of quarters), given the lack of new jobs, the downward pressure on pay increases and the absence of a recovery in the housing market. Budgetary plans will depress growth in Europe. However, the indicators do suggest that the fears of deflation and depression currently dominating the financial markets are unwarranted.

In 2010 and 2011, the foundations were laid for more sustainable growth in 2012 and 2013. US households have trimmed back their debt level significantly, the savings rate has already increased considerably and loan servicing (instalments and interest payments combined) now accounts for only 11% of household budgets (the lowest level in fifteen years – it was at 14% three years ago). Households are gradually moving towards a position where they can spend more of their money on consumption. The explosion in earnings growth in 2010 and 2011 bolstered companies' already substantial cash positions. During the crisis, investments were scaled back heavily, with the foundations being laid for a catch-up process.

US budgetary policy is set to become restrictive now that a number of stimulus measures introduced in 2003, 2008 and 2010 (tax cuts, subsidies to states and higher social security benefits, all limited in time) will simultaneously cease at the end of this year and in the absence of political agreement they are unlikely to be extended. Under those circumstances, the budget deficit could be reduced from 9.8% of GDP in the 2011 tax year to 8.6% in 2012 and then to 6.2% in 2013. The bias of budgetary policy will of course depend on the balance of power in the newly-elected Congress.

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

Classic Shares: 7 on a scale of 1 (lowest risk) to 7 (highest risk).

Institutional B Shares: 6 on a scale of 1 (lowest risk) to 7 (highest risk).

The value of a share can decrease or increase and the investor may not get back the amount invested.

In accordance with Commission Regulation (EU) No. 583/2010, a synthetic risk and reward indicator has been calculated. This indicator provides a quantitative measure of the sub-fund's potential return and the risk involved, calculated in the currency in which the sub-fund is denominated. It is given as a figure between 1 and 7. The higher the figure, the greater the potential return, but also the more difficult it is to predict this return. Losses are possible too. The lowest figure does not mean that the investment is entirely free of risk. However, it does indicate that, compared with the higher figures, this product will generally provide a lower, but more predictable return.

The synthetic risk and reward indicator is assessed regularly and can therefore go up or down based on data from the past. Data from the past is not always a reliable indicator of future risk and return.

The most recent indicator can be found under the 'Risk and reward profile' heading in the 'Key Investor Information' document.

2.2 BALANCE SHEET

Balance sheet layout	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
TOTAL NET ASSETS	133.220.933,00	50.752.728,53
II. Securities, money market instruments, UCIs and derivatives		
A. Bonds and other debt instruments		
a) Bonds	746.285,75	
a) Collateral received in the form of bonds	2.173.034,56	
C. Shares and similar instruments		
a) Shares	122.982.959,35	49.087.729,15
Of which securities lent	2.007.615,46	
F. Derivative financial instruments		
m) Financial indices		
Futures and forward contracts (+/-)	254.925,00	55.275,00
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable	999,09	7.071,63
c) Collateral		120.000,00
B. Payables		
a) Accounts payable (-)	-207.392,76	-23.934,26
c) Borrowings (-)	-26.212,43	-110.943,98
d) Collateral (-)	-2.173.034,56	
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	9.350.621,48	1.544.758,37
VI. Accruals and deferrals		
A. Expense to be carried forward	46.209,85	21.636,26
B. Accrued income	163.243,48	89.316,60
C. Accrued expense (-)	-90.705,81	-38.180,24
TOTAL SHAREHOLDERS' EQUITY	133.220.933,00	50.752.728,53
A. Capital	120.702.138,33	47.202.468,45
B. Income equalization	192.815,44	426,27
D. Result for the period	12.325.979,23	3.549.833,81

Off-balance-sheet headings

I	Collateral (+/-)		
I.A	Collateral (+/-)		
I.A.A	Securities/market instruments	2.173.034,56	
I.A.B	Cash at bank and in hand/deposits		120.000,00
III	Notional amounts of futures and forward contracts		
III.A	Purchased futures and forward contracts	8.138.400,00	1.973.250,00
IX	Financial instruments lent	2.007.615,46	

2.3 PROFIT AND LOSS ACCOUNT

Income Statement	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
I. Net gains(losses) on investments		
A. Bonds and other debt instruments		
a) Bonds	-81.727,03	
C. Shares and similar instruments		
a) Shares	9.606.111,08	3.053.743,20
F. Derivative financial instruments		
l) Financial indices		
Futures and forward contracts	2.035.050,00	229.675,11
H. Foreign exchange positions and transactions		
b) Other foreign exchange positions and transactions	120.712,59	165.287,72
II. Investment income and expenses		
A. Dividends	1.233.934,45	596.798,23
B. Interests		
a) Securities and money market instruments	152.581,23	8.986,50
b) Cash at bank and in hand and deposits	9.074,63	1.434,99
C. Interest on borrowings (-)	-6.698,44	-1.484,97
III. Other income		
A. Income received to cover the acquisition and realization of assets, to discourage withdrawals and for delivery charges	326.280,44	
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-162.495,61	-50.712,73
B. Financial expenses (-)	-789,76	-1.943,34
C. Custodian's fee (-)	-40.682,22	-18.352,57
D. Manager's fee (-)		
a) Financial management		
Classic Shares	-139.574,36	-361.358,77
Institutional B Shares	-583.648,09	
b) Administration and accounting management	-49.737,61	-24.707,95
E. Administrative expenses (-)	-49,38	-68,27
F. Formation and organisation expenses (-)	-5.708,12	-2.244,39
G. Remuneration, social security charges and pension	-5,76	-9,54
H. Services and sundry goods (-)	-10.387,93	-4.751,10
J. Taxes		
Classic Shares	-7.934,31	-22.071,74
Institutional B Shares	-5.832,76	
K. Other expenses (-)	-62.493,81	-18.386,57
Income and expenditure for the period		
Subtotal II + III + IV	645.832,59	101.127,78
V. Profit (loss) on ordinary activities before tax	12.325.979,23	3.549.833,81
VII. Result for the period	12.325.979,23	3.549.833,81

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC EQUITY FUND HIGH DIVIDEND NORTH AMERICA

Name	Quantity on 30/06/2012	Currency	Price in currency	Evaluation (in the currency of the sub-fund)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
Bonds							
Corporate bonds							
<u>Ireland</u>							
D-STAR FINANCE PLC SUB 14/05/13	923.000,00	EUR	63,710	746.285,75		0,60	0,56
Total bonds				746.285,75		0,60	0,56
Shares							
Exchange-listed shares							
<u>Canada</u>							
AIMIA -	81.526,00	CAD	13,550	1.083.629,73		0,87	0,81
BANK OF NOVA SCOTIA PREF 3.70 %	1.164,00	CAD	25,000	28.545,55		0,02	0,02
BCE INC -	44.901,00	CAD	41,980	1.849.029,88		1,49	1,39
BOMBARDIER INC "B"	14.597,00	CAD	4,020	57.561,90		0,05	0,04
C.I.B.C. -	8.375,00	CAD	71,650	588.635,56		0,48	0,44
CASCADES INC -	2.830,00	CAD	4,200	11.659,53		0,01	0,01
ENSIGN ENERGY SERVICES INC -	30.076,00	CAD	14,000	413.041,41		0,33	0,31
FINNING INTERNATIONAL INC -	24.581,00	CAD	23,680	570.987,66		0,46	0,43
LOBLAW COMPANIES LTD -	10.660,00	CAD	32,400	338.803,35		0,27	0,25
ROGERS COMM. "B"	34.774,00	CAD	36,910	1.259.053,48		1,02	0,95
SHERRITT INTERNATIONAL CORPORATION -	141.300,00	CAD	4,900	679.178,18		0,55	0,51
TECK RESOURCES CLASS B	16.954,00	CAD	31,530	524.374,58		0,42	0,39
TORONTO DOMINION BK -	29.837,00	CAD	79,680	2.332.114,99		1,88	1,75
<u>Sweden</u>							
AUTOLIV INC -	16.460,00	USD	54,660	899.703,60		0,73	0,68
<u>Switzerland</u>							
TE CONNECTIVITY LTD -	55.868,00	USD	31,910	1.782.747,88		1,44	1,34
<u>U.S.A.</u>							
ACCO BRANDS CORP -	2.138,00	USD	10,340	22.106,92		0,02	0,02
ACTIVISION INC -	159.169,00	USD	11,990	1.908.436,31		1,54	1,43
AETNA INC NEW	53.767,00	USD	38,770	2.084.546,59		1,68	1,57
AFLAC INC -	12.392,00	USD	42,590	527.775,28		0,43	0,40
AMERICAN EXPRESS -	36.288,00	USD	58,210	2.112.324,48		1,70	1,59
AT&T INC -	21.518,00	USD	35,660	767.331,88		0,62	0,58
BEST BUY -	41.757,00	USD	20,960	875.226,72		0,71	0,66
BLACKROCK INC. -	8.700,00	USD	169,820	1.477.434,00		1,19	1,11
BRIGGS & STRATTON CORPORATION -	21.836,00	USD	17,490	381.911,64		0,31	0,29
BRINKER INTERNATIONAL INC. -	32.802,00	USD	31,870	1.045.399,74		0,84	0,79
BRISTOL-MYERS SQUIBB CO -	35.370,00	USD	35,950	1.271.551,50		1,03	0,95
CA INC -	83.045,00	USD	27,090	2.249.689,05		1,81	1,69
CATERPILLAR INC -	7.178,00	USD	84,910	609.483,98		0,49	0,46
CHEVRON CORP -	32.277,00	USD	105,500	3.405.223,50		2,75	2,56
CHUBB CORPORATION -	23.834,00	USD	72,820	1.735.591,88		1,40	1,30
CME GROUP INC -	65,00	USD	268,110	17.427,15		0,01	0,01

COGNEX CORP -	43.263,00	USD	31,650	1.369.273,95		1,10	1,03
COMCAST CORP SPECIAL "A"	77.473,00	USD	31,400	2.432.652,20		1,96	1,83
COMTECH TELECOMMUNICATIONS COR -	13.645,00	USD	28,580	389.974,10		0,32	0,29
CONOCOPHILLIPS -	37.963,00	USD	55,880	2.121.372,44		1,71	1,59
CORNING INC -	18.861,00	USD	12,930	243.872,73		0,20	0,18
CSX -	40.024,00	USD	22,360	894.936,64		0,72	0,67
DOVER CORPORATION -	33.680,00	USD	53,610	1.805.584,80		1,46	1,36
DR.PEPPER SNAPPLE GROUP INC -	55.659,00	USD	43,750	2.435.081,25		1,96	1,83
EASTMAN CHEMICAL CO -	34.775,00	USD	50,370	1.751.616,75		1,41	1,32
EQT CORP -	5.640,00	USD	53,630	302.473,20		0,24	0,23
EXXON MOBIL CORP -	66.328,00	USD	85,570	5.675.686,96		4,58	4,26
FRONTIER COMMUNICATIONS CORP -	1.893,00	USD	3,830	7.250,19		0,01	0,01
GAP INC -	71.153,00	USD	27,360	1.946.746,08		1,57	1,46
GENERAL ELEC CAP CORP -	78.781,00	USD	20,840	1.641.796,04		1,32	1,23
GREAT PLAINS ENERGY INC -	102.455,00	USD	21,410	2.193.561,55		1,77	1,65
HARRIS CORP -	19.826,00	USD	41,850	829.718,10		0,67	0,62
HCP INC -	25.136,00	USD	44,150	1.109.754,40		0,90	0,83
I.B.M. -	18.773,00	USD	195,580	3.671.623,34		2,96	2,76
ILLINOIS TOOL WORKS INC -	38.912,00	USD	52,890	2.058.055,68		1,66	1,55
INTEGRYS ENERGY GROUP INC -	26.191,00	USD	56,870	1.489.482,17		1,20	1,12
INTEL CORP -	104.958,00	USD	26,650	2.797.130,70		2,26	2,10
INTERPUBLIC GROUP -	57.143,00	USD	10,850	620.001,55		0,50	0,47
INTL PAPER COMP. -	4.144,00	USD	28,910	119.803,04		0,10	0,09
INVESCO LTD -	4.467,00	USD	22,600	100.954,20		0,08	0,08
JABIL CIRCUIT -	53.687,00	USD	20,330	1.091.456,71		0,88	0,82
JOHNSON & JOHNSON -	13.436,00	USD	67,560	907.736,16		0,73	0,68
JPMORGAN CHASE & CO -	46.454,00	USD	35,730	1.659.801,42		1,34	1,25
LEGGETT & PLATT, INC. -	44.647,00	USD	21,130	943.391,11		0,76	0,71
LOWE'S CIE -	83.419,00	USD	28,440	2.372.436,36		1,91	1,78
MARATHON PETROLEUM CORP -	19.171,00	USD	44,920	861.161,32		0,70	0,65
MERCK & CO -	62.760,00	USD	41,750	2.620.230,00		2,11	1,97
MICROSOFT CORP -	94.954,00	USD	30,590	2.904.642,86		2,34	2,18
MOLEX INC -	42.231,00	USD	23,940	1.011.010,14		0,82	0,76
NEWMARKET CORP -	7.024,00	USD	216,600	1.521.398,40		1,23	1,14
NISOURCE INC. -	28.749,00	USD	24,750	711.537,75		0,57	0,53
NORTHWEST BANCORP INC -	163.219,00	USD	11,710	1.911.294,49		1,54	1,44
OCCID. PETROLEUM -	13.863,00	USD	85,770	1.189.029,51		0,96	0,89
PERKINELMER, INC. -	43.717,00	USD	25,800	1.127.898,60		0,91	0,85
PFIZER -	159.416,00	USD	23,000	3.666.568,00		2,96	2,75
PHILIP MORRIS INTERNATIONAL INC. -	44.303,00	USD	87,260	3.865.879,78		3,12	2,90
PHILLIPS 66 -	8.624,00	USD	33,240	286.661,76		0,23	0,22
PNM RESOURCES INC -	1.467,00	USD	19,540	28.665,18		0,02	0,02
PROCTER & GAMBLE -	44.647,00	USD	61,250	2.734.628,75		2,21	2,05
PROVIDENT FINANCIAL SERVICES INC -	30.126,00	USD	15,350	462.434,10		0,37	0,35
R.R. DONNELLEY & SONS COMPANY -	65.741,00	USD	11,770	773.771,57		0,62	0,58
REGENCY CENTERS CORP -	662,00	USD	47,570	31.491,34		0,03	0,02
STERIS CORP -	11.504,00	USD	31,370	360.880,48		0,29	0,27
THE MACERICH CO -	35.311,00	USD	59,050	2.085.114,55		1,68	1,57
TIME WARNER INC -	27.166,00	USD	38,500	1.045.891,00		0,84	0,79
TRAVELERS COS INC -	35.902,00	USD	63,840	2.291.983,68		1,85	1,72
UNION PACIFIC CORPORATION -	13.213,00	USD	119,310	1.576.443,03		1,27	1,18
UNIVERSAL CORPORATION -	43.854,00	USD	46,330	2.031.755,82		1,64	1,53
WAL-MART STORES -	43.394,00	USD	69,720	3.025.429,68		2,44	2,27
WASTE MANAGEMENT INC. -	35,00	USD	33,400	1.169,00		0,00	0,00
WELLPOINT INC -	29.956,00	USD	63,790	1.910.893,24		1,54	1,43
WEST UNION COMPANY -	17.842,00	USD	16,840	300.459,28		0,24	0,23
WHIRLPOOL CORPORATION -	6.089,00	USD	61,160	372.403,24		0,30	0,28
WILLIAMS COMPAGNIES -	43.782,00	USD	28,820	1.261.797,24		1,02	0,95

WILLIAMS-SONOMA INC -	1.933,00	USD	34,970	67.597,01		0,06	0,05
WORTHINGTON INDUSTRIES,INC. -	56.771,00	USD	20,470	1.162.102,37		0,94	0,87
WYNDHAM WORLDWIDE CORP -	35.779,00	USD	52,740	1.886.984,46		1,52	1,42
Total shares				122.982.959,35		99,19	92,32
Options and futures							
Exchange-listed futures							
<u>U.S.A.</u>							
STAND & POORS SEP 12	24,00	USD	1.356,400	8.138.400,00		6,57	6,11
Suspense accounts (futures)							
<u>U.S.A.</u>							
STAND & POORS SEP 12	-7.883.475,00	USD	1,000	-7.883.475,00		-6,36	-5,92
Total options and futures				254.925,00		0,21	0,19
TOTAL SECURITIES PORTFOLIO				123.984.170,10		100,00	93,07
COLLATERAL RECEIVED							
<u>Belgium</u>							
KBC GROUP COLLATERAL EUR	1.712.264,25	EUR	1,000	2.173.034,56			1,63
TOTAL RECEIVED COLLATERAL				2.173.034,56			1,63
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP CAD	117.086,38	CAD	1,000	114.855,52			0,09
KBC GROUP EURO	28.574,43	EUR	1,000	36.263,81			0,03
KBC GROUP GBP	-27,10	GBP	1,000	-42,51			
KBC GROUP NOK	9.010,51	NOK	1,000	1.515,85			0,00
KBC GROUP USD	9.197.986,30	USD	1,000	9.197.986,30			6,91
Total demand accounts				9.350.578,97			7,02
Managed futures accounts							
<u>Belgium</u>							
KBC GROUP USD FUT REK	-26.169,92	USD	1,000	-26.169,92			-0,02
Total managed futures accounts				-26.169,92			-0,02
TOTAL CASH AT BANK AND IN HAND				9.324.409,05			7,00
OTHER RECEIVABLES AND PAYABLES							
Receivables							
<u>Belgium</u>							
KBC GROUP USD RECEIVABLE	999,09	USD	1,000	999,09			0,00
Total receivables				999,09			0,00
Payables							
<u>Belgium</u>							
KBC GROUP COUNTERPART ENTRY COLLATERAL IN EUR	-1.712.264,25	EUR	1,000	-2.173.034,56			-1,63
KBC GROUP EUR PAYABLE	-79.646,85	EUR	1,000	-101.079,82			-0,08
KBC GROUP USD PAYABLE	-106.312,94	USD	1,000	-106.312,94			-0,08
Payables				-2.380.427,32			-1,79
TOTAL RECEIVABLES AND PAYABLES				-2.379.428,23			-1,79

OTHER							
Interest receivable		USD		159.057,98			0,12
Accrued interest		USD		4.185,50			0,00
Expenses payable		USD		-90.705,81			-0,07
Expenses to be carried forward		USD		46.209,85			0,03
TOTAL OTHER				118.747,52			0,09
TOTAL NET ASSETS				133.220.933,00			100,00

Geographic breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Bermuda	1,87	1,06	0,85	0,00
Canada	11,55	12,09	10,66	7,85
Switzerland	0,35	0,00	0,00	0,00
U.K.	0,17	0,14	0,20	0,08
Ireland	2,18	1,92	0,52	0,60
Sweden	0,64	0,44	0,34	0,73
U.S.A.	83,24	84,35	87,43	90,74
Total	100,00	100,00	100,00	100,00

Sector breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Cyclicals	23,79	25,98	23,80	21,54
Consum(cycl)	13,17	13,04	12,35	13,17
Cons.goods	11,84	13,19	13,12	14,70
Pharma	9,60	9,05	11,11	10,34
Financials	16,76	15,28	16,30	14,43
Technology	18,27	17,43	16,03	17,48
Telecomm.	3,15	2,80	3,65	3,13
Utilities	1,53	2,16	2,53	2,61
Real est.	1,89	1,07	1,11	2,60
Total	100,00	100,00	100,00	100,00

Currency breakdown (as a % of net assets)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
CAD	11,86	12,44	10,99	7,40
EUR	-0,13	-0,22	0,45	0,51
USD	88,27	87,78	88,56	92,09
Total	100,00	100,00	100,00	100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC EQUITY FUND HIGH DIVIDEND NORTH AMERICA (IN THE CURRENCY OF THE SUB-FUND)

	1st half of year	Year
Purchases	104.967.468,25	104.967.468,25
Sales	101.466.412,84	101.466.412,84
Total 1	206.433.881,09	206.433.881,09
Subscriptions	140.659.361,96	140.659.361,96
Redemptions	132.382.391,23	132.382.391,23
Total 2	273.041.753,19	273.041.753,19
Monthly average of total assets	108.972.333,50	108.972.333,50
Turnover rate	-61,12 %	-61,12 %

	1st half of year	Year
Purchases	104.967.468,25	104.967.468,25
Sales	101.466.412,84	101.466.412,84
Total 1	206.433.881,09	206.433.881,09
Subscriptions	140.659.361,96	140.659.361,96
Redemptions	132.382.391,23	132.382.391,23
Total 2	273.041.753,19	273.041.753,19
Monthly average of total assets	141.676.675,25	141.676.675,25
Corrected turnover rate	-47,01 %	-47,01 %

The table above shows the capital volume of portfolio transactions. This volume (adjusted to take account of total subscriptions and redemptions) is also compared to the average net assets at the beginning and end of the period.

A figure close to 0% implies that the transactions relating to the securities or transactions relating to the assets (excluding deposits and cash) in a given period only involve subscriptions and redemptions.

A negative percentage shows that subscriptions and redemptions entailed few, if any, transactions in the portfolio.

Active asset management may result in high turnover rates (monthly percentage >50%).

The detailed list of transactions is available for consultation free of charge at the registered office of the Bevek or fund at Havenlaan 2, 1080 Brussels.

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

NAME	Currency	Value in currency	In the currency of the sub-fund	Lot-size	Transaction date
KBC COLLATERAL EUR	EUR	1.712.264,25	2.173.034,56	N/A	29.06.2012
STPOORS 09/12/2012	USD	8.138.400,00	8.138.400,00	250,00	21.06.2012

2.4.4 CHANGES OF THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND THE NET ASSET VALUE

Classic Shares

Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2010 - 06	127.135,80	1.530,00	104.447,97	1.211,00	57.659,71	1.871,00	59.530,71
2011 - 06	149.163,60	7.608,14	119.591,51	1.470,00	87.231,81	8.009,14	95.240,95
2012 - 06	235.570,38	1.347,79	290.656,70	3.338,00	32.145,49	6.018,93	38.164,41

Period	Amounts received and paid by the UCI (in the currency of the class)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2010 - 06	54.317.550,97	590.883,64	45.706.554,63	447.286,92
2011 - 06	71.599.684,58	3.423.321,38	59.274.239,93	643.129,09
2012 - 06	116.525.838,50	643.008,01	142.405.751,23	1.549.295,26

Period	Net asset value End of period (in the currency of the class)		
Year	Of the class	Of one share	
		Capitalization	Distribution
2010 - 06	24.202.085,22	407,93	363,89
2011 - 06	50.752.728,53	538,08	476,29
2012 - 06	20.783.493,04	555,02	488,83

Institutional B Shares

Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2012 - 06	429.486,00		227.055,00		202.431,00		202.431,00

Period	Amounts received and paid by the UCI (in the currency of the class)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2012 - 06	225.089.293,69		127.222.975,04	

Period	Net asset value End of period (in the currency of the class)		
Year	Of the class	Of one share	
		Capitalization	Distribution
2012 - 06	112.437.439,96	555,44	

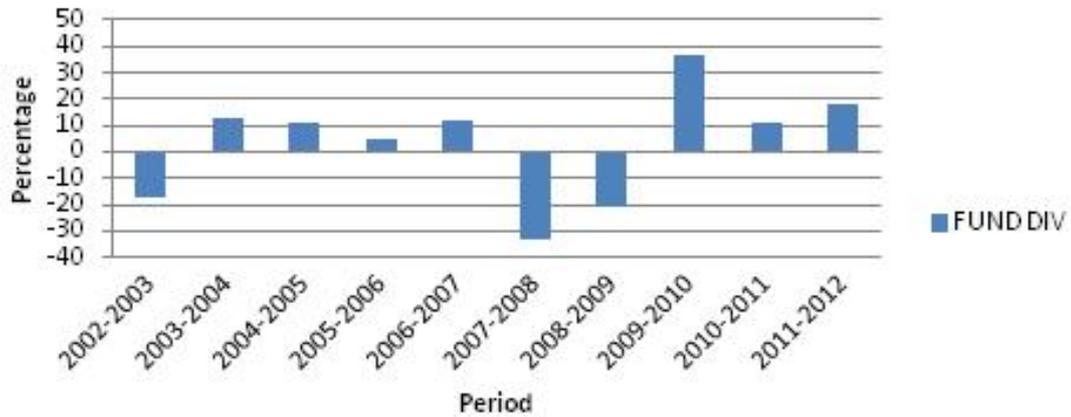
2.4.5 PERFORMANCE FIGURES

Classic Shares

BE0176713767

KBC Equity Fund - High Dividend North America - DIV:

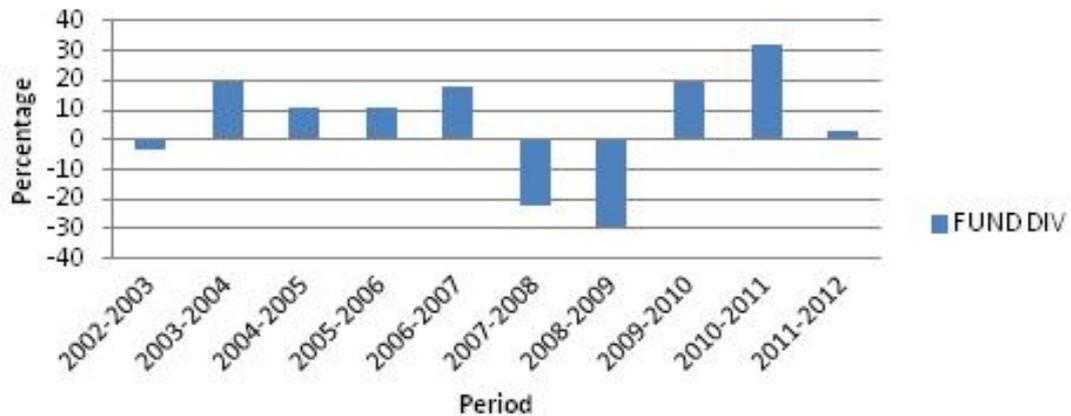
Annual performance on 30/06/2012 (in EUR)



BE0176713767

KBC Equity Fund - High Dividend North America - DIV:

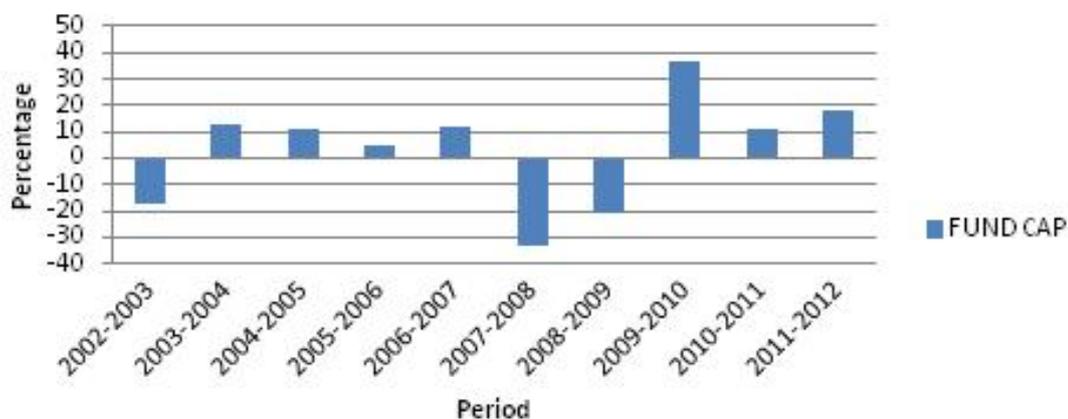
Annual performance on 30/06/2012 (in USD)



BE0176715788

KBC Equity Fund - High Dividend North America - CAP:

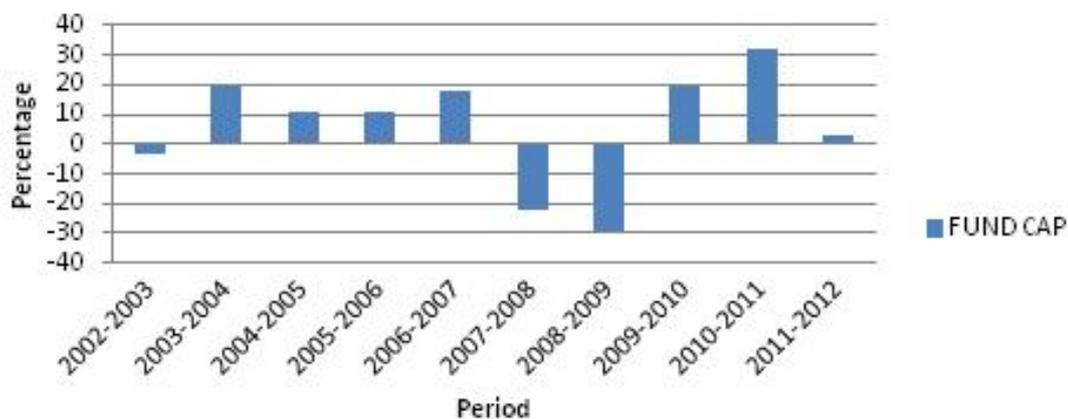
Annual performance on 30/06/2012 (in EUR)



BE0176715788

KBC Equity Fund - High Dividend North America - CAP:

Annual performance on 30/06/2012 (in USD)



Cap Div	ISIN code	Currency	1 Year		3 Years*		5 Years*		10 Years*		Since launch*	
			Share classes	Bench mark	Launch Date	Share classes						
CAP	BE0176715788	EUR	17.84%		21.65%		-0.97%		1.51%		30/04/2001	-2.10%
CAP	BE0176715788	USD	3.15%		17.66%		-2.20%		4.09%		30/04/2001	0.94%
DIV	BE0176713767	EUR	17.89%		21.61%		-0.99%		1.50%		30/04/2001	-2.11%
DIV	BE0176713767	USD	3.19%		17.62%		-2.22%		4.08%		30/04/2001	0.93%

Risk warning: Past performance is not a guide to future performance.

* Return on annual basis.

Institutional B Shares

The cumulative returns are shown where they relate to a period of at least one year.

Classic Shares

- The bar chart shows the performance for full financial years.
- The figures do not take account of any restructuring.
- Calculated in USD and in EUR.
- The return is calculated as the change in the net asset value between two dates expressed as a percentage. In the case of units that pay dividends, the dividend is incorporated geometrically in the return.
- Calculation method for date D, where NAV stands for net asset value:

Capitalisation units (CAP)

Return on date D over a period of X years:

$$[\text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where $Y = D - X$

Return on date D since the start date S of the unit:

$$[\text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where $F = 1$ if the unit has existed for less than one year on date D

where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D

Distribution units (DIV)

Return on date D over a period of X years:

$$[C * \text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where $Y = D - X$

Return on date D since the start date S of the unit:

$$[C * \text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where $F = 1$ if the unit has existed for less than one year on date D

where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D

where C is a factor that is determined for all N dividends between the calculation date D and the reference date.

For dividend i on date Di with value Wi:

$$C_i = [W_i / \text{NIW}(D_i)] + 1$$

$i = 1 \dots N$

from which $C = C_0 * \dots * C_N$.

- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the n^{th} square root of 1 plus the total return of the unit.
- The return figures shown above do not take account of the fees and charges associated with the issue and redemption of units.

These are the performance figures for capitalisation and distribution shares.

2.4.6 COSTS

Total expense ratio (TER): *

Classic Shares Distribution: 1.75%
Classic Shares Capitalization: 1.75%
Institutional B Shares Capitalization: Not applicable

Percentage calculated at the end of the financial year: 31 December

* The following costs have not been included in the TER:

- Transaction charges
- Interest payments on loans taken out
- Payments in respect of financial derivatives
- Fees and charges paid directly by the investor
- Any soft commissions

SOFT COMMISSIONS

The management company or the appointed manager, as the case may be, is the recipient of soft commissions.

The recipient has laid down an internal policy as regards accepting soft commissions and avoiding possible conflicts of interest in this respect, and has put appropriate internal controls in place to ensure this policy is observed.

For more information, please see the 'General' section of the annual report.

	Commission gross in EUR paid during the period: 1-01-12 -	CSA Credits in EUR accrued during the period: 1-01-12 -	
Broker	30-06-12	30-06-12	Percentage
CITI	37,228	23,268	62.50%
CSFBSAS	10,933	6,812	62.31%
EQ CSA MACQUARIE	832	520	62.50%
MERRILL	2,057	1,286	62.50%
NOMURA	937	586	62.50%
UBSWDR	49,883	31,177	62.50%

FEE-SHARING AGREEMENTS AND REBATES:

The management company may share its fee with the distributor, and institutional and/or professional parties.

In principle, the percentage share amounts to between 35% and 60% if the distributor is an entity of KBC Group NV or to between 35% and 70% if the distributor is not an entity of KBC Group NV. However, in a small number of cases, the distributor's fee is less than 35%. Investors may, on request, obtain more information on these cases.

If the management company invests the assets of the undertaking for collective investment in units of undertakings for collective investment that are not managed by an entity of KBC Group NV, and receives a fee for doing so, it will pay this fee to the undertaking for collective investment.

Fee-sharing does not affect the amount of the management fee paid by the sub-fund to the management company. This management fee is subject to the limitations laid down in the articles of association. The limitations may only be amended after approval by the general meeting of shareholders.

The management company has concluded a distribution agreement with the distributor in order to facilitate the wider distribution of the sub-fund's units by using multiple distribution channels.

It is in the interests of the holders of units, the sub-fund and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund to be maximised in this way. In this respect, there is therefore no question of any conflict of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: 1.35% per annum calculated on the basis of the average total net assets of the sub-fund, excluding those assets invested in investment undertakings managed by a financial institution of the KBC group.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the average total net assets of the sub-fund.

Auditor's fee: 1 700 EUR per year. This fee is not including VAT and will be increased at the end of the 3-year mandate.

The custody fee is calculated on the value of the securities held in custody by the custodian on the final banking day of the preceding calendar year, except on those assets invested in investment undertakings managed by a financial institution of the KBC group. The custody fee is paid at the beginning of the calendar year.

Social, ethical and environmental aspects:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

Exercising voting rights

If necessary, relevant and in the interest of the shareholders, the management company will exercise the voting rights attached to the shares in the Bevek's portfolio.

The management company will adhere to the following criteria when determining how it stands relative to the items on the agenda that are put to the vote:

- Shareholder value may not be adversely affected.
- Corporate governance rules, especially with regard to the rights of minority shareholders, must be respected.
- The minimum standards with regard to sustainable business and corporate social responsibility must be met.

The list of companies for which voting rights are exercised is available at the registered office of the Bevek.

Financial derivatives on financial indices

The following financial indices were used as the underlying for financial derivatives:

The **S&P 500** is an equity index computed by Standard & Poor's that is made up of 500 shares. The dividend is not reinvested. The S&P 500 serves primarily as a continuous indicator of market trends on the US stock markets. The value of the S&P 500 index is calculated on the basis of the market value of the shares of 500 companies at a given point in time, compared to the market value of the shares of 500 similar companies during the reference period from 1941 to 1943. The index is published daily in L'Echo, De Tijd, The Financial Times and The Wall Street Journal Europe.

Standard & Poor's has all proprietary rights with respect to the index. In no way Standard & Poor's endorses, sponsors or is otherwise involved in the issue and offering the shares of this undertaking for collective investment. Standard & Poor's disclaims any liability for the issue and offering of the shares of this undertaking for collective investment

The value and, if available for distribution, the composition of the aforementioned financial indices may be obtained from the branches providing the financial service.

Securities lending

In accordance with the Royal Decree of 7 March 2006 concerning securities lending, the undertaking for collective investment has taken out securities loans with a principal to whom the full title of the loaned securities was transferred, without recording this transfer of ownership in the accounts.

For the period from 1 January 2012 to 30 June 2012, the fee for securities lent comes to 39,884.35 USD. KBC Asset Management NV receives 50% of the net fee received for securities lent. The detailed list of securities lending transactions carried out can be obtained from the registered office of the collective investment undertaking at 2 Havenlaan, 1080 Brussels.

Overview of securities lent as at 30/06/2012

Name	Currency	Quantity	Price	Value in currency of the portfolio
AIMIA INC	CAD	42.800	13,550	568.890,32
BCE INC NEW	CAD	12.777	41,980	526.158,77
CAN IMP BK COMMERCE	CAD	4.400	71,650	309.253,31
ROGERS COMMUNICATIONS INC - CL B	CAD	16.663	36,910	603.313,06
			Total	2.007.615,46

Details of collateral received for securities lent

Name	Currency	Nominal value	Currency fund	Value in Currency fund
GERMANY 2009 2,25% 11/04/14	EUR	708.000	USD	937.880,79
OAT FRANCE 2005 3% 25/10/15	EUR	414.000	USD	571.728,37
FRANCE 2007 4,50% 12/07/2012	EUR	342.000	USD	453.591,86
BTAN FRANCE 2008 4 1/2% 12/07/13	EUR	152.000	USD	209.833,54
			Total	2.173.034,56

For the valuation of the collateral received, indicative prices have been used in this detail list by the Collateral Management Division of KBC Bank.

TABLE OF CONTENTS

- 2. Information on KBC Equity Fund Pacific
 - 2.1. Management report
 - 2.1.1. Launch date and subscription price
 - 2.1.2. Stock exchange listing
 - 2.1.3. Aim and distinctive features of the investment policy
 - 2.1.4. Financial portfolio management
 - 2.1.5. Distributors
 - 2.1.6. Index and benchmark
 - 2.1.7. Policy conducted during the financial year
 - 2.1.8. Future policy
 - 2.1.9. Synthetic risk and reward indicator (SRRI)
 - 2.2. Balance sheet
 - 2.3. Profit and loss account
 - 2.4. Composition of the assets and key figures
 - 2.4.1. Composition of the assets
 - 2.4.2. Change in the composition of the assets
 - 2.4.3. Value of commitments in respect of financial derivatives positions
 - 2.4.4. Evolution of the number of subscriptions, repayments and the net asset value
 - 2.4.5. Return figures
 - 2.4.6. Expenses
 - 2.4.7. Notes to the financial statements and other data

2 INFORMATION ON KBC EQUITY FUND PACIFIC

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Classic Shares :

Launch date: 3 March 2006

Initial subscription price: 500 EUR

Currency: EUR

Institutional B Shares :

Launch date: 24 November 2011

Initial subscription price: 309.11 EUR

Currency: EUR

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

The main objective of this sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. To this end, the assets are invested, either directly or indirectly via correlated financial instruments, primarily in shares.

SUB-FUND'S INVESTMENT POLICY:

PERMITTED ASSET CLASSES:

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the sub-fund's object.

The sub-fund shall invest no more than 10% of its assets in units of other undertakings for collective investment.

RESTRICTIONS OF THE INVESTMENT POLICY:

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

PERMITTED DERIVATIVES TRANSACTIONS:

Derivates may be used either for hedging purposes or to achieve investment objectives.

Changes will be made to the investments at regular intervals to comply with the sub-fund's investment strategy. **In addition, listed and unlisted derivates may be used to achieve the objectives:** these may be forward contracts, options or swaps on securities, indices, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions. **Such derivatives may also be used to hedge the assets against exchange-rate fluctuations.** Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions.

STRATEGY SELECTED

At least 75% of the assets are invested in shares of companies in the Pacific region.

RISK CONCENTRATION

Shares from the Pacific region.

LENDING FINANCIAL INSTRUMENTS:

The sub-fund may lend financial instruments within the limits set by law and regulations.

This lending does not affect the sub-fund's risk profile since:

- it takes place within the framework of a securities lending system managed by a principal. In addition, the sub-fund has a relationship only with the principal of the securities lending system which acts as counterparty and to which title of the loaned securities is transferred. The choice of principal is subject to strict selection criteria. The return of securities similar to the securities that have been lent is guaranteed by the principal.
- through a margin management system, the sub-fund is always guaranteed financial security, the actual value of which always exceeds the actual value of the securities that have been lent, in case the principal does not return similar securities.

The return of securities similar to the securities that have been lent can be requested at any time, which means that the lending of securities does not affect the management of the sub-fund's assets. By lending securities, the sub-fund can generate an additional return. The principal pays a fee to the management company. After deducting the fee for the margin management and clearing services of KBC Bank, most of this fee is paid to the sub-fund.

The relationship with the counterparty or counterparties is governed by standard international agreements.

More information is provided on the terms and conditions governing securities lending in the annual or half-yearly report for the sub-fund.

VOLATILITY OF THE NET ASSET VALUE:

The volatility of the net asset value may be high due to the composition of the portfolio.

GENERAL STRATEGY FOR HEDGING THE EXCHANGE RATE RISK:

In order to protect its assets against exchange rate fluctuations and within the limitations laid down in the articles of association, the sub-fund may perform transactions relating to the sale of forward currency contracts, as well as the sale of call options and the purchase of put options on currencies. The transactions in question may relate solely to contracts traded on a regulated market that operates regularly, is recognised and is open to the public or that are traded with a recognised, prime financial institution specialising in such transactions and dealing in the over-the-counter (OTC) market in options. With the same objective, the sub-fund may also sell currencies forward or exchange them in private transactions with prime financial institutions specialising in such transactions. The hedging objective of the aforementioned transactions suggests that there is a direct link between these transactions and the assets to be hedged, which implies that the transactions carried out in a particular currency may in principle not exceed, in terms of volume, either the valuation value of all the assets in the same currency or the holding period of those assets.

SOCIAL, ETHICAL AND ENVIRONMENTAL ASPECTS:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

THE EUROPEAN SAVINGS DIRECTIVE AND TAX ON DEBT CLAIM RETURNS OBTAINED THROUGH THE REDEMPTION OF OWN UNITS OR IN THE EVENT OF FULL OR PARTIAL DISTRIBUTION OF EQUITY CAPITAL.

The following information is of a general character and is not intended to cover all aspects of an investment in a UCITS. In certain cases entirely different rules might even apply. Moreover, both tax law and the interpretation of it can change. Investors who wish to have more information about the tax implications – in both Belgium and abroad – of acquiring, holding and transferring units should seek the advice of their usual financial and tax advisers.

This UCITS shall invest a maximum of 15% of its assets directly or indirectly in debt instruments as intended by the European Savings Directive.

A. European Savings Directive (Directive 2003/48/EC)

The European Savings Directive has been implemented in Belgium through:

- The Law of 17 May 2004 transposing into Belgian law Directive 2003/48/EC of 3 June 2003 of the Council of the European Union on taxation of savings income in the form of interest payments and amending Income Tax Code 1992 on withholding tax;
- The Royal Decree of 27 September 2009 implementing Article 338bis § 2 of Income Tax Code 1992;
- The Royal Decree of 27 September 2009 concerning the entry into effect of Article 338bis § 2, paragraphs one to three, of Income Tax Code 1992;

Since this UCITS invests a maximum of 15% of its assets directly or indirectly in debt claims as intended by the European Savings Directive, the income of this UCITS does not fall within the scope of this directive.

B. Tax on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital (Article 19bis Income Tax Code 1992).

The income from this UCITS is not subject to the tax on debt instrument returns as intended by Article 19bis, Income Tax Code 1992.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company has delegated the intellectual management, to KBC Fund Management Limited, Joshua Dawson House, Dawson Street , Dublin 2, IRELAND..

2.1.5 DISTRIBUTORS

KBC Asset Management S.A., 5, Place de la Gare, L-1616 Luxembourg.

2.1.6 INDEX AND BENCHMARK

See 'Sub-fund's investment policy'.

2.1.7 POLICY PERSUED DURING THE FINANCIAL YEAR

KBC Equity Fund Pacific invests in a diverse selection of Pacific companies. The Pacific region comprises of Japan, Australia, Hong Kong, Singapore and New Zealand. The fund increased in value in the first half of 2012, but underperforming its MSCI Pacific Benchmark.

The first six months of the year were quite turbulent for equity markets. The changing situation in Europe was the primary concern for investors over the period, however there was also negative news concerns with regard to growth in China. Throughout the first quarter, the situation in Europe continued to evolve. Towards the beginning of the year, there was positive news from Greece as the country secured acceptance of their debt swap offer. The ECB continued to extend liquidity to European banks through the LTRO. In Russia, despite some unrest, Putin won the Russian presidential election. Markets were largely strong over this period, with both emerging and developed markets rising and with Emerging Asia outperforming.

Moving into the second quarter, the situation in Europe worsened. In May, French socialist, Francois Hollande won the French presidential election. Following parliamentary elections in Greece, it was not possible to form a government. Anti-austerity parties gained seats in this election, causing growing fears that the country would not remain in the euro. A second election was called for mid-June with the uncertainty continuing in the meantime. At this stage, concern spread to the situation in Spain, with growth disappointing further and banks coming under more pressure. Despite initially stating that the country did not need a bailout, by the end of June, Spain had requested assistance from Europe and the IMF. In mid May, the second Greek election took place, with the New Democracy winning narrowly and forming a government. Throughout this period of uncertainty, markets were very weak, with most regions reversing most of the gains achieved in Q1. On the final day of the quarter, EU leaders agreed that Europe would support troubled banks directly, without the need for local governments to add to their debt levels. This saw a significant rally on the final day of the first half.

While the volatility globally continued, Asian investors were also concerned about weakening growth in China. Growth was slower than most expected, with the official growth target being lowered to 7.5%. Most domestic activity metrics were weak – industrial production, investment and retail sales. On the positive side, inflation continued to fall, leaving room for policy makers to make changes if needed. While there was some slowdown in employment growth, there was no mass unemployment as was seen in 2008/2009. Following this slowdown, Chinese authorities began to take steps to boost growth. Initially the focus was on increasing investment, with particular focus on water and other environmental areas, utilities, railways and social housing. However at the beginning of June, the People's Bank of China took the decision to lower lending and deposit rates by 25bps. They also took steps to liberalise the interest rate regime, seen as a significant positive.

In Japan the year started out brightly with markets growing strongly during the first quarter. This rally was primarily driven by foreign investors who were constant net buyers for the quarter, betting on a more aggressive stance from Japan authorities on in their efforts to weaken the Yen. April brought about the end of the Q1 rally as Japan markets fell almost 6% on the back of weaker than expected figures in the US and mounting concerns over Europe. The end of April saw the Bank Of Japan announce a series of monetary easing. Markets were disappointed with the announcement as many investors had been hoping for more aggressive measures. May brought about even further declines in Japanese equities as concerns over Europe continued to mount and fears of a slowing economy in China. The credit rating agency Fitch cut its rating on Japan Yen debt by one notch and foreign debt by two notches to A+. June brought about a much needed rebound, the Topix reached a new low since 1983. This rebound was brought about by the unexpected rate cut in China and positive political results in the Greece and Japan. Prime Minister Noda managed to find a compromise with the opposition parties on the increase of VAT from 5% to 10% by 2015, this law was passed by the lower house and must now be approved by the upper house.

In Australia the markets began the year positively with its strongest quarter since Q3 2009, but the return was at the lower end of the world markets for the quarter. Corporate news indicated a difficult background for earnings growth with analysts downgrades outnumbering upgrades over the quarter. The second quarter saw nearly all of the Q1 returns wiped out as concerns over global growth and a soft numbers in China weighted on the Materials and while the Energy sector was adversely affected by the low crude oil price. During Q2 the RBA cut the cash rate twice, a 50bps cut in May and a 25bp cut in June. The June minutes hinted that further rate cuts were constrained by the extent of fiscal consolidation.

So overall, the markets were very volatile during the first half of 2012 and while some concerns eased towards the end of the period, the volatility is likely to continue going forward.

The Pacific market performance was driven by strong country performances in Singapore and New Zealand; with both markets growing by 16.0% and 11.6%. The countries which were laggards were Australia and Japan both returning 6.2% and 7.0% in June. At a sector level, investors preferred cyclicals to defensives. The top performing sectors were Financials and Consumer Discretionary, up 15.1% and 11.4% respectively. The worst performing sectors were Energy and Materials, which returned -4.4% and -3.7% respectively. Gloucester Coal shareholders voted in favor of the proposed merger with Yancoal Australia Ltd to form the country's largest independent listed coal company. After a sharp cut to expected results earlier in the year Qantas airlines announced a broad restructure which involves the splitting of its brand into separate.

2.1.8 FUTURE POLICY

Globally, while recent moves by policy makers have been positive, we still expect turbulence in markets going forward. Europe has clearly made some steps forward, however the problems are not yet resolved and the growth outlook continues to be a concern. Budgetary cuts to control spending across the region have negative implications on demand in the context of international trade. This is a concern for Asia, where it is driven by both domestic and international factors.

We do continue to believe however, that the global economic picture is stronger than currently perceived. Falling inflation (triggered by another significant drop in the oil price) and very accommodating monetary policies: the first rate cut in China, ECB likely to cut further, and the Fed announced continuation of "Operation Twist" and additional measures if needed, should jump start the global economy in the coming months. Our stance on the Euro crisis remains unchanged: all actions needed to safeguard the union will be taken because the costs and political risks of a break-up are immense.

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

Classic Shares: 6 on a scale of 1 (lowest risk) to 7 (highest risk).

Institutional B Shares: 6 on a scale of 1 (lowest risk) to 7 (highest risk).

The value of a share can decrease or increase and the investor may not get back the amount invested.

In accordance with Commission Regulation (EU) No. 583/2010, a synthetic risk and reward indicator has been calculated. This indicator provides a quantitative measure of the sub-fund's potential return and the risk involved, calculated in the currency in which the sub-fund is denominated. It is given as a figure between 1 and 7. The higher the figure, the greater the potential return, but also the more difficult it is to predict this return. Losses are possible too. The lowest figure does not mean that the investment is entirely free of risk. However, it does indicate that, compared with the higher figures, this product will generally provide a lower, but more predictable return.

The synthetic risk and reward indicator is assessed regularly and can therefore go up or down based on data from the past. Data from the past is not always a reliable indicator of future risk and return.

The most recent indicator can be found under the 'Risk and reward profile' heading in the 'Key Investor Information' document.

2.2 BALANCE SHEET

Balance sheet layout	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
TOTAL NET ASSETS	20.264.660,94	156.924.168,56
II. Securities, money market instruments, UCIs and derivatives		
A. Bonds and other debt instruments		
a) Bonds	100.024,70	
a) Collateral received in the form of bonds	3.086.792,93	22.301.376,99
C. Shares and similar instruments		
a) Shares	19.932.768,54	158.025.330,01
Of which securities lent	2.868.014,86	21.000.851,29
D. Other securities	3.722,84	14,07
F. Derivative financial instruments		
j) Foreign exchange		
Futures and forward contracts (+/-)	-1.429,74	
m) Financial indices		
Futures and forward contracts (+/-)	5.979,65	
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable	48,55	100.170,99
B. Payables		
a) Accounts payable (-)	-43.069,93	-306.865,89
c) Borrowings (-)		-1.650.276,15
d) Collateral (-)	-3.086.792,93	-22.301.376,99
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	178.330,57	58.943,84
VI. Accruals and deferrals		
A. Expense to be carried forward	19.384,92	78.419,72
B. Accrued income	83.733,68	743.229,64
C. Accrued expense (-)	-14.832,84	-124.797,67
TOTAL SHAREHOLDERS' EQUITY	20.264.660,94	156.924.168,56
A. Capital	18.788.999,80	177.869.205,48
B. Income equalization	-94.387,63	-33.571,67
D. Result for the period	1.570.048,77	-20.911.465,25

Off-balance-sheet headings

I	Collateral (+/-)		
I.A	Collateral (+/-)		
I.A.A	Securities/market instruments	3.086.792,93	22.301.376,99
III	Notional amounts of futures and forward contracts		
III.A	Purchased futures and forward contracts	207.051,15	
IX	Financial instruments lent	2.868.014,86	21.000.851,29

2.3 PROFIT AND LOSS ACCOUNT

Income Statement	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
I. Net gains(losses) on investments		
A. Bonds and other debt instruments		
a) Bonds	-21.995,70	
C. Shares and similar instruments		
a) Shares	1.892.365,38	-9.982.604,51
D. Other securities	234,98	-3.512,42
F. Derivative financial instruments		
l) Financial indices		
Futures and forward contracts	-21.788,87	-1.227.697,85
G. Receivables, deposits, cash at bank and in hand and payables	0,01	
H. Foreign exchange positions and transactions		
a) Derivative financial instruments		
Futures and forward contracts	-5.423,34	
b) Other foreign exchange positions and transactions	-549.691,27	-10.615.591,07
II. Investment income and expenses		
A. Dividends	483.659,23	2.499.804,42
B. Interests		
a) Securities and money market instruments	85.424,10	37.607,75
b) Cash at bank and in hand and deposits	2.639,01	18.462,77
C. Interest on borrowings (-)	-1.951,75	-10.989,51
III. Other income		
A. Income received to cover the acquisition and realization of assets, to discourage withdrawals and for delivery charges	83.248,29	

IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-99.088,48	-127.324,28
B. Financial expenses (-)	-290,47	-2.534,05
C. Custodian's fee (-)	-19.846,33	-64.259,81
D. Manager's fee (-)		
a) Financial management		
Classic Shares	-24.728,11	-1.213.759,14
Institutional B Shares	-199.880,49	
b) Administration and accounting management	-13.423,05	-82.411,34
E. Administrative expenses (-)	-27,90	-10,37
F. Formation and organisation expenses (-)	-2.126,23	-6.807,17
G. Remuneration, social security charges and pension		-32,65
H. Services and sundry goods (-)	-4.432,62	-13.332,61
J. Taxes		
Classic Shares	-988,94	-62.834,32
Institutional B Shares	-1.002,15	
K. Other expenses (-)	-10.836,53	-53.639,09
Income and expenditure for the period		
Subtotal II + III + IV	276.347,58	917.940,60
V. Profit (loss) on ordinary activities before tax	1.570.048,77	-20.911.465,25
VII. Result for the period	1.570.048,77	-20.911.465,25

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC EQUITY FUND PACIFIC

Name	Quantity on 30/06/2012	Currency	Price in currency	Evaluation (in the currency of the sub-fund)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
Bonds							
Corporate bonds							
<u>Ireland</u>							
D-STAR FINANCE PLC SUB 14/05/13	157.000,00	EUR	63,710	100.024,70		0,50	0,49
Total bonds				100.024,70		0,50	0,49
Shares							
Exchange-listed shares							
<u>Australia</u>							
AGL ENERGY LIMITED -	5.845,00	AUD	14,770	69.731,15		0,35	0,34
ALUMINA LTD -	33.349,00	AUD	0,790	21.280,00		0,11	0,11
AMCOR -	8.929,00	AUD	7,090	51.134,13		0,26	0,25
AMP LTD -	21.615,00	AUD	3,850	67.216,79		0,34	0,33
ANZ BANKING GROUP -	19.300,00	AUD	22,030	343.426,36		1,71	1,70
ASCIANO LTD -	7.751,00	AUD	4,350	27.233,84		0,14	0,13
AUSTRALIAN STOCK EXCHANGE LTD -	1.835,00	AUD	29,820	44.198,30		0,22	0,22
BENDIGO BANK LTD -	4.235,00	AUD	7,410	25.347,40		0,13	0,13
BHP BILLITON LTD -	22.348,00	AUD	31,450	567.702,92		2,83	2,80
BORAL LTD -	8.740,00	AUD	2,950	20.825,49		0,10	0,10
BRAMBLES LTD -	10.487,00	AUD	6,160	52.178,76		0,26	0,26
CALTEX AUSTRALIA LTD -	764,00	AUD	13,520	8.343,18		0,04	0,04
CAMPBELL BROTHERS LTD -	581,00	AUD	54,250	25.458,79		0,13	0,13
COCA-COLA AMATIL LTD -	4.452,00	AUD	13,380	48.114,18		0,24	0,24
COCHLEAR LTD -	517,00	AUD	65,840	27.494,27		0,14	0,14
COMMONWEALTH BK OF AUSTRALIA -	11.504,00	AUD	53,100	493.406,89		2,46	2,44
COMPUTERSHARE LTD -	3.272,00	AUD	7,410	19.583,64		0,10	0,10
CROWN LTD -	3.984,00	AUD	8,490	27.320,51		0,14	0,14
CSL LIMITED -	3.813,00	AUD	39,420	121.407,42		0,61	0,60
DEXUS PROPERTY GROUP -	42.947,00	AUD	0,930	32.260,98		0,16	0,16
ECHO ENTERTAINMENT GROUP LTD -	5.535,00	AUD	4,280	19.134,77		0,10	0,09
FORTESCUE METALS GROUP -	14.261,00	AUD	4,900	56.442,71		0,28	0,28
GOODMAN GROUP -	14.213,00	AUD	3,670	42.132,15		0,21	0,21
GPT GROUP -	15.435,00	AUD	3,290	41.017,04		0,21	0,20
HARVEY NORMAN HOLDINGS LTD -	5.176,00	AUD	1,950	8.152,50		0,04	0,04
ILUKA RESOURCES LTD -	4.093,00	AUD	11,320	37.423,98		0,19	0,19
INCITEC PIVOT LTD -	18.513,00	AUD	2,850	42.617,06		0,21	0,21
INSURANCE AUSTRALIA GR LTD -	19.838,00	AUD	3,480	55.762,08		0,28	0,28
JAMES HARDIE INDUSTRIES NV -	4.726,00	AUD	7,960	30.385,65		0,15	0,15
LEIGHTON HOLDINGS LTD -	1.960,00	AUD	16,270	25.757,60		0,13	0,13
LEND LEASE GROUP -	5.654,00	AUD	7,200	32.881,39		0,16	0,16
MACQUARIE GROUP LTD -	2.597,00	AUD	26,000	54.538,99		0,27	0,27
METCASH LTD -	8.740,00	AUD	3,370	23.790,48		0,12	0,12
MIRVAC GROUP -	34.614,00	AUD	1,275	35.647,07		0,18	0,18
NATIONAL AUSTRALIA BANK -	16.159,00	AUD	23,540	307.243,54		1,53	1,52

NEWCREST MINING -	4.981,00	AUD	22,610	90.965,96		0,45	0,45
ORICA LTD -	2.861,00	AUD	24,690	57.055,93		0,29	0,28
ORIGIN ENERGY LTD -	7.981,00	AUD	12,200	78.646,42		0,39	0,39
OZ MINERALS -	4.099,00	AUD	7,860	26.023,29		0,13	0,13
QBE INSURANCE GROUP LTD -	7.721,00	AUD	13,380	83.443,30		0,42	0,41
QR NATIONAL LTD -	13.028,00	AUD	3,400	35.778,20		0,18	0,18
RETAIL PROPERTY TRUST -	18.965,00	AUD	1,940	29.717,78		0,15	0,15
RIO TINTO LTD -	3.225,00	AUD	56,500	147.177,01		0,73	0,73
SANTOS LTD. -	7.204,00	AUD	10,650	61.970,52		0,31	0,31
SONIC HEALTHCARE LTD -	4.189,00	AUD	12,700	42.971,04		0,21	0,21
STOCKLAND -	16.724,00	AUD	3,080	41.605,69		0,21	0,21
SUNCORP GROUP LTD -	9.173,00	AUD	8,090	59.940,69		0,30	0,30
SYDNEY AIRPORT -	5.344,00	AUD	2,900	12.517,75		0,06	0,06
TATTERSALL'S LTD -	14.115,00	AUD	2,620	29.870,60		0,15	0,15
TELSTRA CORP -	30.834,00	AUD	3,690	91.900,54		0,46	0,45
TOLL HOLDINGS LTD -	5.273,00	AUD	3,980	16.951,29		0,09	0,08
TRANSURBAN GROUP -	9.609,00	AUD	5,690	44.162,36		0,22	0,22
WESFARMERS -	6.952,00	AUD	29,900	167.896,93		0,84	0,83
WESTFIELD GROUP -	13.165,00	AUD	9,500	101.019,75		0,50	0,50
WESTFIELD RETAIL TRUST -	20.802,00	AUD	2,850	47.886,35		0,24	0,24
WESTPAC BANKING -	22.165,00	AUD	21,130	378.293,65		1,89	1,87
WOODSIDE PETROLEUM LTD -	4.637,00	AUD	31,020	116.182,50		0,58	0,57
WOOLWORTH CORP -	8.611,00	AUD	26,800	186.401,84		0,93	0,92
WORLEYPARSONS LTD -	2.286,00	AUD	25,100	46.345,95		0,23	0,23
<u>Bermuda</u>							
NOBLE GROUP LTD -	38.000,00	SGD	1,115	26.354,42		0,13	0,13
VICTORY CITY INTL HLD LTD -	1.893,00	HKD	0,770	148,07		0,00	0,00
<u>Cayman Islands</u>							
FOXCONN INTERNATIONAL HLDGS -	16.000,00	HKD	2,810	4.567,34		0,02	0,02
NORSTAR FOUNDERS GROUP LTD -	916.000,00	HKD	0,000	0,00			
<u>Hong Kong</u>							
AIA GROUP LTD -	74.400,00	HKD	26,500	200.288,51		1,00	0,99
ASM PACIFIC TECHNOLOGY -	1.400,00	HKD	98,450	14.001,71		0,07	0,07
BANK OF EAST ASIA LTD. -	15.900,00	HKD	27,700	44.741,87		0,22	0,22
BOC HONG KONG HOLD LTD -	28.500,00	HKD	23,600	68.327,27		0,34	0,34
CHEUNG KONG HLDGS -	8.944,00	HKD	94,600	85.952,82		0,43	0,42
CHEUNG KONG INFRASTRUCTURE -	2.000,00	HKD	46,750	9.498,36		0,05	0,05
CLP -	13.048,00	HKD	65,750	87.151,91		0,44	0,43
FORD GLORY GROUP HOLDINGS LTD -	37,00	HKD	0,960	3,61			
GALAXY ENTERTAINMENT GROUP LTD -	12.000,00	HKD	19,160	23.356,83		0,12	0,12
HANG LUNG GROUP LTD. -	8.000,00	HKD	47,550	38.643,61		0,19	0,19
HANG LUNG PROPERTIES LTD -	18.000,00	HKD	26,200	47.908,33		0,24	0,24
HANG SENG BANK LTD. -	6.145,00	HKD	106,000	66.170,58		0,33	0,33
HENDERSON LAND -	9.000,00	HKD	42,650	38.994,09		0,20	0,19
HKT TRUST /HKT LTD -	2.369,00	HKD	6,070	1.460,80		0,01	0,01
HONG KONG CHINA GAS -	38.415,00	HKD	16,420	64.078,33		0,32	0,32
HONG KONG EXCHANGES & CLEARING LTD. -	6.907,00	HKD	110,000	77.182,59		0,39	0,38
HUTCHISON WHAMPOA -	14.082,00	HKD	66,500	95.131,25		0,48	0,47
HYSAN DEVELOPMENT CO LTD -	7.000,00	HKD	29,300	20.835,45		0,10	0,10
KERRY PROPERTIES LTD -	8.000,00	HKD	33,050	26.859,55		0,13	0,13
LI & FUNG LTD -	40.000,00	HKD	14,820	60.220,65		0,30	0,30
LIFESTYLE INTERNATIONAL HOLDING -	5.500,00	HKD	16,920	9.453,67		0,05	0,05
MTR CORPORATION -	16.000,00	HKD	26,450	42.991,53		0,22	0,21
NEW WORLD DEV -	35.000,00	HKD	9,010	32.035,39		0,16	0,16
ORIENT OVERSEAS INTL LTD -	2.500,00	HKD	37,600	9.549,16		0,05	0,05
PCCW LTD -	35.000,00	HKD	2,840	10.097,73		0,05	0,05

POWER ASSETS HOLDINGS LTD -	11.500,00	HKD	58,100	67.875,21		0,34	0,34
REGAL HOTEL INT. HLDGS -	600,00	HKD	2,840	173,10		0,00	0,00
SANDS CHINA LTD -	17.600,00	HKD	24,500	43.804,22		0,22	0,22
SHANGRI-LA ASIA LTD -	16.000,00	HKD	14,780	24.023,24		0,12	0,12
SINO LAND CO. -	28.000,00	HKD	11,620	33.052,28		0,17	0,16
SJM HOLDINGS LTD -	16.000,00	HKD	14,280	23.210,55		0,12	0,12
SUN HUNG KAI PROPS -	9.789,00	HKD	91,150	90.642,57		0,45	0,45
SWIRE PACIFIC LTD -	5.162,00	HKD	89,700	47.037,87		0,24	0,23
THE LINK REIT -	17.000,00	HKD	31,650	54.658,77		0,27	0,27
WHARF (HOLDINGS) LTD. -	11.727,00	HKD	42,550	50.690,17		0,25	0,25
WHEELOK & CY LTD -	10.000,00	HKD	29,200	29.663,34		0,15	0,15
WING HANG BANK -	1.500,00	HKD	74,850	11.405,66		0,06	0,06
WYNN MACAU LTD -	13.200,00	HKD	18,020	24.163,84		0,12	0,12
YUE YUEN INDUSTRIALS HOLD LTD -	5.500,00	HKD	24,200	13.521,20		0,07	0,07
<u>Japan</u>							
AEON CO LTD. -	15.932,00	JPY	992,000	156.078,85		0,78	0,77
AEON DELIGHT CO LTD -	400,00	JPY	1.827,000	7.217,06		0,04	0,04
AICA KOGYO COMPANY -	900,00	JPY	1.196,000	10.630,06		0,05	0,05
AICHI STEEL CORP -	5.000,00	JPY	320,000	15.800,91		0,08	0,08
AISIN SEIKI CO -	3.256,00	JPY	2.631,000	84.599,41		0,42	0,42
AJINOMOTO -	14.077,00	JPY	1.107,000	153.893,33		0,77	0,76
ALL NIPPON AIRWAYS -	44.000,00	JPY	226,000	98.202,65		0,49	0,49
ALPINE ELECTRONICS INC -	1.800,00	JPY	945,000	16.798,34		0,08	0,08
ALPS ELECTRIC CO -	11.200,00	JPY	557,000	61.607,74		0,31	0,30
AMANO CORPORATION -	2.500,00	JPY	676,000	16.689,71		0,08	0,08
ANGES MG INC -	13,00	JPY	37.300,000	4.788,66		0,02	0,02
AOYAMA TRADING -	1.000,00	JPY	1.629,000	16.087,30		0,08	0,08
AOZORA BANK LTD -	12.342,00	JPY	189,000	23.036,12		0,12	0,11
ASAHI DIAMOND INDUSTRIAL CO LTD -	764,00	JPY	906,000	6.835,71		0,03	0,03
ASAHI GLASS -	10.000,00	JPY	533,000	52.636,78		0,26	0,26
ASAHI GROUP HOLDINGS LTD -	1.700,00	JPY	1.709,000	28.691,49		0,14	0,14
AUTOBACS SEVEN -	400,00	JPY	3.905,000	15.425,64		0,08	0,08
BANK OF NAGOYA LTD/THE -	13.000,00	JPY	245,000	31.453,68		0,16	0,16
BENESSE -	600,00	JPY	3.565,000	21.123,84		0,11	0,10
BML INC -	100,00	JPY	1.988,000	1.963,26		0,01	0,01
CALSONIC KANSEI CORP -	12.000,00	JPY	430,000	50.957,93		0,25	0,25
CANON INC -	10.541,00	JPY	3.165,000	329.471,31		1,64	1,63
CENTRAL JAPAN RAILWAY -	28,00	JPY	627.000,000	173.375,47		0,87	0,86
CHUBU ELECTRIC POWER -	1.500,00	JPY	1.294,000	19.168,48		0,10	0,10
CHUGOKU BANK LTD/THE -	2.000,00	JPY	1.036,000	20.462,18		0,10	0,10
COCA-COLA WEST COMPANY LTD -	2.200,00	JPY	1.389,000	30.177,76		0,15	0,15
DAI NIPPON PRINTNG -	11.000,00	JPY	621,000	67.460,00		0,34	0,33
DAIICHI SANKYO COMPANY LTD -	12.700,00	JPY	1.339,000	167.936,99		0,84	0,83
DAIICHIKOSHO CO LTD -	451,00	JPY	1.601,000	7.130,66		0,04	0,04
DAIKYO INC -	20.000,00	JPY	208,000	41.082,36		0,21	0,20
DAISHI BANK LTD/THE -	11.000,00	JPY	239,000	25.962,87		0,13	0,13
DAITO TRUST CONSTRUCTION -	1.794,00	JPY	7.550,000	133.761,60		0,67	0,66
DAIWA HOUSE -	14.170,00	JPY	1.127,000	157.708,77		0,79	0,78
DAIWA OFFICE INVESTMENT CORP -	7,00	JPY	210.100,000	14.524,00		0,07	0,07
DAIWA SECURITIES GROUP INC -	27.000,00	JPY	297,000	79.192,18		0,40	0,39
DCM JAPAN HOLDINGS CO LTD -	3.800,00	JPY	565,000	21.202,84		0,11	0,11
DENA CO LTD -	3.393,00	JPY	2.087,000	69.930,78		0,35	0,35
DR CI:LABO CO LTD -	5,00	JPY	272.200,000	13.440,65		0,07	0,07
DUSKIN CO LTD -	700,00	JPY	1.517,000	10.486,87		0,05	0,05
EACCESS LTD -	135,00	JPY	15.530,000	20.704,62		0,10	0,10
EAST JAPAN RAILWAY -	800,00	JPY	5.000,000	39.502,27		0,20	0,20
EBARA CORP -	4.000,00	JPY	306,000	12.087,70		0,06	0,06

EDION CORP -	1.950,00	JPY	399,000	7.683,69		0,04	0,04
FANUC CORP -	648,00	JPY	12.950,000	82.871,82		0,41	0,41
FUJI HEAVY IND. -	974,00	JPY	637,000	6.127,18		0,03	0,03
FUJI MACHINE MFG -	1.800,00	JPY	1.400,000	24.886,43		0,12	0,12
FUJI PHOTO FILM -	9.105,00	JPY	1.498,000	134.695,73		0,67	0,67
FUJITELEVISION NETWORK -	30,00	JPY	136.600,000	40.470,08		0,20	0,20
FUKUI BANK LTD/THE -	7.000,00	JPY	190,000	13.134,51		0,07	0,07
FUKUYAMA TRANSPORTING CO LTD -	1.521,00	JPY	433,000	6.503,98		0,03	0,03
FUTABA CORP. -	600,00	JPY	1.238,000	7.335,57		0,04	0,04
FUYO GENERAL LEASE CO LTD -	246,00	JPY	2.502,000	6.078,33		0,03	0,03
GREEINC -	700,00	JPY	1.581,000	10.929,29		0,06	0,05
GUNMA BANK LTD -	2.010,00	JPY	376,000	7.463,56		0,04	0,04
HANWA CO LTD -	4.000,00	JPY	302,000	11.929,69		0,06	0,06
HEIWA CORPORATION -	2.200,00	JPY	1.490,000	32.372,11		0,16	0,16
HIGO BANK -	3.000,00	JPY	423,000	12.532,10		0,06	0,06
HINO MOTORS LTD -	17.000,00	JPY	572,000	96.030,02		0,48	0,47
HIS CO LTD -	800,00	JPY	2.832,000	22.374,09		0,11	0,11
HITACHI -	51.316,00	JPY	487,000	246.799,25		1,23	1,22
HITACHI CAPITAL CORP -	37,00	JPY	1.326,000	484,52		0,00	0,00
HOKKOKU BANK LTD/THE -	2.000,00	JPY	313,000	6.182,11		0,03	0,03
HOKURIKU ELECTRIC POWER CO -	2.600,00	JPY	1.238,000	31.787,48		0,16	0,16
HONDA MOTOR CO -	10.149,00	JPY	2.749,000	275.524,40		1,38	1,36
HYAKUGO BANK LTD/THE -	10.000,00	JPY	332,000	32.786,89		0,16	0,16
IDEMITSU KOSAN CO LTD -	1.040,00	JPY	7.100,000	72.921,19		0,36	0,36
IT HOLDINGS CORP -	2.399,00	JPY	948,000	22.459,53		0,11	0,11
ITOCHU CORP -	23.300,00	JPY	832,000	191.443,81		0,96	0,95
IZUMI CO LTD -	1.800,00	JPY	1.594,000	28.334,98		0,14	0,14
J. FRONT RETAILING CO LTD -	6.000,00	JPY	399,000	23.642,11		0,12	0,12
JAPAN PETROLEUM EXPLORATION CO -	600,00	JPY	3.020,000	17.894,53		0,09	0,09
JAPAN STEEL WORKS -	66,00	JPY	437,000	284,83		0,00	0,00
JAPAN TOBACCO -	4.800,00	JPY	2.361,000	111.917,84		0,56	0,55
JFE SHOJI HOLDINGS INC -	7.000,00	JPY	351,000	24.264,27		0,12	0,12
JUROKU BANK LTD -	3.000,00	JPY	258,000	7.643,69		0,04	0,04
JX HOLDINGS INC -	23.509,00	JPY	408,000	94.723,21		0,47	0,47
KAMIGUMI CO -	3.636,00	JPY	633,000	22.729,49		0,11	0,11
KANDENKO CO LTD -	3.000,00	JPY	376,000	11.139,64		0,06	0,06
KAO CORP -	4.989,00	JPY	2.194,000	108.096,64		0,54	0,53
KAYABA INDUSTRY CO LTD -	11.000,00	JPY	355,000	38.564,09		0,19	0,19
KDDI CORPORATION -	36,00	JPY	513.000,000	182.381,99		0,91	0,90
KEIYO BANK LTD/THE -	2.690,00	JPY	369,000	9.802,59		0,05	0,05
KENEDIX REALTY INVESTMENT CORP -	3,00	JPY	257.300,000	7.622,95		0,04	0,04
KISSEI PHARMS. -	400,00	JPY	1.420,000	5.609,32		0,03	0,03
KITA-NIPPON BANK LTD/THE -	1.069,00	JPY	2.145,000	22.644,73		0,11	0,11
KIYO HOLDINGS INC -	21.000,00	JPY	116,000	24.056,88		0,12	0,12
KOKUYO CO LTD -	3.200,00	JPY	593,000	18.739,88		0,09	0,09
KOMATSU -	3.495,00	JPY	1.878,000	64.819,38		0,32	0,32
KONAMI KOGYO -	1.800,00	JPY	1.792,000	31.854,63		0,16	0,16
KOSE CORP -	700,00	JPY	1.885,000	13.030,81		0,07	0,06
KS HOLDINGS CORP -	2.400,00	JPY	2.324,000	55.081,97		0,28	0,27
KYOCERA -	600,00	JPY	6.830,000	40.470,08		0,20	0,20
KYORIN HOLDINGS INC -	1.000,00	JPY	1.678,000	16.571,20		0,08	0,08
LION CORP -	2.000,00	JPY	437,000	8.631,25		0,04	0,04
MAEDA CORP -	38.088,00	JPY	368,000	138.419,75		0,69	0,68
MAEDA ROAD CONSTRN -	2.000,00	JPY	998,000	19.711,63		0,10	0,10
MAKITA -	29,00	JPY	2.773,000	794,16		0,00	0,00
MARUBENI CORP -	21.000,00	JPY	526,000	109.085,52		0,54	0,54
MARUI CY -	2.600,00	JPY	606,000	15.559,94		0,08	0,08
MAZDA MOTOR CORP. -	99.000,00	JPY	107,000	104.611,89		0,52	0,52

MEGMILK SNOW BRAND CO LTD -	1.100,00	JPY	1.401,000	15.219,24		0,08	0,08
MEITEC CORP -	800,00	JPY	1.684,000	13.304,37		0,07	0,07
MILLEA HOLDINGS INC -	9.859,00	JPY	1.986,000	193.363,36		0,97	0,95
MISASHINO BANK LTD -	300,00	JPY	2.339,000	6.929,69		0,04	0,03
MITSUBISHI CORP -	16.694,00	JPY	1.596,000	263.120,92		1,31	1,30
MITSUBISHI MATER.CORP -	39.000,00	JPY	229,000	88.198,70		0,44	0,44
MITSUBISHI UFJ FINANCIAL GROUP -	115.722,00	JPY	378,000	431.986,13		2,16	2,13
mitsui & co -	19.036,00	JPY	1.174,000	220.701,80		1,10	1,09
mitsui chemical inc -	54.772,00	JPY	198,000	107.099,11		0,53	0,53
mitsui sumitomo insur group -	8.013,00	JPY	1.383,000	109.440,84		0,55	0,54
MIZUHO FINANCIAL GROUP INC. -	63.500,00	JPY	134,000	84.031,21		0,42	0,42
MORI TRUST SOGO REIT INC -	1,00	JPY	699.000,000	6.903,02		0,03	0,03
MORINAGA MILK INDUSTRY CO LTD -	3.000,00	JPY	305,000	9.036,14		0,05	0,05
MURATA MANUFACTURING CO -	86,00	JPY	4.155,000	3.528,84		0,02	0,02
NAMCO BANDAI HOLDING INC -	10.100,00	JPY	1.087,000	108.420,90		0,54	0,54
NEC CORP(NIPPON EL.) -	7.000,00	JPY	123,000	8.502,86		0,04	0,04
NET ONE SYSTEMS CO LTD -	6.700,00	JPY	1.057,000	69.937,78		0,35	0,35
NGK SPARK PLUG CO LTD -	3.000,00	JPY	1.046,000	30.989,53		0,16	0,15
NICHII GAKKAN COMPANY -	2.500,00	JPY	738,000	18.220,42		0,09	0,09
NIPPO CORP -	3.000,00	JPY	882,000	26.130,75		0,13	0,13
NIPPON EXPRESS CO LTD -	25.000,00	JPY	328,000	80.979,66		0,40	0,40
NIPPON FLOUR MILLS CO LTD -	13.000,00	JPY	350,000	44.933,83		0,22	0,22
NIPPON PAPER GROUP -	6.800,00	JPY	1.264,000	84.882,48		0,42	0,42
NIPPON SHOKUBAI CO LTD -	5.000,00	JPY	959,000	47.353,35		0,24	0,23
NIPPON SODA CO, LTD. -	3.000,00	JPY	318,000	9.421,29		0,05	0,05
NIPPON TEL & TEL -	6.245,00	JPY	3.700,000	228.189,81		1,14	1,13
NIPPON YUSEN KK -	19.000,00	JPY	209,000	39.215,88		0,20	0,19
NISSAN MOTOR -	31.965,00	JPY	748,000	236.123,05		1,18	1,17
NISSAN SHATAI CO LTD -	886,00	JPY	846,000	7.402,29		0,04	0,04
NOF CORP -	2.000,00	JPY	397,000	7.841,20		0,04	0,04
NOMURA HOLDINGS INC -	16.100,00	JPY	294,000	46.745,01		0,23	0,23
NOMURA REAL ESTATE HOLD INC -	2.500,00	JPY	1.447,000	35.724,87		0,18	0,18
NTN CORP -	1.689,00	JPY	248,000	4.136,60		0,02	0,02
NTT DATA CORPORATION -	9,00	JPY	243.300,000	21.624,53		0,11	0,11
NTT DOCOMO, INC. -	21,00	JPY	132.700,000	27.520,24		0,14	0,14
OJI PAPER CO -	11.000,00	JPY	305,000	33.132,53		0,17	0,16
OLYMPUS CORP -	1.400,00	JPY	1.288,000	17.807,62		0,09	0,09
ONO PHARMACEUTICAL CO LTD -	900,00	JPY	4.995,000	44.395,62		0,22	0,22
ORIX (ORIENT LEASING) -	1.280,00	JPY	7.370,000	93.162,16		0,47	0,46
OSAKA GAS -	33.000,00	JPY	334,000	108.848,51		0,54	0,54
OSAKA STEEL CO LTD -	10.400,00	JPY	1.437,000	147.588,39		0,74	0,73
OTSUKA HOLDINGS CO LTD -	7.019,00	JPY	2.443,000	169.340,48		0,85	0,84
PANAHOME CORP -	1.000,00	JPY	500,000	4.937,78		0,03	0,02
PANASONIC CORPORATION -	18.261,00	JPY	643,000	115.957,17		0,58	0,57
PARAMOUNT BED CO LTC -	400,00	JPY	2.451,000	9.682,01		0,05	0,05
PGM HOLDINGS K K -	43,00	JPY	60.600,000	25.733,75		0,13	0,13
RICOH CO -	6.645,00	JPY	666,000	43.705,02		0,22	0,22
ROHM CORP. -	2.200,00	JPY	3.045,000	66.156,43		0,33	0,33
RYOSAN CO LTD -	937,00	JPY	1.559,000	14.426,06		0,07	0,07
SAIZERIYA CO LTD -	500,00	JPY	1.262,000	6.231,48		0,03	0,03
SAN-IN GODO BANK LTD -	815,00	JPY	561,000	4.515,26		0,02	0,02
SANGETSU CO LTD -	1.000,00	JPY	1.968,000	19.435,12		0,10	0,10
SANYO CHEMICAL INDUSTRIES LTD -	1.000,00	JPY	506,000	4.997,04		0,03	0,03
SANYO SPECIAL STEEL CO LTD -	7.000,00	JPY	343,000	23.711,24		0,12	0,12
SAPPORO HOLDINGS LTD -	11.000,00	JPY	256,000	27.809,60		0,14	0,14
SEIKO EPSON CORP -	5.363,00	JPY	801,000	42.423,10		0,21	0,21
SEINO HOLDINGS CO LTD -	2.851,00	JPY	532,000	14.978,59		0,08	0,07
SEKISUI HOUSE LTD -	14.000,00	JPY	748,000	103.416,95		0,52	0,51

SEVEN & I HOLDINGS CO LTD -	900,00	JPY	2.397,000	21.304,56		0,11	0,11
SHIKOKU ELECTRIC POWER CO INC -	1.600,00	JPY	1.693,000	26.750,94		0,13	0,13
SHIN-ETSU CHEM CO -	134,00	JPY	4.360,000	5.769,70		0,03	0,03
SHINSEI BANK LTD -	28.000,00	JPY	96,000	26.545,53		0,13	0,13
SHIONOGI & CO -	10.100,00	JPY	1.080,000	107.722,69		0,54	0,53
SHIZUOKA BANK LTD -	3.000,00	JPY	818,000	24.234,64		0,12	0,12
SHOWA DENKO K.K. -	35.000,00	JPY	154,000	53.229,31		0,27	0,26
SOFTBANK CORP -	2.610,00	JPY	2.953,000	76.114,26		0,38	0,38
SOJITZ CORPORATION -	44.200,00	JPY	131,000	57.181,51		0,29	0,28
SONY CORP -	6.984,00	JPY	1.123,000	77.454,39		0,39	0,38
SUMISHO COMPUTER SYSTEMS CORP -	1.211,00	JPY	1.155,000	13.813,01		0,07	0,07
SUMITOMO CHEMICAL CO. -	35.000,00	JPY	243,000	83.991,70		0,42	0,41
SUMITOMO CORP -	18.527,00	JPY	1.108,000	202.724,83		1,01	1,00
SUMITOMO METAL MINING -	2.000,00	JPY	891,000	17.598,26		0,09	0,09
SUMITOMO MITSUI FINANCIAL GROUP INC -	12.603,00	JPY	2.612,000	325.094,17		1,62	1,60
SUMITOMO WAREHOUSES LTD -	4.889,00	JPY	379,000	18.298,75		0,09	0,09
SUZUKEN CO LTD -	2.000,00	JPY	2.685,000	53.031,80		0,27	0,26
TAKEDA PHARMACEUTICAL CO LTD -	3.043,00	JPY	3.615,000	108.635,64		0,54	0,54
TANABE SEIYAKU CO LTD -	4.500,00	JPY	1.145,000	50.883,86		0,25	0,25
TDK CORP -	400,00	JPY	3.200,000	12.640,73		0,06	0,06
TERUMO CORP. -	300,00	JPY	3.260,000	9.658,31		0,05	0,05
TOHO BANK LTD -	12.000,00	JPY	225,000	26.664,03		0,13	0,13
TOHO HOLDINGS CO LTD -	1.200,00	JPY	1.613,000	19.115,15		0,10	0,09
TOHOKU ELECTRIC POWER -	7.700,00	JPY	799,000	60.757,46		0,30	0,30
TOKAI RUBBER INDUSTRIES INC -	1.169,00	JPY	869,000	10.032,20		0,05	0,05
TOKYO BROADC. SYSTEM -	2.000,00	JPY	977,000	19.296,86		0,10	0,10
TOKYO ELECTRON -	576,00	JPY	3.695,000	21.018,37		0,11	0,10
TOKYO GAS CO. LTD -	45.000,00	JPY	407,000	180.871,03		0,90	0,89
TOKYO OHKA KOGYO CO LTD -	1.400,00	JPY	1.762,000	24.361,05		0,12	0,12
TOKYO TATEMONO CO LTD -	35.000,00	JPY	297,000	102.656,53		0,51	0,51
TOKYU REIT INC -	1,00	JPY	391.000,000	3.861,35		0,02	0,02
TONENGENERAL SEKIYU KK -	494,00	JPY	707,000	3.449,12		0,02	0,02
TORAY INDUSTRIES -	1.000,00	JPY	541,000	5.342,68		0,03	0,03
TOSHIBA CORP -	34.888,00	JPY	300,000	103.361,64		0,52	0,51
TOSHIBAT TEC CORP -	4.538,00	JPY	299,000	13.399,78		0,07	0,07
TOYO SEIKAN -	5.600,00	JPY	959,000	53.035,75		0,27	0,26
TOYOTA INDUSTRIES CORP. -	3.914,00	JPY	2.262,000	87.433,02		0,44	0,43
TOYOTA MOTOR_CREDIT -	18.561,00	JPY	3.190,000	584.728,32		2,93	2,89
TOYOTA TSUSHO CORPORATION -	6.900,00	JPY	1.511,000	102.961,68		0,51	0,51
UNY CO -	5.600,00	JPY	871,000	48.169,07		0,24	0,24
WEST JAPAN RAILWAY -	3.288,00	JPY	3.280,000	106.504,44		0,53	0,53
YAMADA DENKI -	2.250,00	JPY	4.055,000	90.102,21		0,45	0,45
YAMANASH CHUO BANK LTD/THE -	10.000,00	JPY	312,000	30.811,77		0,15	0,15
YODOGAWA STEEL WORKS LTD -	4.000,00	JPY	306,000	12.087,70		0,06	0,06
YOKOGAWA ELECTRIC -	9.400,00	JPY	818,000	75.935,22		0,38	0,38
YOKOHAMA RUBBER CO LTD -	11.000,00	JPY	597,000	64.852,85		0,32	0,32
<u>New Zealand</u>							
CONTACT ENERGY LTD -	6.608,00	NZD	4,820	20.172,63		0,10	0,10
FLECHTER BUILDING LTD -	3.324,00	NZD	5,870	12.357,89		0,06	0,06
TELECOM CORP NEW ZEAL NZL REGD	23.174,00	NZD	2,390	35.078,76		0,18	0,17
<u>Singapore</u>							
CAPITALAND LTD -	22.000,00	SGD	2,700	36.947,19		0,18	0,18
CAPITAMALL TRUST -	24.000,00	SGD	1,910	28.512,78		0,14	0,14
CITY DEVELOPMENTS LTD -	4.000,00	SGD	11,200	27.865,90		0,14	0,14
COMFORTDELGRO CORP LTD -	17.000,00	SGD	1,545	16.337,00		0,08	0,08
COSCO CORP -	19.000,00	SGD	0,980	11.581,76		0,06	0,06

CSE GLOBAL LTD -	318,00	SGD	0,790	156,26		0,00	0,00
DBS GROUP HOLDINGS LTD -	13.000,00	SGD	13,870	112.154,01		0,56	0,55
FRASER AND NEAVE -	10.000,00	SGD	7,000	43.540,46		0,22	0,22
GENTING SIGNAPORE PLC -	44.000,00	SGD	1,410	38.589,29		0,19	0,19
GLOBAL LOGISTIC PROPERTIES LTD -	18.000,00	SGD	2,090	23.399,89		0,12	0,12
GOLDEN AGRI-RESOURCES LTD -	46.000,00	SGD	0,670	19.170,24		0,10	0,10
HUTCHISON PORT HOLDING TRUST -	41.000,00	USD	0,710	22.937,51		0,11	0,11
JARDINE CYCLE AND CARRIAGE LTD -	1.000,00	SGD	46,310	28.805,13		0,14	0,14
K-GREEN TRUST -	200,00	SGD	0,995	123,78		0,00	0,00
KEPPEL CORP -	11.200,00	SGD	10,280	71.615,35		0,36	0,35
OLAM INTERNATIONAL LTD -	19.000,00	SGD	1,810	21.390,81		0,11	0,11
OVERSEA-CHINESE BANKING CORP LTD. -	18.000,00	SGD	8,790	98.413,88		0,49	0,49
SEMBICORP INDUSTRIES LTD -	12.000,00	SGD	5,130	38.290,73		0,19	0,19
SEMBICORP MARINE LTD -	10.000,00	SGD	4,780	29.731,92		0,15	0,15
SINGAPORE AIRLINES LTD -	5.399,00	SGD	10,370	34.824,68		0,17	0,17
SINGAPORE EXCHANGE LTD. -	9.000,00	SGD	6,310	35.323,75		0,18	0,17
SINGAPORE PRESS HOLDING -	15.000,00	SGD	3,900	36.387,39		0,18	0,18
SINGAPORE TELECOM -	56.821,00	SGD	3,300	116.632,02		0,58	0,58
UNITED OVERSEAS BANK LTD. -	9.000,00	SGD	18,660	104.459,79		0,52	0,52
WILMAR INTERNATIONAL LTD -	14.000,00	SGD	3,610	31.436,21		0,16	0,16
WING TAI HOLDINGS LTD -	500,00	SGD	1,335	415,19		0,00	0,00
Total shares				19.932.768,54		99,46	98,36
Options and futures							
Exchange-listed futures							
<u>Japan</u>							
TOKYO PRICE INDEX SEP 12	14,00	JPY	769,000	106.320,36		0,53	0,53
Suspense accounts (futures)							
<u>Japan</u>							
TOKYO PRICE INDEX SEP 12	-10.160.500,00	JPY	1,000	-100.340,71		-0,50	-0,50
Total options and futures				5.979,65		0,03	0,03
Rights							
<u>Australia</u>							
AGL ENERGY LIMITED CP 24/05/12	974,00	AUD	3,470	2.729,92		0,01	0,01
BRAMBLES LTD CP 04/06/12	524,00	AUD	0,170	71,95			
ECHO ENTERTAINMENT GROUP LTD CP 15/06/12	1.107,00	AUD	1,030	920,97		0,01	0,01
Total rights				3.722,84		0,02	0,02
Forward contracts		EUR		-1.429,74			-0,01
TOTAL SECURITIES PORTFOLIO				20.041.065,99		100,00	98,90
COLLATERAL RECEIVED							
<u>Belgium</u>							
KBC GROUP COLLATERAL EUR	3.086.792,93	EUR	1,000	3.086.792,93			15,24
TOTAL RECEIVED COLLATERAL				3.086.792,93			15,23
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP AUD	28.682,12	AUD	1,000	23.167,17			0,11
KBC GROUP EURO	57.831,72	EUR	1,000	57.831,72			0,29
KBC GROUP HKD	142.687,46	HKD	1,000	14.495,16			0,07
KBC GROUP JPY	7.385.986,03	JPY	1,000	72.940,81			0,36

KBC GROUP NZD	3.477,33	NZD	1,000	2.202,38		0,01
KBC GROUP SGD	4.345,80	SGD	1,000	2.703,12		0,01
KBC GROUP USD	11.312,84	USD	1,000	8.914,07		0,04
Total demand accounts				182.254,43		0,90
Managed futures accounts						
<u>Belgium</u>						
KBC GROUP FUT.REK. AUD	-54,89	AUD	1,000	-44,34		
KBC GROUP JPY FUT REK	-392.840,00	JPY	1,000	-3.879,52		-0,02
Total managed futures accounts				-3.923,86		-0,02
TOTAL CASH AT BANK AND IN HAND				178.330,57		0,88
OTHER RECEIVABLES AND PAYABLES						
Receivables						
<u>Belgium</u>						
KBC GROUP EUR RECEIVABLE	48,55	EUR	1,000	48,55		
Total receivables				48,55		
Payables						
<u>Belgium</u>						
KBC GROUP COUNTERPART ENTRY COLLATERAL IN EUR	-3.086.792,93	EUR	1,000	-3.086.792,93		-15,23
KBC GROUP EUR PAYABLE	-43.069,93	EUR	1,000	-43.069,93		-0,21
Payables				-3.129.862,86		-15,45
TOTAL RECEIVABLES AND PAYABLES				-3.129.814,31		-15,45
OTHER						
Interest receivable		EUR		82.718,46		0,41
Accrued interest		EUR		1.015,22		0,01
Expenses payable		EUR		-14.832,84		-0,08
Expenses to be carried forward		EUR		19.384,92		0,10
TOTAL OTHER				88.285,76		0,44
TOTAL NET ASSETS				20.264.660,94		100,00

Geographic breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Australia	25,23	26,84	24,52	24,48
Belgium	0,00	0,00	0,01	-0,01
Bermuda	0,16	0,15	0,16	0,13
Cayman Islands	0,00	0,00	0,05	0,02
Hong Kong	7,62	7,47	7,90	8,43
Ireland	0,00	0,00	0,54	0,50
Japan	61,99	60,35	61,85	60,98
New Zealand	0,19	0,22	0,40	0,34
Singapore	4,81	4,97	4,57	5,13
Total	100,00	100,00	100,00	100,00

Sector breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Cyclicals	27,12	28,57	26,99	25,11
Consum(cycl)	17,97	18,90	20,30	20,72
Cons.goods	5,87	6,33	6,27	6,69
Pharma	4,09	4,16	5,05	4,98
Financials	21,15	21,41	21,99	22,95
Technology	8,32	7,19	6,15	5,70
Telecomm.	3,39	3,66	4,00	3,89
Utilities	4,59	3,61	3,62	3,64
Real est.	7,50	6,17	5,63	6,32
Total	100,00	100,00	100,00	100,00

Currency breakdown (as a % of net assets)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
AUD	25,09	27,15	25,62	24,43
EUR	0,73	-1,07	0,36	0,06
HKD	7,38	7,56	7,82	8,47
JPY	61,80	60,94	61,15	61,40
NZD	0,18	0,23	0,39	0,35
SGD	4,82	5,19	4,49	5,13
USD	0,00	0,00	0,17	0,16
Total	100,00	100,00	100,00	100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC EQUITY FUND PACIFIC (IN THE CURRENCY OF THE SUB-FUND)

	1st half of year	Year
Purchases	31.815.900,25	31.815.900,25
Sales	54.138.314,57	54.138.314,57
Total 1	85.954.214,82	85.954.214,82
Subscriptions	25.172.579,34	25.172.579,34
Redemptions	47.994.843,88	47.994.843,88
Total 2	73.167.423,22	73.167.423,22
Monthly average of total assets	32.315.876,39	32.315.876,39
Turnover rate	39,57 %	39,57 %

	1st half of year	Year
Purchases	31.815.900,25	31.815.900,25
Sales	54.138.314,57	54.138.314,57
Total 1	85.954.214,82	85.954.214,82
Subscriptions	25.172.579,34	25.172.579,34
Redemptions	47.994.843,88	47.994.843,88
Total 2	73.167.423,22	73.167.423,22
Monthly average of total assets	30.071.002,31	30.071.002,31
Corrected turnover rate	42,52 %	42,52 %

The table above shows the capital volume of portfolio transactions. This volume (adjusted to take account of total subscriptions and redemptions) is also compared to the average net assets at the beginning and end of the period.

A figure close to 0% implies that the transactions relating to the securities or transactions relating to the assets (excluding deposits and cash) in a given period only involve subscriptions and redemptions.

A negative percentage shows that subscriptions and redemptions entailed few, if any, transactions in the portfolio.

Active asset management may result in high turnover rates (monthly percentage >50%).

The detailed list of transactions is available for consultation free of charge at the registered office of the Bevek or fund at Havenlaan 2, 1080 Brussels.

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

NAME	Currency	Value in currency	In the currency of the sub-fund	Lot-size	Transaction date
KBC COLLATERAL EUR	EUR	3.086.792,93	3.086.792,93	N/A	29.06.2012
TOPIX 09/12/2012	JPY	10.766.000,00	106.320,36	1.000,00	13.06.2012
KBC AK-VK JPY-EUR 121214-120615 99.7802	JPY	10.200.000,00	100.730,79	N/A	15.06.2012

2.4.4 CHANGES OF THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND THE NET ASSET VALUE

Classic Shares

Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2010 - 06	929.249,96	426,00	770.997,43	675,00	498.006,61	1.618,00	499.624,61
2011 - 06	509.309,51	169,00	549.645,27	337,00	457.670,86	1.450,00	459.120,86
2012 - 06	175.586,18	348,00	625.710,07	568,00	7.546,97	1.230,00	8.776,97

Period	Amounts received and paid by the UCI (in the currency of the class)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2010 - 06	300.074.955,38	123.569,98	255.795.452,71	214.622,45
2011 - 06	181.065.737,39	57.044,30	192.779.808,07	113.852,69
2012 - 06	57.007.240,99	112.397,76	197.679.948,72	186.349,75

Period	Net asset value End of period (in the currency of the class)		
Year	Of the class	Of one share	
		Capitalization	Distribution
2010 - 06	171.943.746,66	344,18	333,93
2011 - 06	156.924.168,56	341,83	329,52
2012 - 06	3.020.192,11	346,70	328,17

Institutional B Shares

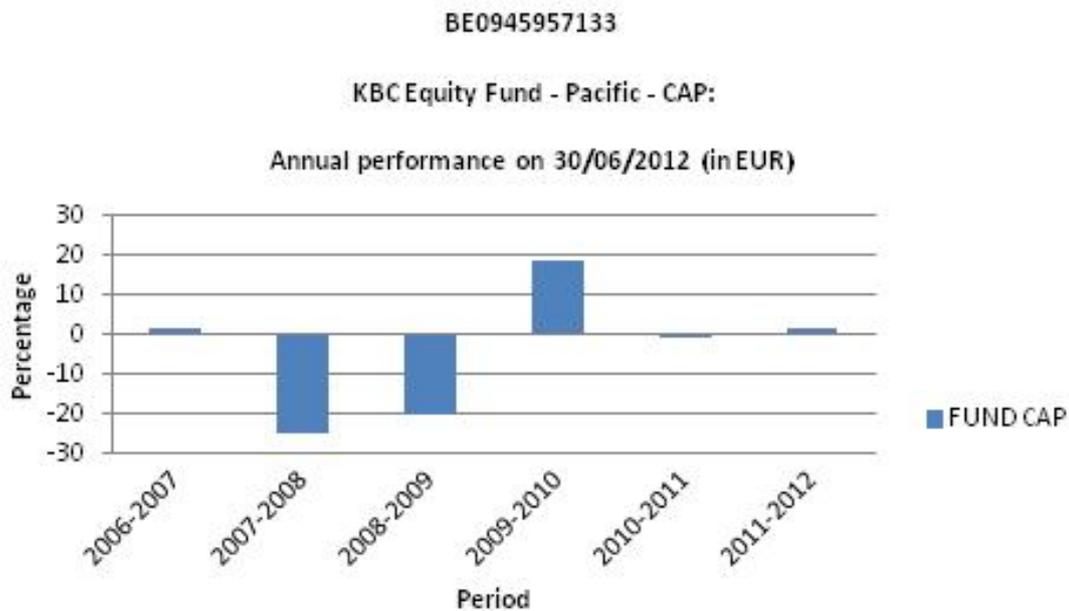
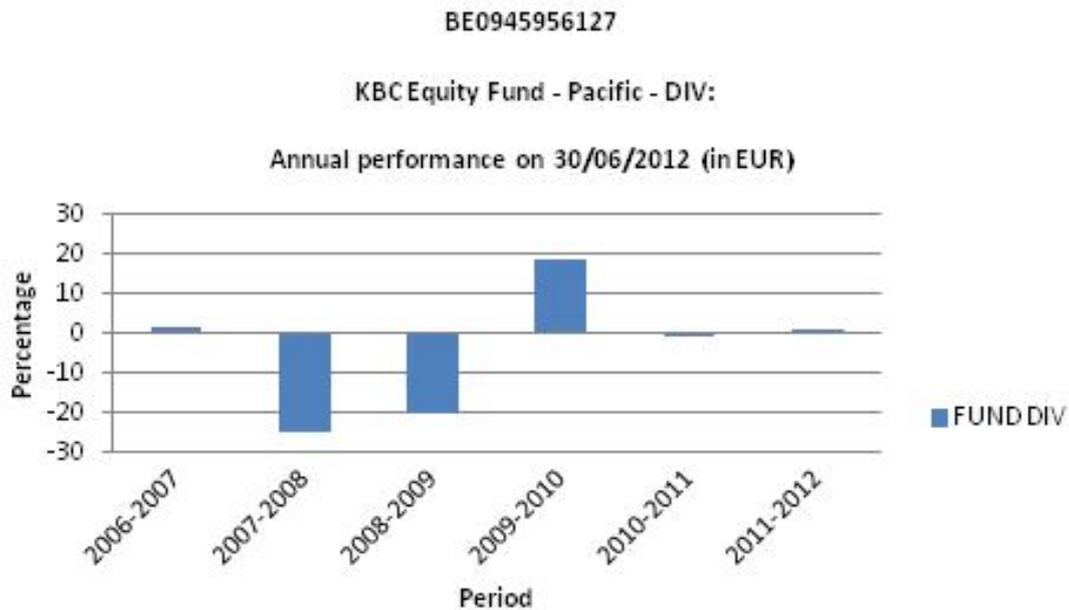
Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2012 - 06	379.769,00		329.886,00		49.883,00		49.883,00

Period	Amounts received and paid by the UCI (in the currency of the class)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2012 - 06	120.325.010,40		110.702.222,40	

Period	Net asset value End of period (in the currency of the class)		
Year	Of the class	Of one share	
		Capitalization	Distribution
2012 - 06	17.244.468,84	345,70	

2.4.5 PERFORMANCE FIGURES

Classic Shares



Cap Div	ISIN code	Currency	1 Year		3 Years*		5 Years*		10 Years*		Since launch*	
			Share classes	Bench mark	Launch Date	Share classes						
CAP	BE0945957133	EUR	1.42%		6.13%		-6.54%				03/03/2006	-5.62%
DIV	BE0945956127	EUR	1.11%		6.03%		-6.59%				03/03/2006	-5.67%

Risk warning: Past performance is not a guide to future performance.

* Return on annual basis.

Institutional B Shares

The cumulative returns are shown where they relate to a period of at least one year.

Classic Shares

- The bar chart shows the performance for full financial years.
- The figures do not take account of any restructuring.
- Calculated in EUR.
- The return is calculated as the change in the net asset value between two dates expressed as a percentage. In the case of units that pay dividends, the dividend is incorporated geometrically in the return.
- Calculation method for date D, where NAV stands for net asset value:

Capitalisation units (CAP)

Return on date D over a period of X years:

$$[\text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where $Y = D - X$

Return on date D since the start date S of the unit:

$$[\text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where $F = 1$ if the unit has existed for less than one year on date D

where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D

Distribution units (DIV)

Return on date D over a period of X years:

$$[C * \text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where $Y = D - X$

Return on date D since the start date S of the unit:

$$[C * \text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where $F = 1$ if the unit has existed for less than one year on date D

where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D

where C is a factor that is determined for all N dividends between the calculation date D and the reference date.

For dividend i on date Di with value Wi:

$$C_i = [W_i / \text{NIW}(D_i)] + 1$$

$i = 1 \dots N$

from which $C = C_0 * \dots * C_N$.

- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the n^{th} square root of 1 plus the total return of the unit.
- The return figures shown above do not take account of the fees and charges associated with the issue and redemption of units.

These are the performance figures for capitalisation and distribution shares.

2.4.6 COSTS

Total expense ratio (TER): *

Classic Shares Distribution: 1.714%
Classic Shares Capitalization: 1.714%
Institutional B Shares Capitalization: Not applicable

Percentage calculated at the end of the financial year: 31 December

* The following costs have not been included in the TER:

- Transaction charges
- Interest payments on loans taken out
- Payments in respect of financial derivatives
- Fees and charges paid directly by the investor
- Any soft commissions

SOFT COMMISSIONS

The management company or the appointed manager, as the case may be, is the recipient of soft commissions.

The recipient has laid down an internal policy as regards accepting soft commissions and avoiding possible conflicts of interest in this respect, and has put appropriate internal controls in place to ensure this policy is observed.

For more information, please see the 'General' section of the annual report.

	Commission gross in EUR paid during the period: 1-01-12 -	CSA Credits in EUR accrued during the period: 1-01-12 -	
Broker	30-06-12	30-06-12	Percentage
CITI	25,244	15,778	62.50%
CSFBSAS	2,073	1,296	62.51%
MERRILL	12,883	8,052	62.50%
MORGAN STANLEY	4,810	2,953	61.39%
NOMURA	673	409	60.85%
UBSWDR	14,033	8,771	62.51%

FEE-SHARING AGREEMENTS AND REBATES:

The management company may share its fee with the distributor, and institutional and/or professional parties.

In principle, the percentage share amounts to between 35% and 60% if the distributor is an entity of KBC Group NV or to between 35% and 70% if the distributor is not an entity of KBC Group NV. However, in a small number of cases, the distributor's fee is less than 35%. Investors may, on request, obtain more information on these cases.

If the management company invests the assets of the undertaking for collective investment in units of undertakings for collective investment that are not managed by an entity of KBC Group NV, and receives a fee for doing so, it will pay this fee to the undertaking for collective investment.

Fee-sharing does not affect the amount of the management fee paid by the sub-fund to the management company. This management fee is subject to the limitations laid down in the articles of association. The limitations may only be amended after approval by the general meeting of shareholders.

The management company has concluded a distribution agreement with the distributor in order to facilitate the wider distribution of the sub-fund's units by using multiple distribution channels.

It is in the interests of the holders of units, the sub-fund and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund to be maximised in this way. In this respect, there is therefore no question of any conflict of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: 1.4% per annum calculated on the basis of the average total net assets of the sub-fund, excluding those assets invested in investment undertakings managed by a financial institution of the KBC group.

KBC Fund Management Limited receives a fee from the management company of max. 1.4% calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the average total net assets of the sub-fund.

Auditor's fee: 1 700 EUR per year. This fee is not including VAT and will be increased at the end of the 3-year mandate.

The custody fee is calculated on the value of the securities held in custody by the custodian on the final banking day of the preceding calendar year, except on those assets invested in investment undertakings managed by a financial institution of the KBC group. The custody fee is paid at the beginning of the calendar year.

Social, ethical and environmental aspects:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

Exercising voting rights

If necessary, relevant and in the interest of the shareholders, the management company will exercise the voting rights attached to the shares in the Bevek's portfolio.

The management company will adhere to the following criteria when determining how it stands relative to the items on the agenda that are put to the vote:

- Shareholder value may not be adversely affected.
- Corporate governance rules, especially with regard to the rights of minority shareholders, must be respected.
- The minimum standards with regard to sustainable business and corporate social responsibility must be met.

The list of companies for which voting rights are exercised is available at the registered office of the Bevek.

Financial derivatives on financial indices

The following financial indices were used as the underlying for financial derivatives:

The **TOPIX Index** (Tokyo Stock Price Index) is a capitalisation-weighted index of all shares listed on the 'First Section' of the Tokyo Stock Exchange. The index was developed with a starting value of 100 on 4 January 1968.

Tokyo Stock Exchange holds all ownership rights with regard to the index. Tokyo Stock Exchange in no way underwrites, guarantees or collaborates in the issue and offering of shares of this institution for collective investment. Tokyo Stock Exchange disclaims any liability for the issue and offering of shares of this institution for collective investment.

The value and, if available for distribution, the composition of the aforementioned financial indices may be obtained from the branches providing the financial service.

Securities lending

In accordance with the Royal Decree of 7 March 2006 concerning securities lending, the undertaking for collective investment has taken out securities loans with a principal to whom the full title of the loaned securities was transferred, without recording this transfer of ownership in the accounts.

For the period from 1 January 2012 to 30 June 2012, the fee for securities lent comes to 55,301.68 EUR. KBC Asset Management NV receives 50% of the net fee received for securities lent. The detailed list of securities lending transactions carried out can be obtained from the registered office of the collective investment undertaking at 2 Havenlaan, 1080 Brussels.

Overview of securities lent as at 30/06/2012

Name	Currency	Quantity	Price	Value in currency of the portfolio
AIA GROUP LTD	HKD	3.600	26,500	9.691,38
ASAHI GLASS CY LTD	JPY	9.000	533,000	47.373,10
ASM PACIFIC TECHNOLOGY	HKD	499	98,450	4.990,61
BANK OF EAST ASIA	HKD	15.899	27,700	44.739,05
BOC HONG KONG HOLDINGS LTD	HKD	28.499	23,600	68.324,87
CAMPBELL BROTHERS LTD	AUD	580	54,250	25.414,97
CAPITALAND LIMITED	SGD	15.997	2,700	26.865,65
CFS RETAIL PROP.TRUST GRP -STAPL	AUD	18.964	1,940	29.716,22
CHEUNG KONG INFRASTRUCTURE	HKD	1.999	46,750	9.493,62
COMMON BK AUST	AUD	11.503	53,100	493.364,00
CROWN LTD	AUD	3.983	8,490	27.313,65
CSL LIMITED	AUD	3.792	39,420	120.738,77
DAITO TRUST CONSTR.	JPY	99	7.550,000	7.381,49
ECHO ENTERTAINMENT GROUP LTD	AUD	2.565	4,280	8.867,33
FORTESCUE METALS GROUP	AUD	14.260	4,900	56.438,75
GALAXY ENTERTAINMENT GROUP LTD	HKD	9.999	19,160	19.462,08
GENTING SINGAPORE PLC	SGD	43.999	1,410	38.588,41
GLOBAL LOGISTIC PROPERTIES LTD	SGD	17.000	2,090	22.099,89
GOODMAN GROUP STAPLED UNITS	AUD	14.212	3,670	42.129,19
HANG LUNG GROUP	HKD	7.999	47,550	38.638,78
HANG SENG BANK LTD	HKD	6.144	106,000	66.159,82
HITACHI LTD	JPY	41.315	487,000	198.700,42
HONG KONG EXCHANGES & CLEARING LTD	HKD	6.906	110,000	77.171,42
HYSAN DEVELOPMENT	HKD	1.000	29,300	2.976,49
INCITEC PIVOT LTD	AUD	18.512	2,850	42.614,76
JAMES HARDIE INDUSTRIES SE CUF5	AUD	4.725	7,960	30.379,23
JARDINE CYCLE AND CARRIAGE	SGD	998	46,310	28.747,52
KEPPEL CORP LTD	SGD	11.000	10,280	70.336,51
K'S HOLDINGS CORP	JPY	2.300	2.324,000	52.786,89
LI & FUNG LTD	HKD	39.999	14,820	60.219,14
LIFESTYLE INTL HLDGS LTD	HKD	4.500	16,920	7.734,82
LINK REIT	HKD	16.999	31,650	54.655,55
MACQUARIE GROUP LTD	AUD	2.596	26,000	54.517,99
MARUI GROUP CO LTD	JPY	2.599	606,000	15.553,96
MIRVAC GROUP STAPLED SECURITIES	AUD	34.613	1,275	35.646,04
NIPPON PAPER GROUP INC	JPY	5.399	1.264,000	67.394,19
NOBLE GROUP LTD	SGD	24.000	1,115	16.644,90
NTN CORPORATION	JPY	200	248,000	489,83
OZ MINERALS LTD	AUD	424	7,860	2.691,85
POWER ASSETS HOLDINGS LTD	HKD	11.499	58,100	67.869,31
QBE INSURANCE GROUP LTD	AUD	7.720	13,380	83.432,49
RICOH	JPY	6.644	666,000	43.698,44
RIO TINTO LTD	AUD	3.224	56,500	147.131,38
SEMBCORP INDUSTRIES LTD	SGD	11.999	5,130	38.287,53
SHANGRI-LA ASIA	HKD	15.999	14,780	24.021,74
SINGAPORE AIRLINES LTD	SGD	5.000	10,370	32.251,04
SINO LAND CO LTD	HKD	27.999	11,620	33.051,10
SJM HOLDINGS LTD	HKD	15.999	14,280	23.209,10
STOCKLAND	AUD	16.723	3,080	41.603,20
SUN HUNG KAI PROPS	HKD	9.788	91,150	90.633,31
TELSTRA FULLY PAID	AUD	20.247	3,690	60.346,05
TOKYO OHKA KOGYO CO LTD	JPY	600	1.762,000	10.440,45

TOLL HOLDINGS LIMITED	AUD	5.272	3,980	16.948,07
WESTFIELD RETAIL TRUST	AUD	20.801	2,850	47.884,05
WHARF HOLDINGS LTD	HKD	6.201	42,550	26.803,93
WILMAR INTERNATIONAL LTD	SGD	12.999	3,610	29.188,52
WYNN MACAU LTD	HKD	13.199	18,020	24.162,01
			Total	2.868.014,86

Details of collateral received for securities lent

Name	Currency	Nominal value	Currency fund	Value in Currency fund
OESTERREICH 2007 4.3% 15/09/17	EUR	477.000	EUR	560.473,57
BUNDESREPUB.DTL. 2011 2.25% 04/09/21	EUR	150.000	EUR	163.982,55
GERMANY 2009 2,25% 11/04/14	EUR	750.000	EUR	782.852,25
OAT FRANCE 2005 3 1/2% 25/04/15	EUR	308.000	EUR	333.813,79
FRANCE 2007 4,50% 12/07/2012	EUR	675.000	EUR	705.418,88
BTAN FRANCE 2008 4 1/2% 12/07/13	EUR	427.000	EUR	464.476,08
NETHERLANDS 2008 4% 15/07/2018	EUR	64.000	EUR	75.775,81
			Total	3.086.792,93

For the valuation of the collateral received, indicative prices have been used in this detail list by the Collateral Management Division of KBC Bank.

TABLE OF CONTENTS

- 2. Information on KBC Equity Fund Turkey
 - 2.1. Management report
 - 2.1.1. Launch date and subscription price
 - 2.1.2. Stock exchange listing
 - 2.1.3. Aim and distinctive features of the investment policy
 - 2.1.4. Financial portfolio management
 - 2.1.5. Distributors
 - 2.1.6. Index and benchmark
 - 2.1.7. Policy conducted during the financial year
 - 2.1.8. Future policy
 - 2.1.9. Synthetic risk and reward indicator (SRRI)
 - 2.2. Balance sheet
 - 2.3. Profit and loss account
 - 2.4. Composition of the assets and key figures
 - 2.4.1. Composition of the assets
 - 2.4.2. Change in the composition of the assets
 - 2.4.3. Value of commitments in respect of financial derivatives positions
 - 2.4.4. Evolution of the number of subscriptions, repayments and the net asset value
 - 2.4.5. Return figures
 - 2.4.6. Expenses
 - 2.4.7. Notes to the financial statements and other data

2 INFORMATION ON KBC EQUITY FUND TURKEY

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Classic Shares :

Launch date: 28 April 2006

Initial subscription price: 1000 TRY

Currency: TRY

Institutional B Shares :

Launch date: 24 November 2011

Initial subscription price: 835.55 TRY

Currency: TRY

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

The main objective of this sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. To this end, the assets are invested, either directly or indirectly via correlated financial instruments, primarily in shares.

SUB-FUND'S INVESTMENT POLICY:

PERMITTED ASSET CLASSES:

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the sub-fund's object.

The sub-fund shall invest no more than 10% of its assets in units of other undertakings for collective investment.

RESTRICTIONS OF THE INVESTMENT POLICY:

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

PERMITTED DERIVATIVES TRANSACTIONS:

Derivates may be used either for hedging purposes or to achieve investment objectives.

Changes will be made to the investments at regular intervals to comply with the sub-fund's investment strategy. **In addition, listed and unlisted derivates may be used to achieve the objectives:** these may be forward contracts, options or swaps on securities, indices, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions. **Such derivatives may also be used to hedge the assets against exchange-rate fluctuations.** Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions.

STRATEGY SELECTED

At least 75% of the assets are invested in shares of Turkish companies.

RISK CONCENTRATION

Turkish shares.

LENDING FINANCIAL INSTRUMENTS:

The sub-fund may lend financial instruments within the limits set by law and regulations.

This lending does not affect the sub-fund's risk profile since:

- it takes place within the framework of a securities lending system managed by a principal. In addition, the sub-fund has a relationship only with the principal of the securities lending system which acts as counterparty and to which title of the loaned securities is transferred. The choice of principal is subject to strict selection criteria. The return of securities similar to the securities that have been lent is guaranteed by the principal.
- through a margin management system, the sub-fund is always guaranteed financial security, the actual value of which always exceeds the actual value of the securities that have been lent, in case the principal does not return similar securities.

The return of securities similar to the securities that have been lent can be requested at any time, which means that the lending of securities does not affect the management of the sub-fund's assets. By lending securities, the sub-fund can generate an additional return. The principal pays a fee to the management company. After deducting the fee for the margin management and clearing services of KBC Bank, most of this fee is paid to the sub-fund.

The relationship with the counterparty or counterparties is governed by standard international agreements.

More information is provided on the terms and conditions governing securities lending in the annual or half-yearly report for the sub-fund.

VOLATILITY OF THE NET ASSET VALUE:

The volatility of the net asset value may be high due to the composition of the portfolio.

GENERAL STRATEGY FOR HEDGING THE EXCHANGE RATE RISK:

In order to protect its assets against exchange rate fluctuations and within the limitations laid down in the articles of association, the sub-fund may perform transactions relating to the sale of forward currency contracts, as well as the sale of call options and the purchase of put options on currencies. The transactions in question may relate solely to contracts traded on a regulated market that operates regularly, is recognised and is open to the public or that are traded with a recognised, prime financial institution specialising in such transactions and dealing in the over-the-counter (OTC) market in options. With the same objective, the sub-fund may also sell currencies forward or exchange them in private transactions with prime financial institutions specialising in such transactions. The hedging objective of the aforementioned transactions suggests that there is a direct link between these transactions and the assets to be hedged, which implies that the transactions carried out in a particular currency may in principle not exceed, in terms of volume, either the valuation value of all the assets in the same currency or the holding period of those assets.

SOCIAL, ETHICAL AND ENVIRONMENTAL ASPECTS:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

THE EUROPEAN SAVINGS DIRECTIVE AND TAX ON DEBT CLAIM RETURNS OBTAINED THROUGH THE REDEMPTION OF OWN UNITS OR IN THE EVENT OF FULL OR PARTIAL DISTRIBUTION OF EQUITY CAPITAL.

The following information is of a general character and is not intended to cover all aspects of an investment in a UCITS. In certain cases entirely different rules might even apply. Moreover, both tax law and the interpretation of it can change. Investors who wish to have more information about the tax implications – in both Belgium and abroad – of acquiring, holding and transferring units should seek the advice of their usual financial and tax advisers.

This UCITS shall invest a maximum of 15% of its assets directly or indirectly in debt instruments as intended by the European Savings Directive.

A. European Savings Directive (Directive 2003/48/EC)

The European Savings Directive has been implemented in Belgium through:

- The Law of 17 May 2004 transposing into Belgian law Directive 2003/48/EC of 3 June 2003 of the Council of the European Union on taxation of savings income in the form of interest payments and amending Income Tax Code 1992 on withholding tax;
- The Royal Decree of 27 September 2009 implementing Article 338bis § 2 of Income Tax Code 1992;
- The Royal Decree of 27 September 2009 concerning the entry into effect of Article 338bis § 2, paragraphs one to three, of Income Tax Code 1992;

Since this UCITS invests a maximum of 15% of its assets directly or indirectly in debt claims as intended by the European Savings Directive, the income of this UCITS does not fall within the scope of this directive.

B. Tax on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital (Article 19bis Income Tax Code 1992).

The income from this UCITS is not subject to the tax on debt instrument returns as intended by Article 19bis, Income Tax Code 1992.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company has delegated the intellectual management, to CSOB Asset Management a.s., Radlicka 333/150 , 150 57 Praha 5, CZECH REPUBLIC..

2.1.5 DISTRIBUTORS

KBC Asset Management S.A., 5, Place de la Gare, L-1616 Luxembourg.

2.1.6 INDEX AND BENCHMARK

See 'Sub-fund's investment policy'.

2.1.7 POLICY PERSUED DURING THE FINANCIAL YEAR

Equities worldwide enjoyed strong growth in the first quarter of the year driven by rather political decisions. ECB introduced second round of long term refinancing operations (LTRO), Greece received new aid package and European stability mechanism fund (ESM) increased its capacity. Two rounds of LTROs reached altogether stunning 1 trillion EUR of liquidity provided by ECB. However, political measures proved to have positive effect on markets for short period of time only. In the second quarter, worse macro data in Europe, China and US showed global slow-down may be sharper than previously expected. Moreover, Greek elections brought deadlock result in May, which increased the risk of a chaotic bankruptcy with all negative effects to the rest of Europe. Repeated elections a month later were successful for pro-savings parties. Investors focused also on deteriorating situation in Spain and Italy.

In this volatile environment, Turkey sometimes showed signs of decoupling from the overall risk-off/on changes in global sentiment. In June specifically, sharp fall in the commodity prices and the government's micro strategy plans to combat current account deficit led to further decoupling of the Turkish market compared to both other emerging and developed markets. Also, ECB liquidity found its way to Turkish assets, helping Turkish lira to get stronger and eased concerns over financing of Current Account (C/A) deficit. C/A financing became the main challenge for the Central bank of Turkey (CBT), which has been fighting speculative capital since the beginning of last year. Looking at growth side, GDP grew by 3.2 % YoY in Q1, slower from 5.2 % in Q4, but better than the consensus (2.8%) and faster than most countries in the region.

The Turkish market increased by 23.3 % (MSCI Turkey, TRY) in the first half of 2012 outperforming MSCI EMEA by more than 20 % in USD terms. We started the year with cautious approach towards Turkish banks given the risk of abrupt capital outflows in the case of deteriorating situation in Europe. Industrial companies and consumer discretionary sectors were our main target in the first quarter. However, lower commodity prices and surprisingly (for us) successful monetary policy made us to change our view towards financials, which constitute more than half of the index. Therefore, from the second quarter on, we increased our exposure to Turkish banks with positive effects on the fund performance. KBC Equity Fund Turkey increased by 25.9 % in the first half of the year outperforming MSCI index.

2.1.8 FUTURE POLICY

On one hand, markets are currently concerned over euro zone debt situation and slow down in China and US. On the other hand, hopes are raised by possible interventions of both monetary authorities and governments. Investors look for signs of the third round of quantitative easing by FED (so called QE3) and higher determination and ability to reach consensus among top EU partners in battling debt crisis and spill-over effects.

In Turkey, we expect to see further soft landing signs in this country. If pressure on the C/A deficit continues to ease, we may also be surprised by a credit rating hike to an investment grade. Even though, this is not included in our base case scenario, we prefer consumer cyclical, industrial and financial companies at the start of the second half. Major risk is represented by the C/A deficit, which is still financed with short term money. Deterioration in the euro-zone followed by liquidity squeeze may lead to large capital outflows magnified by accompanying drop in global demand. Such situation would lead us to prefer companies, which are less vulnerable to changes in economy cycle than banks or industrial companies.

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

Classic Shares: 7 on a scale of 1 (lowest risk) to 7 (highest risk).

Institutional B Shares: 7 on a scale of 1 (lowest risk) to 7 (highest risk).

The value of a share can decrease or increase and the investor may not get back the amount invested.

In accordance with Commission Regulation (EU) No. 583/2010, a synthetic risk and reward indicator has been calculated. This indicator provides a quantitative measure of the sub-fund's potential return and the risk involved, calculated in the currency in which the sub-fund is denominated. It is given as a figure between 1 and 7. The higher the figure, the greater the potential return, but also the more difficult it is to predict this return. Losses are possible too. The lowest figure does not mean that the investment is entirely free of risk. However, it does indicate that, compared with the higher figures, this product will generally provide a lower, but more predictable return.

The synthetic risk and reward indicator is assessed regularly and can therefore go up or down based on data from the past. Data from the past is not always a reliable indicator of future risk and return.

The most recent indicator can be found under the 'Risk and reward profile' heading in the 'Key Investor Information' document.

2.2 BALANCE SHEET

Balance sheet layout	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
TOTAL NET ASSETS	32.060.181,28	27.946.368,73
II. Securities, money market instruments, UCIs and derivatives		
C. Shares and similar instruments		
a) Shares	31.961.806,08	27.904.766,65
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable	1.114,11	15.268,44
B. Payables		
a) Accounts payable (-)	-41.145,58	-276.250,00
c) Borrowings (-)		-11.055,04
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	148.302,67	322.938,24
VI. Accruals and deferrals		
A. Expense to be carried forward	10.180,75	11.970,39
C. Accrued expense (-)	-20.076,75	-21.269,95
TOTAL SHAREHOLDERS' EQUITY	32.060.181,28	27.946.368,73
A. Capital	25.712.129,97	28.643.701,44
B. Income equalization	986,44	47.785,40
D. Result for the period	6.347.064,87	-745.118,11

2.3 PROFIT AND LOSS ACCOUNT

Income Statement	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
I. Net gains(losses) on investments		
C. Shares and similar instruments		
a) Shares	5.972.459,15	-982.210,63
H. Foreign exchange positions and transactions		
b) Other foreign exchange positions and transactions	697,94	7.401,47
II. Investment income and expenses		
A. Dividends	663.051,80	541.664,12
B. Interests		
a) Securities and money market instruments	-4.157,94	
b) Cash at bank and in hand and deposits	4.052,38	6.702,21
C. Interest on borrowings (-)	-603,19	-198,52
III. Other income		
A. Income received to cover the acquisition and realization of assets, to discourage withdrawals and for delivery charges	11.755,57	
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-36.961,70	-75.241,23
B. Financial expenses (-)	-182,08	-2.426,37
C. Custodian's fee (-)	-8.987,64	-9.893,52
D. Manager's fee (-)		
a) Financial management		
Classic Shares	-192.957,15	-193.521,08
Institutional B Shares	-25.824,54	
b) Administration and accounting management	-14.022,03	-12.856,00
E. Administrative expenses (-)	-312,28	-22,49
F. Formation and organisation expenses (-)	-1.870,96	-984,36
H. Services and sundry goods (-)	-4.760,17	-1.973,67
J. Taxes		
Classic Shares	-9.943,07	-12.041,32
Institutional B Shares	-170,14	
K. Other expenses (-)	-4.199,08	-9.516,72
Income and expenditure for the period		
Subtotal II + III + IV	373.907,78	229.691,05
V. Profit (loss) on ordinary activities before tax	6.347.064,87	-745.118,11
VII. Result for the period	6.347.064,87	-745.118,11

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC EQUITY FUND TURKEY

Name	Quantity on 30/06/2012	Currency	Price in currency	Evaluation (in the currency of the sub-fund)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
Shares							
Exchange-listed shares							
<u>Austria</u>							
DO & CO RESTAURANTS & CATERING AG -	6.500,00	TRY	68,000	442.000,00		1,38	1,38
<u>Turkey</u>							
AKBANK T.A.S. -	380.000,00	TRY	6,620	2.515.600,00		7,87	7,85
ANADOLU EFES BIRACILIK VE -	50.000,00	TRY	23,150	1.157.500,00		3,62	3,61
ARCELİK AS -	60.000,00	TRY	9,140	548.400,00		1,72	1,71
AYGAZ AS -	20.000,00	TRY	7,580	151.600,00		0,47	0,47
BANVIT BENDIRMA VITAMINLE YE -	30.000,00	TRY	3,660	109.800,00		0,34	0,34
BİM BİRLEŞİK MAGAZALAR AS -	18.000,00	TRY	74,500	1.341.000,00		4,20	4,18
BİZİM TOPTAN SATIŞ MAGAZALARI -	14.000,00	TRY	25,250	353.500,00		1,11	1,10
DOĞAN SİRKETLER GRUBU HLDGS AS -	510.000,00	TRY	0,800	408.000,00		1,28	1,27
EMLAK KONUT GAYRİMENKUL YATIRI -	470.000,00	TRY	2,220	1.043.400,00		3,27	3,26
ENKA İNŞAAT VE SANAYİ AS -	120.000,00	TRY	4,850	582.000,00		1,82	1,82
EREĞLİ DEMİR VE ÇELİK FABRİK -	244.330,00	TRY	2,010	491.103,30		1,54	1,53
FORD OTOMOTİV SANAYİ AS -	10.226,00	TRY	16,400	167.706,40		0,53	0,52
GÜBRE FABRİKALARI T.A.S. -	20.001,00	TRY	12,700	254.012,70		0,80	0,79
HACI ÖMER SABANCI HOLDİNG S.A -	225.001,00	TRY	7,600	1.710.007,60		5,35	5,33
İS GAYRİMENKUL YATIRIM ORTAK -	310.000,00	TRY	1,140	353.400,00		1,11	1,10
KARDEMİR KARABÜK DEMİR ÇELİK SANAYİ -	140.000,00	TRY	1,000	140.000,00		0,44	0,44
KOC HOLDİNG A.S. -	202.387,00	TRY	6,900	1.396.470,30		4,37	4,36
KOZA ALTIN İŞLETMELERİ AS -	15.000,00	TRY	35,000	525.000,00		1,64	1,64
KOZA ANADOLU METAL MADENCİLİK -	50.000,00	TRY	3,870	193.500,00		0,61	0,60
MİGROS TÜRK TAŞ -	18.000,00	TRY	17,900	322.200,00		1,01	1,01
PETKİM PETROKİMYA HOLD AS -	90.000,00	TRY	2,020	181.800,00		0,57	0,57
SİNPAS GAYRİMENKUL YATIRIM O -	50.000,00	TRY	1,240	62.000,00		0,19	0,19
TAV HAVALİMANLARI HOLD -	60.000,00	TRY	9,720	583.200,00		1,83	1,82
TEKFEN HOLDİNGS AS -	80.000,00	TRY	6,620	529.600,00		1,66	1,65
TOFAS TÜRK OTOMOBİL FABRİKASI AS -	140.000,00	TRY	7,740	1.083.600,00		3,39	3,38
TRAKYA ÇAM SANAYİ AS -	65.000,00	TRY	2,430	157.950,00		0,49	0,49
TUPRAS-TÜRKİYE PETROL RAF. A.S. -	37.000,00	TRY	38,700	1.431.900,00		4,48	4,47
TURÇAS PETROLÇÜLÜK AS -	70.000,00	TRY	2,460	172.200,00		0,54	0,54
TÜRK HAVA YOLLARI A.O -	350.003,00	TRY	3,180	1.113.009,54		3,48	3,47
TÜRK İSİ VE ÇAM FABRİKALARI AS -	210.000,00	TRY	2,960	621.600,00		1,95	1,94
TÜRK TELEKOMÜNİKASYON AS -	140.000,00	TRY	7,380	1.033.200,00		3,23	3,22
TÜRK TRAKTOR VE ZİRAAT MAKİNELERİ AS -	14.000,00	TRY	30,500	427.000,00		1,34	1,33
TÜRKCELL İLETİŞİM HİZMETLERİ A.S. -	115.000,00	TRY	9,160	1.053.400,00		3,30	3,29
TÜRKİYE GARANTİ BANKASI A.S. -	435.000,00	TRY	7,100	3.088.500,00		9,67	9,64
TÜRKİYE HALK BANKASI -	145.000,00	TRY	14,150	2.051.750,00		6,42	6,40
TÜRKİYE İS BANKASI -	380.003,00	TRY	4,800	1.824.014,40		5,71	5,69
TÜRKİYE SİNAYİ KALKINMA BANKASI AS -	522.501,00	TRY	1,840	961.401,84		3,01	3,00
TÜRKİYE VAKIFLAR BANKASI T.A.O. -	50.000,00	TRY	3,760	188.000,00		0,59	0,59
ÜLKER GIDA SANAYİ -	22.000,00	TRY	6,940	152.680,00		0,48	0,48

YAPI VE KREDİ BANKASI A.S. -	280.000,00	TRY	3,710	1.038.800,00		3,25	3,24
Total shares				31.961.806,08		100,00	99,69
TOTAL SECURITIES PORTFOLIO				31.961.806,08		100,00	99,69
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP EURO	2.202,22	EUR	1,000	5.054,98			0,02
KBC GROUP TRY	143.325,20	TRY	1,000	143.325,20			0,45
Total demand accounts				148.380,18			0,46
Managed futures accounts							
<u>Belgium</u>							
KBC GROUP TRY FUT REK	-77,51	TRY	1,000	-77,51			
Total managed futures accounts				-77,51			
TOTAL CASH AT BANK AND IN HAND				148.302,67			0,46
OTHER RECEIVABLES AND PAYABLES							
Receivables							
<u>Belgium</u>							
KBC GROUP TRY RECEIVABLE	1.114,11	TRY	1,000	1.114,11			0,00
Total receivables				1.114,11			0,00
Payables							
<u>Belgium</u>							
KBC GROUP EUR PAYABLE	-17.878,40	EUR	1,000	-41.038,08			-0,13
KBC GROUP TRY PAYABLE	-107,50	TRY	1,000	-107,50			
Payables				-41.145,58			-0,13
TOTAL RECEIVABLES AND PAYABLES				-40.031,47			-0,13
OTHER							
Expenses payable		TRY		-20.076,75			-0,06
Expenses to be carried forward		TRY		10.180,75			0,03
TOTAL OTHER				-9.896,00			-0,03
TOTAL NET ASSETS				32.060.181,28			100,00

Geographic breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Austria	0,00	0,58	1,75	1,38
Turkey	100,00	99,42	98,25	98,62
Total	100,00	100,00	100,00	100,00

Sector breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Cyclicals	19,54	21,15	15,13	15,31
Consum(cycl)	12,29	17,20	17,85	14,87
Cons.goods	7,47	6,99	11,57	10,75
Pharma	0,28	0,23	0,00	0,00
Financials	51,28	44,52	43,50	47,51
Telecomm.	6,53	6,75	9,13	6,53
Utilities	1,13	1,16	0,75	0,47
Real est.	1,48	2,00	2,07	4,56
Total	100,00	100,00	100,00	100,00

Currency breakdown (as a % of net assets)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
EUR	-0,15	-0,04	-0,14	-0,11
TRY	100,15	100,04	100,14	100,11
Total	100,00	100,00	100,00	100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC EQUITY FUND TURKEY (IN THE CURRENCY OF THE SUB-FUND)

	1st half of year	Year
Purchases	9.417.108,71	9.417.108,71
Sales	6.983.711,78	6.983.711,78
Total 1	16.400.820,49	16.400.820,49
Subscriptions	8.371.091,48	8.371.091,48
Redemptions	6.181.845,50	6.181.845,50
Total 2	14.552.936,98	14.552.936,98
Monthly average of total assets	29.237.201,49	29.237.201,49
Turnover rate	6,32 %	6,32 %

	1st half of year	Year
Purchases	9.417.108,71	9.417.108,71
Sales	6.983.711,78	6.983.711,78
Total 1	16.400.820,49	16.400.820,49
Subscriptions	8.371.091,48	8.371.091,48
Redemptions	6.181.845,50	6.181.845,50
Total 2	14.552.936,98	14.552.936,98
Monthly average of total assets	28.464.009,64	28.464.009,64
Corrected turnover rate	6,49 %	6,49 %

The table above shows the capital volume of portfolio transactions. This volume (adjusted to take account of total subscriptions and redemptions) is also compared to the average net assets at the beginning and end of the period.

A figure close to 0% implies that the transactions relating to the securities or transactions relating to the assets (excluding deposits and cash) in a given period only involve subscriptions and redemptions.

A negative percentage shows that subscriptions and redemptions entailed few, if any, transactions in the portfolio.

Active asset management may result in high turnover rates (monthly percentage >50%).

The detailed list of transactions is available for consultation free of charge at the registered office of the Bevek or fund at Havenlaan 2, 1080 Brussels.

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

Nil

2.4.4 CHANGES OF THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND THE NET ASSET VALUE

Classic Shares

Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2010 - 06	55.294,52	2.194,30	52.035,19	1.293,30	34.760,68	3.942,00	38.702,68
2011 - 06	30.482,27	3.157,17	44.386,41	1.673,00	20.856,53	5.426,17	26.282,70
2012 - 06	7.371,61	855,73	7.139,01	876,52	21.089,14	5.405,37	26.494,51

Period	Amounts received and paid by the UCI (in the currency of the class)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2010 - 06	47.675.167,83	1.801.273,59	45.376.344,21	1.066.455,83
2011 - 06	32.593.331,33	3.252.109,16	49.632.833,94	1.750.287,38
2012 - 06	7.204.126,78	835.325,99	6.734.217,39	817.053,35

Period	Net asset value End of period (in the currency of the class)		
Year	Of the class	Of one share	
		Capitalization	Distribution
2010 - 06	35.871.570,98	930,68	893,07
2011 - 06	27.946.368,73	1.070,97	1.033,82
2012 - 06	28.416.867,83	1.085,24	1.023,09

Institutional B Shares

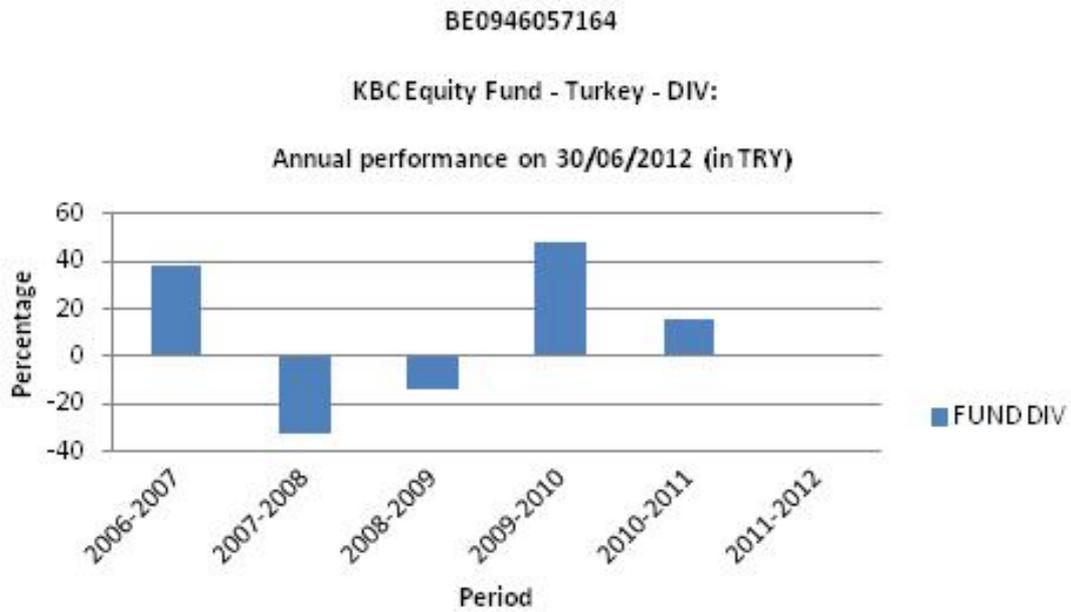
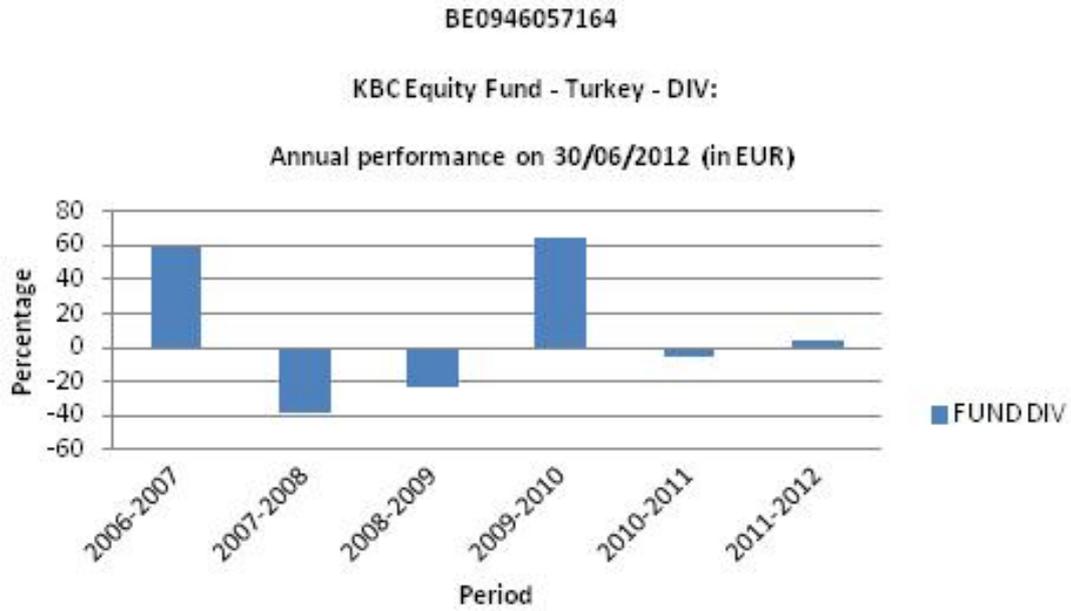
Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2012 - 06	7.078,00		3.716,00		3.362,00		3.362,00

Period	Amounts received and paid by the UCI (in the currency of the class)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2012 - 06	6.732.623,89		3.693.305,18	

Period	Net asset value End of period (in the currency of the class)		
Year	Of the class	Of one share	
		Capitalization	Distribution
2012 - 06	3.643.313,45	1.083,67	

2.4.5 PERFORMANCE FIGURES

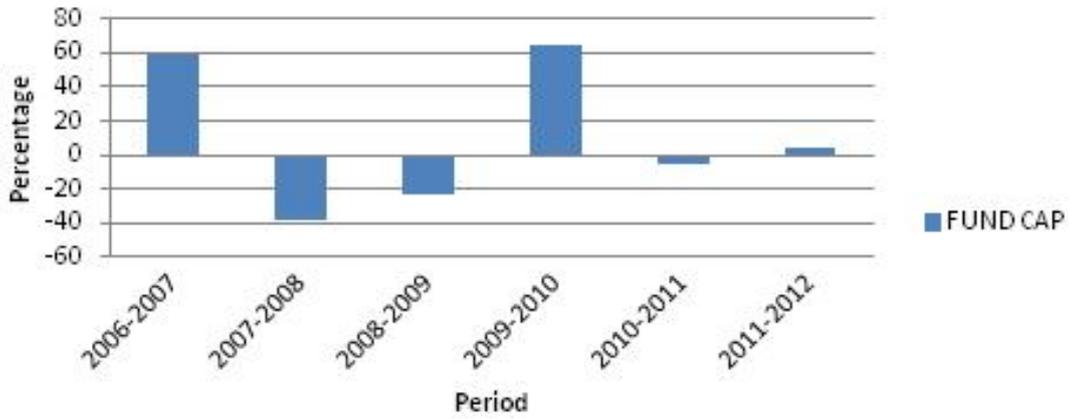
Classic Shares



BE0946058170

KBC Equity Fund - Turkey - CAP:

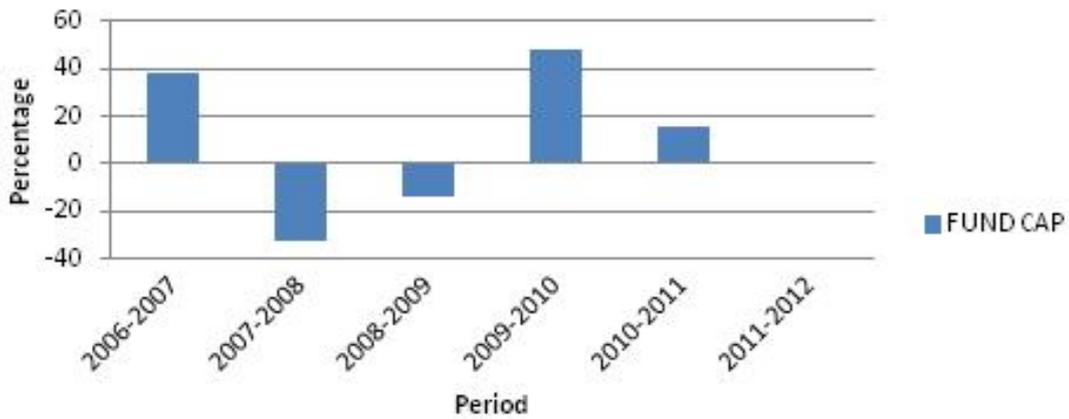
Annual performance on 30/06/2012 (in EUR)



BE0946058170

KBC Equity Fund - Turkey - CAP:

Annual performance on 30/06/2012 (in TRY)



Cap Div	ISIN code	Currency	1 Year		3 Years*		5 Years*		10 Years*		Since launch*	
			Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Launch Date	Share classes
CAP	BE0946058170	EUR	3.75%		17.51%		-5.09%				28/04/2006	-4.18%
CAP	BE0946058170	TRY	1.14%		20.02%		0.04%				28/04/2006	1.33%
DIV	BE0946057164	EUR	3.71%		17.48%		-5.11%				28/04/2006	-4.20%
DIV	BE0946057164	TRY	1.10%		19.98%		0.02%				28/04/2006	1.32%

Risk warning: Past performance is not a guide to future performance.

* Return on annual basis.

Institutional B Shares

The cumulative returns are shown where they relate to a period of at least one year.

Classic Shares

- The bar chart shows the performance for full financial years.
- The figures do not take account of any restructuring.
- Calculated in TRY and in EUR.
- The return is calculated as the change in the net asset value between two dates expressed as a percentage. In the case of units that pay dividends, the dividend is incorporated geometrically in the return.
- Calculation method for date D, where NAV stands for net asset value:

Capitalisation units (CAP)

Return on date D over a period of X years:

$$[\text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where $Y = D - X$

Return on date D since the start date S of the unit:

$$[\text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where $F = 1$ if the unit has existed for less than one year on date D

where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D

Distribution units (DIV)

Return on date D over a period of X years:

$$[C * \text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where $Y = D - X$

Return on date D since the start date S of the unit:

$$[C * \text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where $F = 1$ if the unit has existed for less than one year on date D

where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D

where C is a factor that is determined for all N dividends between the calculation date D and the reference date.

For dividend i on date Di with value Wi:

$$C_i = [W_i / \text{NIW}(D_i)] + 1$$

$i = 1 \dots N$

from which $C = C_0 * \dots * C_N$.

- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the n^{th} square root of 1 plus the total return of the unit.
- The return figures shown above do not take account of the fees and charges associated with the issue and redemption of units.

These are the performance figures for capitalisation and distribution shares.

2.4.6 COSTS

Total expense ratio (TER): *

Classic Shares Distribution: 1.812%
Classic Shares Capitalization: 1.812%
Institutional B Shares Capitalization: Not applicable

Percentage calculated at the end of the financial year: 31 December

* The following costs have not been included in the TER:

- Transaction charges
- Interest payments on loans taken out
- Payments in respect of financial derivatives
- Fees and charges paid directly by the investor
- Any soft commissions

SOFT COMMISSIONS

The management company or the appointed manager, as the case may be, is the recipient of soft commissions.

The recipient has laid down an internal policy as regards accepting soft commissions and avoiding possible conflicts of interest in this respect, and has put appropriate internal controls in place to ensure this policy is observed.

For more information, please see the 'General' section of the annual report.

	Commission gross in EUR paid during the period: 1-01-12 -	CSA Credits in EUR accrued during the period: 1-01-12 -	
Broker	30-06-12	30-06-12	Percentage
CITI	129	32	25.00%
HSBC	3,821	955	25.00%

FEE-SHARING AGREEMENTS AND REBATES:

The management company may share its fee with the distributor, and institutional and/or professional parties.

In principle, the percentage share amounts to between 35% and 60% if the distributor is an entity of KBC Group NV or to between 35% and 70% if the distributor is not an entity of KBC Group NV. However, in a small number of cases, the distributor's fee is less than 35%. Investors may, on request, obtain more information on these cases.

If the management company invests the assets of the undertaking for collective investment in units of undertakings for collective investment that are not managed by an entity of KBC Group NV, and receives a fee for doing so, it will pay this fee to the undertaking for collective investment.

Fee-sharing does not affect the amount of the management fee paid by the sub-fund to the management company. This management fee is subject to the limitations laid down in the articles of association. The limitations may only be amended after approval by the general meeting of shareholders.

The management company has concluded a distribution agreement with the distributor in order to facilitate the wider distribution of the sub-fund's units by using multiple distribution channels.

It is in the interests of the holders of units, the sub-fund and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund to be maximised in this way. In this respect, there is therefore no question of any conflict of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: 1.5% per annum calculated on the basis of the average total net assets of the sub-fund, excluding those assets invested in investment undertakings managed by a financial institution of the KBC group.

CSOB Asset Management a.s. receives a fee from the management company of max. 1.5% calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the average total net assets of the sub-fund.

Auditor's fee: 1 700 EUR per year. This fee is not including VAT and will be increased at the end of the 3-year mandate.

The custody fee is calculated on the value of the securities held in custody by the custodian on the final banking day of the preceding calendar year, except on those assets invested in investment undertakings managed by a financial institution of the KBC group. The custody fee is paid at the beginning of the calendar year.

Social, ethical and environmental aspects:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

Exercising voting rights

If necessary, relevant and in the interest of the shareholders, the management company will exercise the voting rights attached to the shares in the Bevek's portfolio.

The management company will adhere to the following criteria when determining how it stands relative to the items on the agenda that are put to the vote:

- Shareholder value may not be adversely affected.
- Corporate governance rules, especially with regard to the rights of minority shareholders, must be respected.
- The minimum standards with regard to sustainable business and corporate social responsibility must be met.

The list of companies for which voting rights are exercised is available at the registered office of the Bevek.

Securities lending

In accordance with the Royal Decree of 7 March 2006 concerning securities lending, the undertaking for collective investment has taken out securities loans with a principal to whom the full title of the loaned securities was transferred, without recording this transfer of ownership in the accounts.

For the period from 1 January 2012 to 30 June 2012, the fee for securities lent comes to - 4,157.94 TRY. KBC Asset Management NV receives 50% of the net fee received for securities lent.

The detailed list of securities lending transactions carried out can be obtained from the registered office of the collective investment undertaking at 2 Havenlaan, 1080 Brussels.

TABLE OF CONTENTS

- 2. Information on KBC Equity Fund Quant Europe
 - 2.1. Management report
 - 2.1.1. Launch date and subscription price
 - 2.1.2. Stock exchange listing
 - 2.1.3. Aim and distinctive features of the investment policy
 - 2.1.4. Financial portfolio management
 - 2.1.5. Distributors
 - 2.1.6. Index and benchmark
 - 2.1.7. Policy conducted during the financial year
 - 2.1.8. Future policy
 - 2.1.9. Synthetic risk and reward indicator (SRRI)
 - 2.2. Balance sheet
 - 2.3. Profit and loss account
 - 2.4. Composition of the assets and key figures
 - 2.4.1. Composition of the assets
 - 2.4.2. Change in the composition of the assets
 - 2.4.3. Value of commitments in respect of financial derivatives positions
 - 2.4.4. Evolution of the number of subscriptions, repayments and the net asset value
 - 2.4.5. Return figures
 - 2.4.6. Expenses
 - 2.4.7. Notes to the financial statements and other data

2 INFORMATION ON KBC EQUITY FUND QUANT EUROPE

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Classic Shares :

Launch date: 28 September 2007

Initial subscription price: 500 EUR

Currency: EUR

Institutional B Shares :

Launch date: 24 November 2011

Initial subscription price: 268.08 EUR

Currency: EUR

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

The main objective of this sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. To this end, the assets are invested, either directly or indirectly via correlated financial instruments, primarily in shares.

SUB-FUND'S INVESTMENT POLICY:

PERMITTED ASSET CLASSES:

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the sub-fund's object.

The sub-fund shall invest no more than 10% of its assets in units of other undertakings for collective investment.

RESTRICTIONS OF THE INVESTMENT POLICY:

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

PERMITTED DERIVATIVES TRANSACTIONS:

Derivates may be used either for hedging purposes or to achieve investment objectives.

Changes will be made to the investments at regular intervals to comply with the sub-fund's investment strategy. **In addition, listed and unlisted derivates may be used to achieve the objectives:** these may be forward contracts, options or swaps on securities, indices, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions. **Such derivatives may also be used to hedge the assets against exchange-rate fluctuations.** Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions.

Derivatives may be used to partially hedge the open exchange risk in relation to the reference currency (euro). Where appropriate, they may therefore limit the foreign exchange risk expressed in euros, and hence the market risk and performance risk too.

Derivatives are liquid and readily negotiable instruments. They do not, therefore, affect the liquidity risk.

Derivatives are also used in accordance with the investment policy and strategy. They do not affect the market, performance and concentration risks or the risks associated with external factors or of any kind.

Strategy selected

The assets are invested primarily in European shares. The stock picking is based on a series of quantitative models. Developed by KBC Asset Management, these models evaluate shares by sector on the basis of quantitative criteria, mainly fundamental data on the company, such as the price/earnings ratio, and price data, such as the historical return. The basic principle behind these models is that share prices do not always accurately reflect the fundamental value of the company concerned, but that this value can be estimated provided that enough information is available and that it can be processed efficiently.

LENDING FINANCIAL INSTRUMENTS:

The sub-fund may lend financial instruments within the limits set by law and regulations.

This lending does not affect the sub-fund's risk profile since:

- it takes place within the framework of a securities lending system managed by a principal. In addition, the sub-fund has a relationship only with the principal of the securities lending system which acts as counterparty and to which title of the loaned securities is transferred. The choice of principal is subject to strict selection criteria. The return of securities similar to the securities that have been lent is guaranteed by the principal.
- through a margin management system, the sub-fund is always guaranteed financial security, the actual value of which always exceeds the actual value of the securities that have been lent, in case the principal does not return similar securities.

The return of securities similar to the securities that have been lent can be requested at any time, which means that the lending of securities does not affect the management of the sub-fund's assets. By lending securities, the sub-fund can generate an additional return. The principal pays a fee to the management company. After deducting the fee for the margin management and clearing services of KBC Bank, most of this fee is paid to the sub-fund.

The relationship with the counterparty or counterparties is governed by standard international agreements.

More information is provided on the terms and conditions governing securities lending in the annual or half-yearly report for the sub-fund.

GENERAL STRATEGY FOR HEDGING THE EXCHANGE RATE RISK:

In order to protect its assets against exchange rate fluctuations and within the limitations laid down in the articles of association, the sub-fund may perform transactions relating to the sale of forward currency contracts, as well as the sale of call options and the purchase of put options on currencies. The transactions in question may relate solely to contracts traded on a regulated market that operates regularly, is recognised and is open to the public or that are traded with a recognised, prime financial institution specialising in such transactions and dealing in the over-the-counter (OTC) market in options. With the same objective, the sub-fund may also sell currencies forward or exchange them in private transactions with prime financial institutions specialising in such transactions. The hedging objective of the aforementioned transactions suggests that there is a direct link between these transactions and the assets to be hedged, which implies that the transactions carried out in a particular currency may in principle not exceed, in terms of volume, either the valuation value of all the assets in the same currency or the holding period of those assets.

SOCIAL, ETHICAL AND ENVIRONMENTAL ASPECTS:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

THE EUROPEAN SAVINGS DIRECTIVE AND TAX ON DEBT CLAIM RETURNS OBTAINED THROUGH THE REDEMPTION OF OWN UNITS OR IN THE EVENT OF FULL OR PARTIAL DISTRIBUTION OF EQUITY CAPITAL.

The following information is of a general character and is not intended to cover all aspects of an investment in a UCITS. In certain cases entirely different rules might even apply. Moreover, both tax law and the interpretation of it can change. Investors who wish to have more information about the tax implications – in both Belgium and abroad – of acquiring, holding and transferring units should seek the advice of their usual financial and tax advisers.

This UCITS shall invest a maximum of 15% of its assets directly or indirectly in debt instruments as intended by the European Savings Directive.

A. European Savings Directive (Directive 2003/48/EC)

The European Savings Directive has been implemented in Belgium through:

- The Law of 17 May 2004 transposing into Belgian law Directive 2003/48/EC of 3 June 2003 of the Council of the European Union on taxation of savings income in the form of interest payments and amending Income Tax Code 1992 on withholding tax;
- The Royal Decree of 27 September 2009 implementing Article 338bis § 2 of Income Tax Code 1992;
- The Royal Decree of 27 September 2009 concerning the entry into effect of Article 338bis § 2, paragraphs one to three, of Income Tax Code 1992;

Since this UCITS invests a maximum of 15% of its assets directly or indirectly in debt claims as intended by the European Savings Directive, the income of this UCITS does not fall within the scope of this directive.

B. Tax on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital (Article 19bis Income Tax Code 1992).

The income from this UCITS is not subject to the tax on debt instrument returns as intended by Article 19bis, Income Tax Code 1992.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

There is no delegation of the portfolio.

2.1.5 DISTRIBUTORS

KBC Asset Management S.A., 5, Place de la Gare, L-1616 Luxembourg.

2.1.6 INDEX AND BENCHMARK

See 'Sub-fund's investment policy'.

2.1.7 POLICY PERSUED DURING THE FINANCIAL YEAR

The global economy emerged from a deep recession in mid-2009, but the recovery was highly dependent on massive government budgetary and monetary stimuli. Doubts about the sustainability of the economic recovery continued to dominate the investment climate in the past period under review. In Europe the debt crisis continued to rage unabated. Five euro countries needed a bail-out from the European emergency fund. Greece reached agreements with its private sector creditors on restructuring the bond debt it owes them. The continued existence of the euro was even called into question. Fortunately, this was offset to some extent by the boom in Asia.

Although more jobs have been created than lost in the US since 2010, the rate of employment growth has remained on the low side. And wages increased very little: household purchasing power remained very modest and managed to support only scant growth. Economic growth (barely 1.6% year-on-year in the first half of 2012) was further hampered by the financial restructuring undertaken by states and local authorities and the increase in imports.

The euro is teetering on the brink of recession. The strong growth figures of 2010 and 2011 couldn't be sustained, and the euro crisis started taking its toll from the second half of 2011. Europe suffered under the strain of austerity measures and more restrictive lending policy of the banks. The reduction in the value of their sovereign bond portfolios threatened their solvency so that action had to be taken to compensate this. Greater divergence within Europe resulted in a further decline in unemployment in Germany and an alarmingly rapid rise in unemployment in countries such as Greece, Spain and Portugal. Belgium was closer to the strong core of the euro area than to the weak periphery.

The recession of the 2008-2009 period and the initial phase of the recovery have taught us much about the role of the emerging markets in the global economy. Exports to the Old World are still important, but that exclusive dependency is decreasing. Domestic demand (due to a rapidly growing middle class with a high consumption ratio) and inter-regional trade within Asia are playing an increasingly important role. The economic recovery in Asia since the second quarter of 2009 was just as pronounced as the slump. And that recovery has continued through 2010, 2011 and into 2012. As a result of pressure from rising oil and food prices, inflation increased sharply in 2011, and monetary policy was tightened in response to this. Higher interest rates have slowed growth somewhat since mid-2011.

The region is better armed to deal with financial crises than it was in the past. Public finances are healthy, the balance of payments is generally neutral (China actually has an astronomical surplus) and the domestic savings buffer is high. Asia's economic development no longer depends on fickle foreign capital.

The initial phase of the economic recovery went hand in hand with a fine stock-market rally, resulting in the S&P 500 being 75% higher at the end of April 2010 than its low point on 9 March 2009. Since then, the equity markets have struggled to find fresh impetus. The euro crisis and fear that the European banking sector would collapse naturally continued to cast a dark cloud over the market. On top of this, the stock markets were affected by changeable sentiment about the economic situation, and the same is true of 2012. Relative optimism about the economy caused the stock markets to improve in the first quarter, but they have since run out of steam. On 30 June 2012, the MSCI All Countries (the broadest global index) recorded a return of 8.7% in EUR over the past six months.

Of the traditional markets, the underperformance of Western Europe (MSCI Europe return index over the past six months: -5.2%) remained relatively limited. Nevertheless, the problems in the EMU kept stacking up: they include the Greek debt crisis, the threat of an extremist separatist party winning the Greek elections, the undercapitalisation of Spanish banks, the referendum in Ireland, and the financial collapse in Cyprus. Apparently the underperformance of European shares over many years has increased the valuation gap with US shares so much that fresh events in the euro crisis have less impact on the stock markets. In any event, the gap that had opened up in Europe in comparison with the US in recent years widened slightly during the reporting period. Wall Street closed the year under review up considerably (S&P 500: +8.6%, Dow Jones: +6.4%), while European investors also benefited from an increase in the value of the dollar (return MSCI USA in euros: +11.9%).

2.1.8 FUTURE POLICY

Business confidence indicators in the US and Europe hit new highs in spring 2011 and have dipped to more neutral levels over the past twelve months. Considerable divergence between the US and Europe has developed since September. At the moment, the US producer confidence index points to some optimism about the economy. In Europe confidence is continuing to slip and has entered the twilight zone of recession. We expect growth in the US to remain positive but modest (around 1.5-2% y-o-y in the next couple of quarters), given the dearth of new jobs, the downward pressure on pay increases and the absence of a recovery in the housing market. Budgetary plans will depress growth in Europe. However, the indicators do suggest that the fears of deflation and depression that are currently dominating the financial markets are unwarranted.

In 2010 and 2011 the foundations were laid for more sustainable growth in 2012 and 2013. US households have trimmed back their debt level significantly, the savings rate has already increased considerably and loan servicing (instalments and interest payments combined) now accounts for only 11% of household budgets (the lowest level in fifteen years – it was at 14% three years ago). Households are gradually moving towards a position where they can spend more of their money on consumption. The explosion in earnings growth in 2010 and 2011 bolstered companies' already substantial cash positions. During the crisis investments were scaled back heavily, with the foundations being laid for a catch-up process.

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

Classic Shares: 6 on a scale of 1 (lowest risk) to 7 (highest risk).

Institutional B Shares: 6 on a scale of 1 (lowest risk) to 7 (highest risk).

The value of a share can decrease or increase and the investor may not get back the amount invested.

In accordance with Commission Regulation (EU) No. 583/2010, a synthetic risk and reward indicator has been calculated. This indicator provides a quantitative measure of the sub-fund's potential return and the risk involved, calculated in the currency in which the sub-fund is denominated. It is given as a figure between 1 and 7. The higher the figure, the greater the potential return, but also the more difficult it is to predict this return. Losses are possible too. The lowest figure does not mean that the investment is entirely free of risk. However, it does indicate that, compared with the higher figures, this product will generally provide a lower, but more predictable return.

The synthetic risk and reward indicator is assessed regularly and can therefore go up or down based on data from the past. Data from the past is not always a reliable indicator of future risk and return.

The most recent indicator can be found under the 'Risk and reward profile' heading in the 'Key Investor Information' document.

2.2 BALANCE SHEET

Balance sheet layout	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
TOTAL NET ASSETS	38.610.766,28	174.462.192,39
II. Securities, money market instruments, UCIs and derivatives		
A. Bonds and other debt instruments		
a) Bonds	115.315,10	
a) Collateral received in the form of bonds	669.877,96	10.516.012,58
C. Shares and similar instruments		
a) Shares	38.342.956,53	172.978.974,71
Of which securities lent	636.079,45	8.796.099,36
D. Other securities	573,68	129.972,03
E. Open-end undertakings for collective investment		1.371.313,50
F. Derivative financial instruments		
m) Financial indices		
Futures and forward contracts (+/-)	10.599,40	
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable		433.956,81
b) Tax assets	7.836,36	2.663,28
B. Payables		
a) Accounts payable (-)	-48.346,48	-755.505,47
c) Borrowings (-)		-1.933.294,58
d) Collateral (-)	-669.877,96	-10.516.012,58
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	94.518,13	1.826.825,52
VI. Accruals and deferrals		
A. Expense to be carried forward	-1.656,27	137.474,34
B. Accrued income	108.724,92	402.248,33
C. Accrued expense (-)	-19.755,09	-132.436,08
TOTAL SHAREHOLDERS' EQUITY	38.610.766,28	174.462.192,39
A. Capital	37.651.037,89	178.889.096,91
B. Income equalization	-22.851,06	-207.973,69
D. Result for the period	982.579,45	-4.218.930,83

Off-balance-sheet headings

I	Collateral (+/-)		
I.A	Collateral (+/-)		
I.A.A	Securities/market instruments	669.877,96	10.516.012,58
III	Notional amounts of futures and forward contracts		
III.A	Purchased futures and forward contracts	249.272,06	
IX	Financial instruments lent	636.079,45	8.796.099,36

2.3 PROFIT AND LOSS ACCOUNT

Income Statement	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
I. Net gains(losses) on investments		
A. Bonds and other debt instruments		
a) Bonds	-12.561,40	
C. Shares and similar instruments		
a) Shares	-184.138,74	-2.367.597,70
D. Other securities	-8.030,01	14.725,90
E. Open-end undertakings for collective investment		-12.788,00
F. Derivative financial instruments		
I) Financial indices		
Futures and forward contracts	63.666,70	-1.301.525,84
H. Foreign exchange positions and transactions		
b) Other foreign exchange positions and transactions	517.972,51	-2.670.106,83
II. Investment income and expenses		
A. Dividends	902.343,17	3.892.217,33
B. Interests		
a) Securities and money market instruments	-194,48	100.496,61
b) Cash at bank and in hand and deposits	6.803,78	24.185,09
C. Interest on borrowings (-)	-2.279,75	-1.429,64
III. Other income		
A. Income received to cover the acquisition and realization of assets, to discourage withdrawals and for delivery charges	102.795,70	
B. Other		1.451,79
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-86.311,27	-388.145,80
B. Financial expenses (-)	-247,67	-2.153,64
C. Custodian's fee (-)	-19.449,22	
D. Manager's fee (-)		
a) Financial management		
Classic Shares	-8.690,25	-1.257.866,91
Institutional B Shares	-246.583,83	
b) Administration and accounting management	-21.348,85	-87.544,40
F. Formation and organisation expenses (-)	-1.554,33	-7.452,38
G. Remuneration, social security charges and pension	-3,08	-37,33
H. Services and sundry goods (-)	-3.803,60	-15.468,16
J. Taxes		
Classic Shares	-328,24	-69.416,98
Institutional B Shares	-2.122,12	
K. Other expenses (-)	-13.355,57	-70.473,94
Income and expenditure for the period		
Subtotal II + III + IV	605.670,39	2.118.361,64
V. Profit (loss) on ordinary activities before tax	982.579,45	-4.218.930,83
VII. Result for the period	982.579,45	-4.218.930,83

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC EQUITY FUND QUANT EUROPE

Name	Quantity on 30/06/2012	Currency	Price in currency	Evaluation (in the currency of the sub-fund)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
Bonds							
Corporate bonds							
<u>Ireland</u>							
D-STAR FINANCE PLC SUB 14/05/13	181.000,00	EUR	63,710	115.315,10		0,30	0,30
Total bonds				115.315,10		0,30	0,30
Shares							
Exchange-listed shares							
<u>Austria</u>							
ANDRITZ AG -	366,00	EUR	40,520	14.830,32		0,04	0,04
RHI AG (WIEN)	2.565,00	EUR	18,345	47.054,93		0,12	0,12
<u>Belgium</u>							
AGFA GEVAERT STRIP VVPR	6.628,00	EUR	0,001	6,63			
ANHEUSER-BUSCH INBEV NV -	6.657,00	EUR	61,300	408.074,10		1,06	1,06
ANHEUSER-BUSCH INBEV NV STRIP-VVPR	5.792,00	EUR	0,001	5,79			
BARCO NV NEW	1.132,00	EUR	39,850	45.110,20		0,12	0,12
BELGACOM -	4.478,00	EUR	22,455	100.553,49		0,26	0,26
DEXIA -	50.485,00	EUR	0,130	6.563,05		0,02	0,02
NYRSTAR STRIP VVPR	37.464,00	EUR	0,001	37,46			
SOLVAY -	159,00	EUR	77,780	12.367,02		0,03	0,03
<u>Bermuda</u>							
HAL TRUST (AMS)	98,00	EUR	83,400	8.173,20		0,02	0,02
<u>Cyprus</u>							
PROSAFE ASA -	22.862,00	NOK	43,050	130.465,96		0,34	0,34
<u>Denmark</u>							
AMAGERBANKEN A/S -	79.092,00	DKK	3,450	36.703,35		0,10	0,10
COLOPLAST A/S "B"	1.457,00	DKK	1.054,000	206.563,81		0,54	0,54
NOVO NORDISK A/S "B"	4.075,00	DKK	848,500	465.086,29		1,21	1,21
TDC AS "B"	10.194,00	DKK	40,800	55.944,69		0,15	0,15
TOPDANMARK AS -	242,00	DKK	1.004,000	32.681,59		0,09	0,09
<u>Finland</u>							
ELISA OYJ (HEL) "A"	397,00	EUR	15,880	6.304,36		0,02	0,02
ORION OYJ "A"	718,00	EUR	15,000	10.770,00		0,03	0,03
<u>France</u>							
AIR FRANCE-KLM (PAR)	57.141,00	EUR	3,759	214.793,02		0,56	0,56
AIR LIQUIDE (L') -	6.606,00	EUR	90,050	594.870,30		1,55	1,54
ALCATEL-LUCENT -	14.131,00	EUR	1,301	18.384,43		0,05	0,05
ARKEMA -	1.410,00	EUR	51,550	72.685,50		0,19	0,19
BIC (PAR)	3.068,00	EUR	81,400	249.735,20		0,65	0,65
BOUYGUES -	12.116,00	EUR	21,200	256.859,20		0,67	0,67
CARREFOUR -	6.010,00	EUR	14,545	87.415,45		0,23	0,23

CEGEDIM SA -	475,00	EUR	23,600	11.210,00		0,03	0,03
CHRISTIAN DIOR -	614,00	EUR	108,250	66.465,50		0,17	0,17
CLUB MEDITERRANEE (PAR)	6.202,00	EUR	13,500	83.727,00		0,22	0,22
DANONE -	2.748,00	EUR	49,015	134.693,22		0,35	0,35
DERICHEBOURG -	15.653,00	EUR	1,897	29.693,74		0,08	0,08
EDENRED -	497,00	EUR	22,345	11.105,47		0,03	0,03
ELECTRICITE DE FRANCE -	15.004,00	EUR	17,550	263.320,20		0,68	0,68
ELF GABON (PAR)	27,00	EUR	324,900	8.772,30		0,02	0,02
FIMALAC -	686,00	EUR	31,300	21.471,80		0,06	0,06
GDF SUEZ -	6.311,00	EUR	18,755	118.362,81		0,31	0,31
GDF SUEZ STRIP VVPR	341,00	EUR	0,001	0,34			
GROUPE EUROTUNNEL SA -	3.521,00	EUR	6,400	22.534,40		0,06	0,06
ILIAD SA -	1.516,00	EUR	114,250	173.203,00		0,45	0,45
KLEPIERRE (CIE FONCIERE) -	10.606,00	EUR	25,900	274.695,40		0,71	0,71
LEGRAND (PAR)	59,00	EUR	26,755	1.578,55		0,00	0,00
LVMH-MOET H.L.VUIT. -	1.640,00	EUR	119,850	196.554,00		0,51	0,51
MERCIALYS SA -	4.012,00	EUR	14,690	58.936,28		0,15	0,15
PERNOD-RICARD -	2.483,00	EUR	84,260	209.217,58		0,54	0,54
PUBLICIS GROUPE SA -	7.902,00	EUR	36,050	284.867,10		0,74	0,74
RALLYE -	3.057,00	EUR	22,500	68.782,50		0,18	0,18
RENAULT (PAR)	6.122,00	EUR	31,440	192.475,68		0,50	0,50
RODAMCO UNIBAIL -	806,00	EUR	145,100	116.950,60		0,30	0,30
SAFT GROUPE SA -	2.322,00	EUR	18,900	43.885,80		0,11	0,11
SANOFI -	5.150,00	EUR	59,740	307.661,00		0,80	0,80
SODEXHO ALLIANCE -	2.460,00	EUR	61,400	151.044,00		0,39	0,39
STMICROELECTRONICS NV -	4.196,00	EUR	4,324	18.143,50		0,05	0,05
TELEVISION FRANCAISE (TF1) (PAR)	4.096,00	EUR	6,290	25.763,84		0,07	0,07
TOTAL -	20.304,00	EUR	35,500	720.792,00		1,87	1,87
UBI SOFT ENTERTAINMENT -	9.425,00	EUR	5,274	49.707,45		0,13	0,13
WENDEL INVESTISSEMENT (PAR)	2.954,00	EUR	58,280	172.159,12		0,45	0,45
ZODIAC (PAR)	1.026,00	EUR	80,090	82.172,34		0,21	0,21
<u>Germany</u>							
AUDI AG (FRA)	24,00	EUR	530,550	12.733,20		0,03	0,03
AURUBIS AG (FRA)	7.300,00	EUR	37,995	277.363,50		0,72	0,72
BASF SE -	7.722,00	EUR	54,700	422.393,40		1,10	1,09
BAYER AG -	5.521,00	EUR	56,780	313.482,38		0,82	0,81
BAYERISCHE MOTOREN WERKE AG (FRA)(PREF)	4.903,00	EUR	38,835	190.408,01		0,50	0,49
BAYERISCHE MOTOREN WERKE AG -	2.197,00	EUR	56,930	125.075,21		0,33	0,32
DAIMLER AG -	4.422,00	EUR	35,345	156.295,59		0,41	0,41
DEUTSCHE BANK AG REG	1.240,00	EUR	28,500	35.340,00		0,09	0,09
DEUTSCHE POST AG -	9.197,00	EUR	13,940	128.206,18		0,33	0,33
DEUTSCHE TELEKOM INT FIN REG	18.499,00	EUR	8,654	160.090,35		0,42	0,42
DEUTZ AG (FRA)	24.115,00	EUR	4,006	96.604,69		0,25	0,25
DUERR AG (FRA)	293,00	EUR	48,331	14.160,98		0,04	0,04
E.ON AG -	14.770,00	EUR	17,000	251.090,00		0,65	0,65
FUCHS PETROCLUB AG -	932,00	EUR	40,140	37.410,48		0,10	0,10
GERRESHEIMER AG -	1.376,00	EUR	37,110	51.063,36		0,13	0,13
HANNOVER RUCKVERSICHERUNG AG (FRA) NAAM	3.341,00	EUR	46,890	156.659,49		0,41	0,41
HENKEL KGAA (FRA)	6.243,00	EUR	43,780	273.318,54		0,71	0,71
LANXESS -	3.785,00	EUR	49,720	188.190,20		0,49	0,49
LINDE AG -	311,00	EUR	122,650	38.144,15		0,10	0,10
MUNCHENER RUCKVERSICHERUNG AG REG	3.964,00	EUR	111,150	440.598,60		1,15	1,14
SAP AG -	12.155,00	EUR	46,545	565.754,48		1,47	1,47
SIEMENS AG REG	5.957,00	EUR	66,140	393.995,98		1,02	1,02
SUDZUCKER AG (FRA)	6.412,00	EUR	27,940	179.151,28		0,47	0,46
VOLKSWAGEN AG PREF	1.337,00	EUR	124,600	166.590,20		0,43	0,43

<u>Greece</u>							
METKA SA -	3.723,00	EUR	6,850	25.502,55		0,07	0,07
MOTOR OIL (HELLAS) CORINTH REF. -	2.633,00	EUR	5,400	14.218,20		0,04	0,04
PUBLIC POWER CORP -	11.159,00	EUR	1,870	20.867,33		0,05	0,05
<u>Ireland</u>							
DRAGON OIL PLC -	5.530,00	EUR	6,800	37.604,00		0,10	0,10
PADDY POWER PLC -	1.579,00	EUR	51,550	81.397,45		0,21	0,21
<u>Italy</u>							
ASSICURAZIONI GENERALI -	8.801,00	EUR	10,660	93.818,66		0,24	0,24
CIR INTL (MIL) NOM	59.194,00	EUR	0,778	46.023,34		0,12	0,12
E.N.E.I. -	13.513,00	EUR	2,542	34.350,05		0,09	0,09
EDISON SPA. -	165.666,00	EUR	0,888	147.028,58		0,38	0,38
EXOR SPA -	17.573,00	EUR	16,910	297.159,43		0,77	0,77
EXOR SPA PRF	638,00	EUR	14,800	9.442,40		0,03	0,02
FIAT SPA -	57.777,00	EUR	3,968	229.259,14		0,60	0,59
LUXOTTICA GROUP SPA -	3.172,00	EUR	27,620	87.610,64		0,23	0,23
MEDIOBANCA (MIL)	17.078,00	EUR	3,474	59.328,97		0,15	0,15
MEDIOLANUM SPA (MIL)	70.267,00	EUR	2,774	194.920,66		0,51	0,51
TELECOM ITALIA (MIL)	57.458,00	EUR	0,781	44.845,97		0,12	0,12
UNICREDIT SPA -	4.033,00	EUR	2,980	12.018,34		0,03	0,03
<u>Jersey/The Channel Islands</u>							
SHIRE LTD -	5.232,00	GBP	18,320	118.465,26		0,31	0,31
<u>Luxembourg</u>							
ARCELORMITTAL -	7.590,00	EUR	12,110	91.914,90		0,24	0,24
<u>Netherlands</u>							
ASM INTERNATIONAL -	1.685,00	EUR	29,900	50.381,50		0,13	0,13
ASML HOLDING NV -	9.329,00	EUR	40,065	373.766,39		0,97	0,97
KON. AHOLD -	42.559,00	EUR	9,774	415.971,67		1,08	1,08
KONINKLIJKE PHILIPS ELECTRONICS N.V. -	14.318,00	EUR	15,570	222.931,26		0,58	0,58
MEDIQ NV -	2.960,00	EUR	9,701	28.714,96		0,08	0,07
SBM OFFSHORE NV (AMS)	1.667,00	EUR	10,885	18.145,30		0,05	0,05
UNILEVER CVA	4.556,00	EUR	26,385	120.210,06		0,31	0,31
<u>Norway</u>							
AUSTEVOLL SEAFOOD ASA -	10.642,00	NOK	25,000	35.267,37		0,09	0,09
DNB ASA -	6.424,00	NOK	58,950	50.199,48		0,13	0,13
EKORNES ASA -	4.623,00	NOK	85,000	52.089,80		0,14	0,14
STATOIL -	18.840,00	NOK	141,400	353.134,49		0,92	0,92
TELENOR A/S -	11.531,00	NOK	98,900	151.172,61		0,39	0,39
YARA INTL ASA -	1.351,00	NOK	258,800	46.347,84		0,12	0,12
<u>Portugal</u>							
BANCO BPI SA (LIS)	7.025,00	EUR	0,538	3.779,45		0,01	0,01
ENERGIAS DE PORTUGAL SA -	51.266,00	EUR	1,864	95.559,82		0,25	0,25
SONAE SGPS SA -	55.578,00	EUR	0,412	22.898,14		0,06	0,06
SONAECON SGPS SA (LTS)	38.434,00	EUR	1,307	50.233,24		0,13	0,13
<u>Spain</u>							
ABENGOA S.A. -	6.167,00	EUR	10,420	64.260,14		0,17	0,17
ACTIVIDADES CONSTRUCY SERV -	6.229,00	EUR	16,890	105.207,81		0,27	0,27
AMADEUS IT HOLDING SA -	2.218,00	EUR	16,700	37.040,60		0,10	0,10
BANCO BILBAO VIZCAYA ARGENTARIA -	7.245,00	EUR	5,629	40.782,11		0,11	0,11
BANCO SANTANDER CENTRAL HISPANO SA -	33.160,00	EUR	5,221	173.128,36		0,45	0,45
BANKIA SAU -	3.235,00	EUR	0,924	2.989,14		0,01	0,01
CODERE SA -	6.249,00	EUR	3,800	23.746,20		0,06	0,06

CONSTRUCCIONES Y AUXILIAR DE F -	41,00	EUR	367,000	15.047,00		0,04	0,04
DISTRIBUIDORA INTERNACIONAL DE ALIM -	10.802,00	EUR	3,710	40.075,42		0,10	0,10
ENCE ENERGIA Y CELULOSA SA (MAD)	97.107,00	EUR	1,520	147.602,64		0,38	0,38
ENDESA -	8.559,00	EUR	13,835	118.413,77		0,31	0,31
FERROVIAL SA -	18.669,00	EUR	8,887	165.911,40		0,43	0,43
GAS NATURAL SDG -	15.478,00	EUR	10,105	156.405,19		0,41	0,41
IBERDROLA SA -	21.601,00	EUR	3,719	80.334,12		0,21	0,21
INDUSTRIA DE DISENO TEXTIL SA -	3.102,00	EUR	81,530	252.906,06		0,66	0,66
TELEFONICA SA -	18.581,00	EUR	10,370	192.684,97		0,50	0,50
ZELTIA SA (MAD)	42.271,00	EUR	1,285	54.318,24		0,14	0,14
<u>Sweden</u>							
ATLAS COPCO AB "A"	9.603,00	SEK	148,400	162.690,24		0,42	0,42
CASTELLUM AB -	6.846,00	SEK	83,500	65.259,55		0,17	0,17
ERICSSON "B"	16.334,00	SEK	63,050	117.570,49		0,31	0,31
GETINGE AB B	5.007,00	SEK	171,000	97.744,96		0,25	0,25
HENNES&MAURITZ "B"	2.062,00	SEK	247,400	58.238,35		0,15	0,15
INVESTOR AB "B"	28.940,00	SEK	131,700	435.115,93		1,13	1,13
LUNDBERGFÖRETAGEN AB -B-	1.179,00	SEK	209,200	28.157,63		0,07	0,07
NORDEA BANK AB -	20.219,00	SEK	59,400	137.109,26		0,36	0,36
SKANDINAVISKA ENSKILDA "A"	26.242,00	SEK	44,760	134.093,49		0,35	0,35
SVENSKA HANDBK "A"	9.025,00	SEK	226,700	233.571,27		0,61	0,61
SWEDBANK -	23.730,00	SEK	108,600	294.203,78		0,77	0,76
VOLVO TREASURY AB "A" FRIA	3.984,00	SEK	79,250	36.044,52		0,09	0,09
VOLVO TREASURY AB "B"	29.205,00	SEK	78,750	262.559,93		0,68	0,68
<u>Switzerland</u>							
ABB LTD -	23.664,00	CHF	15,450	304.382,30		0,79	0,79
ADECCO SA CHESEREX REG	10.712,00	CHF	42,000	374.561,05		0,97	0,97
ALLREAL HOLDING AG-REG -	1.737,00	CHF	138,200	199.852,97		0,52	0,52
BANQUE CANTONALE VAUDOISE -	81,00	CHF	502,500	33.886,28		0,09	0,09
BB BIOTECH AG -	1.815,00	CHF	76,200	115.142,16		0,30	0,30
BERNER KANTONALBANK AG -	226,00	CHF	252,000	47.414,56		0,12	0,12
COMPAGNIE FINANCIERE RICHEMONT "A"	6.222,00	CHF	51,850	268.584,86		0,70	0,70
DUFREY GROUP -	1.749,00	CHF	114,500	166.723,97		0,43	0,43
GEBERIT AG -	1.857,00	CHF	186,700	288.641,64		0,75	0,75
GEORG.FISCHER (NAAM)	493,00	CHF	326,250	133.906,05		0,35	0,35
GRAUBUENDNER KANTONALBANK -	7,00	CHF	1.182,000	6.888,40		0,02	0,02
LA FONCIERE -	10,00	CHF	831,000	6.918,37		0,02	0,02
LINDT & SPRUENGLI AG -	1,00	CHF	34.795,000	28.968,07		0,08	0,08
LUZERNER KANTONALBANK AG -	37,00	CHF	329,500	10.149,86		0,03	0,03
NESTLE AG REG	31.796,00	CHF	56,550	1.496.951,92		3,89	3,88
NOVARTIS AG REG	20.932,00	CHF	52,900	921.868,88		2,40	2,39
OC OERLIKON CORP AG (NOM)20CHF	4.741,00	CHF	7,850	30.984,35		0,08	0,08
RIETER HOLDING AG -	1.076,00	CHF	140,500	125.861,05		0,33	0,33
ROCHE HOLDING -	310,00	CHF	170,700	44.055,28		0,12	0,11
ROCHE HOLDING GENOTS	4.892,00	CHF	163,600	666.304,13		1,73	1,73
SCHRODER IMMOPLUS -	37,00	CHF	1.127,000	34.715,90		0,09	0,09
SYNGENTA (NOM)	645,00	CHF	323,300	173.607,38		0,45	0,45
THE SWATCH GROUP AG REG	2.722,00	CHF	65,750	149.000,12		0,39	0,39
U.B.S. REG	23.415,00	CHF	11,050	215.406,69		0,56	0,56
VALIANT HOLDING AG-REG VALIANT HOLDING AG-REG	263,00	CHF	106,200	23.253,22		0,06	0,06
VONTOBEL HOLDING AG REG	338,00	CHF	18,700	5.262,12		0,01	0,01
ZURICH INSURANCE GROUP AG -	1.570,00	CHF	213,500	279.061,73		0,73	0,72
<u>U.K.</u>							
AGGREKO PLC -	6.014,00	GBP	20,720	154.010,73		0,40	0,40
ANGLO AMERICAN PLC PLC	10.476,00	GBP	20,885	270.413,13		0,70	0,70

ASTRAZENECA PLC -	14.937,00	GBP	28,530	526.699,56		1,37	1,36
BAE SYSTEMS PLC -	21.717,00	GBP	2,886	77.462,94		0,20	0,20
BARCLAYS BANK PLC -	67.825,00	GBP	1,629	136.513,42		0,36	0,35
BAT HOLDINS BV -	11.505,00	GBP	32,415	460.925,19		1,20	1,19
BG GROUP PLC -	10.888,00	GBP	13,000	174.940,06		0,46	0,45
BILLITON PLC -	24.081,00	GBP	18,060	537.514,35		1,40	1,39
BOVIS HOME GROUP PLC -	1.381,00	GBP	4,709	8.037,48		0,02	0,02
BP PLC -	147.422,00	GBP	4,220	768.813,66		2,00	1,99
BRITISH SKY BROADCAST -	1.230,00	GBP	6,965	10.588,25		0,03	0,03
BT GROUP PLC -	106.795,00	GBP	2,114	279.031,80		0,73	0,72
BUNZL -	8.375,00	GBP	10,430	107.961,01		0,28	0,28
CABLE & WIRELESS -	15.348,00	GBP	0,296	5.614,89		0,02	0,02
CATLIN GROUP LTD -	28.284,00	GBP	4,255	148.743,57		0,39	0,39
CENTRICA -	6.517,00	GBP	3,180	25.613,72		0,07	0,07
COMPASS GROUP -	23.322,00	GBP	6,690	192.836,71		0,50	0,50
DIAGEO -	36.928,00	GBP	16,420	749.422,52		1,95	1,94
DRAX GROUP PLC -	18.884,00	GBP	5,605	130.817,97		0,34	0,34
EASYJET PLC -	9.113,00	GBP	5,315	59.863,55		0,16	0,16
EXPERIAN GROUP LTD -	3.659,00	GBP	9,005	40.723,39		0,11	0,11
GLAXOSMITHKLINE PLC -	36.895,00	GBP	14,470	659.832,72		1,72	1,71
GLENCORE INTERNATIONAL PLC -	5.323,00	GBP	2,956	19.443,98		0,05	0,05
GRAINGER TRUST PLC -	9.285,00	GBP	0,910	10.442,90		0,03	0,03
HERITAGE OIL PLC -	49.903,00	GBP	1,230	75.862,92		0,20	0,20
HIGHLAND GOLD MINING LTD -	10.386,00	GBP	1,058	13.574,58		0,04	0,04
HSBC HOLDING PLC -	181.414,00	GBP	5,611	1.258.081,76		3,27	3,26
INCHCAPE PLC -	14.667,00	GBP	3,306	59.929,68		0,16	0,16
INTERNAT CONSOLIDATED AIRLINES GROUP -	4.655,00	EUR	1,974	9.188,97		0,02	0,02
ITV PLC -	63.543,00	GBP	0,766	60.158,12		0,16	0,16
JAZZTEL PLC -	46.888,00	EUR	4,470	209.589,36		0,55	0,54
KINGFISHER PLC -	9.382,00	GBP	2,874	33.325,75		0,09	0,09
LLOYDS BANKING GROUP PLC -	479.487,00	GBP	0,311	184.304,11		0,48	0,48
LONDON STOCK EXCHANGE GRP PLC -	19.601,00	GBP	10,040	243.225,86		0,63	0,63
MICRO FOCUS INTERNATIONAL PLC -	8.991,00	GBP	5,305	58.951,00		0,15	0,15
MONDI PLC -	16.295,00	GBP	5,450	109.761,15		0,29	0,28
NEXT PLC -	2.817,00	GBP	31,990	111.377,86		0,29	0,29
OLD MUTUAL PLC -	110.340,00	GBP	1,514	206.469,86		0,54	0,54
PARAGON GROUP OF COS PLC -	6.942,00	GBP	1,670	14.328,44		0,04	0,04
PEARSON PLC -	7.118,00	GBP	12,660	111.375,45		0,29	0,29
PETROFAC LTD -	11.559,00	GBP	13,880	198.293,07		0,52	0,51
PREMIER OIL PLC -	1.246,00	GBP	3,380	5.205,14		0,01	0,01
PRUDENTIAL PLC -	5.181,00	GBP	7,380	47.257,17		0,12	0,12
RESOLUTION PLC -	73.401,00	GBP	1,959	177.719,14		0,46	0,46
RIGHTMOVE GROUP PLC -	2.996,00	GBP	15,920	58.949,85		0,15	0,15
RIO TINTO PLC -	11.982,00	GBP	30,190	447.085,13		1,16	1,16
ROLLS ROYCE GROUP PLC -	15.674,00	GBP	8,580	166.212,98		0,43	0,43
ROYAL BANK OF SCOTLAND GROUP PLC -	42.099,00	GBP	2,153	112.024,65		0,29	0,29
ROYAL DUTCH SHELL PLC -A-	20.160,00	GBP	21,475	535.083,43		1,39	1,39
ROYAL DUTCH SHELL PLC -A-	8.247,00	EUR	26,605	219.411,44		0,57	0,57
ROYAL DUTCH SHELL PLC -B-	20.234,00	GBP	22,250	556.428,75		1,45	1,44
SABMILLER PLC -	5.045,00	GBP	25,550	159.312,51		0,41	0,41
SALAMANDER ENERGY PLC -	19.289,00	GBP	1,707	40.695,00		0,11	0,11
SMITH&NEPHEW PLC -	5.564,00	GBP	6,375	43.839,45		0,11	0,11
STANDARD CHARTERED -	10.146,00	GBP	13,845	173.614,35		0,45	0,45
TATE&LYLE PLC -	29.131,00	GBP	6,475	233.127,21		0,61	0,60
TESCO -	5.953,00	GBP	3,101	22.812,11		0,06	0,06
UNILEVER PLC -	10.992,00	GBP	21,440	291.272,38		0,76	0,75
VODAFONE GROUP PLC -	302.336,00	GBP	1,793	669.802,60		1,74	1,74
WH SMITH PLC -	34.229,00	GBP	5,445	230.350,89		0,60	0,60

WOOD GROUP (JOHN) PLC -	23.238,00	GBP	6,855	196.881,09		0,51	0,51
WPP GROUP PLC -	10.629,00	GBP	7,730	101.547,61		0,26	0,26
XSTRATA PLC -	2.951,00	GBP	7,986	29.127,04		0,08	0,08
YULE CATTO & CO -	7.187,00	GBP	1,450	12.879,93		0,03	0,03
Total shares				38.342.956,53		99,67	99,31
Options and futures							
Exchange-listed futures							
<u>Belgium</u>							
EURO - STOXX 50 SEP 12	5,00	EUR	2.255,000	112.750,00		0,29	0,29
<u>U.K.</u>							
FTSE 100 ID X FUT SEP 12	2,00	GBP	5.523,000	136.522,06		0,36	0,35
Suspense accounts (futures)							
<u>Belgium</u>							
EURO - STOXX 50 SEP 12	-105.500,00	EUR	1,000	-105.500,00		-0,27	-0,27
<u>U.K.</u>							
FTSE 100 ID X FUT SEP 12	-107.750,00	GBP	1,000	-133.172,66		-0,35	-0,35
Total options and futures				10.599,40		0,03	0,03
Warrants							
<u>France</u>							
UBI SOFT ENTERTAINMENT 10/10/2013	2.399,00	EUR	0,026	62,37			
<u>Spain</u>							
PROMOTORA DE INFORMACIONES SA CP 05/06/14	51.131,00	EUR	0,010	511,31		0,00	0,00
Total Warrants				573,68		0,00	0,00
TOTAL SECURITIES PORTFOLIO				38.469.444,71		100,00	99,63
COLLATERAL RECEIVED							
<u>Belgium</u>							
KBC GROUP COLLATERAL EUR	669.877,96	EUR	1,000	669.877,96			1,74
TOTAL RECEIVED COLLATERAL				669.877,96			1,74
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP CAD	264,78	CAD	1,000	204,66			0,00
KBC GROUP CHF	3.994,59	CHF	1,000	3.325,64			0,01
KBC GROUP CZK	1.853,77	CZK	1,000	72,60			
KBC GROUP DKK	744,50	DKK	1,000	100,14			
KBC GROUP EURO	69.753,56	EUR	1,000	69.753,56			0,18
KBC GROUP GBP	17.290,72	GBP	1,000	21.370,31			0,06
KBC GROUP HUF	2.928,79	HUF	1,000	10,25			
KBC GROUP NOK	27.199,36	NOK	1,000	3.605,53			0,01
KBC GROUP PLN	892,59	PLN	1,000	210,76			0,00
KBC GROUP SEK	1.880,60	SEK	1,000	214,69			0,00
KBC GROUP USD	3.314,97	USD	1,000	2.612,06			0,01
KBC GROUP ZAR	568,91	ZAR	1,000	54,81			
Total demand accounts				101.535,01			0,26

Managed futures accounts							
<u>Belgium</u>							
KBC GROUP EURO FUT REK	-3.446,86	EUR	1,000	-3.446,86			-0,01
KBC GROUP FUT.REK.GBP	-2.888,50	GBP	1,000	-3.570,02			-0,01
Total managed futures accounts				-7.016,88			-0,02
TOTAL CASH AT BANK AND IN HAND				94.518,13			0,25
OTHER RECEIVABLES AND PAYABLES							
Receivables							
<u>Belgium</u>							
KBC GROUP WHT TO BE RECOVERED EUR	7.836,36	EUR	1,000	7.836,36			0,02
Total receivables				7.836,36			0,02
Payables							
<u>Belgium</u>							
KBC GROUP COUNTERPART ENTRY COLLATERAL IN EUR	-669.877,96	EUR	1,000	-669.877,96			-1,74
KBC GROUP EUR PAYABLE	-48.346,48	EUR	1,000	-48.346,48			-0,13
Payables				-718.224,44			-1,86
TOTAL RECEIVABLES AND PAYABLES				-710.388,08			-1,84
OTHER							
Interest receivable		EUR		99.352,90			0,26
Accrued interest		EUR		9.372,02			0,02
Expenses payable		EUR		-19.755,09			-0,05
Expenses to be carried forward		EUR		-1.656,27			0,00
TOTAL OTHER				87.313,56			0,23
TOTAL NET ASSETS				38.610.766,28			100,00

Geographic breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Austria	0,29	0,11	0,50	0,16
Belgium	1,27	0,22	1,87	1,51
Bermuda	0,57	0,00	0,00	0,02
Switzerland	9,95	12,13	14,69	15,99
Czech Republic	0,40	0,00	0,00	0,00
Cyprus	0,00	0,00	0,05	0,34
Germany	11,59	14,73	12,64	12,15
Denmark	1,83	3,28	1,46	2,07
Spain	5,11	2,38	6,42	4,34
Finland	3,36	3,34	0,80	0,04
France	11,95	12,99	12,05	14,08
U.K.	29,89	31,17	32,88	33,92
Greece	0,84	0,02	0,24	0,16
Ireland	0,81	0,02	1,12	0,61
Italy	5,31	7,28	3,25	3,26
Jersey/The Channel Islands	0,00	0,00	0,32	0,31
Luxembourg	0,10	0,00	0,42	0,24
Netherlands	3,45	3,81	3,55	3,20
Norway	3,14	1,29	1,62	1,79
Poland	0,51	0,00	0,00	0,00
Portugal	1,73	0,34	0,87	0,45
Sweden	7,03	6,89	5,01	5,36
U.S.A.	0,87	0,00	0,24	0,00
Total	100,00	100,00	100,00	100,00

Sector breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Cyclicals	29,92	31,40	28,44	27,93
Consum(cycl)	11,54	11,25	14,83	13,57
Cons.goods	12,37	11,78	12,48	14,71
Pharma	9,65	8,98	11,18	11,35
Financials	20,32	20,28	16,90	17,12
Technology	3,32	4,98	4,63	4,15
Telecomm.	6,40	5,12	5,31	5,67
Utilities	5,26	4,21	4,01	3,75
Real est.	0,94	1,99	2,14	1,73
Governm.	0,00	0,00	0,05	0,00
Various	0,28	0,01	0,03	0,02
Total	100,00	100,00	100,00	100,00

Currency breakdown (as a % of net assets)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
CHF	9,94	12,16	15,13	15,98
CZK	0,41	0,00	0,00	0,00
DKK	1,78	3,29	1,49	2,07
EUR	46,21	45,98	43,93	41,37
GBP	29,99	30,38	32,72	33,09
NOK	3,63	1,29	1,65	2,13
PLN	0,54	0,00	0,00	0,00
SEK	6,85	6,90	5,06	5,35
USD	0,65	0,00	0,02	0,01
Total	100,00	100,00	100,00	100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC EQUITY FUND QUANT EUROPE (IN THE CURRENCY OF THE SUB-FUND)

	1st half of year	Year
Purchases	30.837.942,87	30.837.942,87
Sales	18.224.565,52	18.224.565,52
Total 1	49.062.508,38	49.062.508,38
Subscriptions	29.759.570,74	29.759.570,74
Redemptions	17.379.319,76	17.379.319,76
Total 2	47.138.890,50	47.138.890,50
Monthly average of total assets	37.994.399,74	37.994.399,74
Turnover rate	5,06 %	5,06 %

	1st half of year	Year
Purchases	30.837.942,87	30.837.942,87
Sales	18.224.565,52	18.224.565,52
Total 1	49.062.508,38	49.062.508,38
Subscriptions	29.759.570,74	29.759.570,74
Redemptions	17.379.319,76	17.379.319,76
Total 2	47.138.890,50	47.138.890,50
Monthly average of total assets	34.943.104,16	34.943.104,16
Corrected turnover rate	5,50 %	5,50 %

The table above shows the capital volume of portfolio transactions. This volume (adjusted to take account of total subscriptions and redemptions) is also compared to the average net assets at the beginning and end of the period.

A figure close to 0% implies that the transactions relating to the securities or transactions relating to the assets (excluding deposits and cash) in a given period only involve subscriptions and redemptions.

A negative percentage shows that subscriptions and redemptions entailed few, if any, transactions in the portfolio.

Active asset management may result in high turnover rates (monthly percentage >50%).

The detailed list of transactions is available for consultation free of charge at the registered office of the Bevek or fund at Havenlaan 2, 1080 Brussels.

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

NAME	Currency	Value in currency	In the currency of the sub-fund	Lot-size	Transaction date
KBC COLLATERAL EUR	EUR	669.877,96	669.877,96	N/A	29.06.2012
EUROSTOX 09/12/2012	EUR	112.750,00	112.750,00	10,00	12.06.2012
FTSE 09/12/2012	GBP	110.460,00	136.522,06	10,00	12.06.2012

2.4.4 CHANGES OF THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND THE NET ASSET VALUE

Classic Shares

Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2010 - 06	862.356,55		741.239,55		484.330,54		484.330,54
2011 - 06	549.656,00		519.774,54		514.212,00		514.212,00
2012 - 06	101.233,00		611.545,00		3.900,00		3.900,00

Period	Amounts received and paid by the UCI (in the currency of the class)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2010 - 06	258.518.172,35		222.534.301,42	
2011 - 06	184.703.677,20		172.039.505,11	
2012 - 06	31.609.801,02		175.645.952,43	

Period	Net asset value End of period (in the currency of the class)		
Year	Of the class	Of one share	
		Capitalization	Distribution
2010 - 06	144.588.423,41	298,53	
2011 - 06	174.462.192,39	339,28	
2012 - 06	1.214.135,86	311,32	

Institutional B Shares

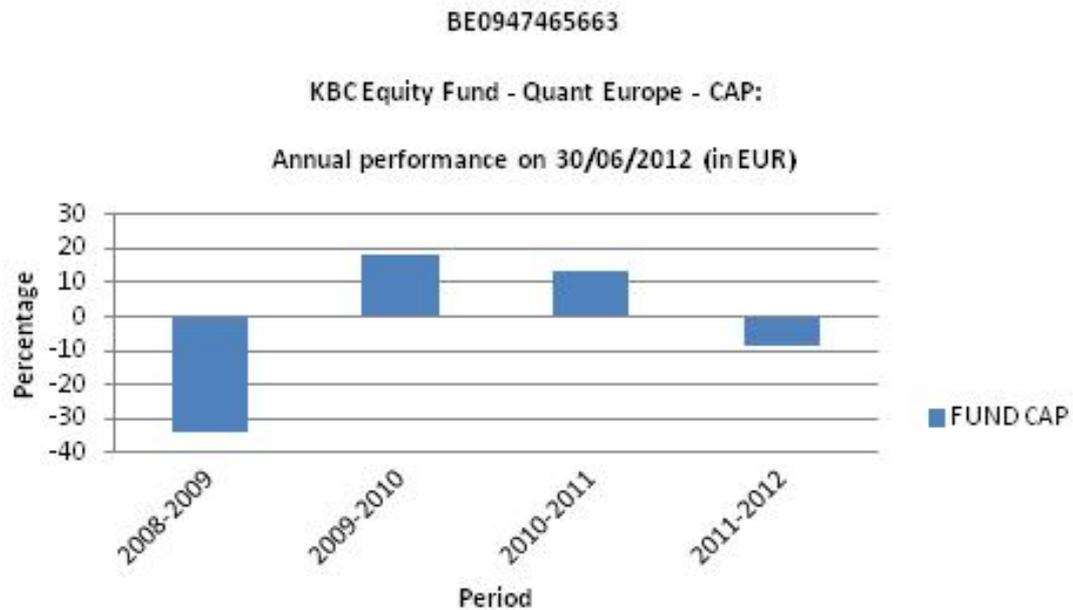
Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2012 - 06	271.490,00		151.640,00		119.850,00		119.850,00

Period	Amounts received and paid by the UCI (in the currency of the class)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2012 - 06	79.157.136,34		45.565.967,97	

Period	Net asset value End of period (in the currency of the class)		
Year	Of the class	Of one share	
		Capitalization	Distribution
2012 - 06	37.396.630,42	312,03	

2.4.5 PERFORMANCE FIGURES

Classic Shares



Cap Div	ISIN code	Cur-rency	1 Year		3 Years*		5 Years*		10 Years*		Since launch*	
			Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Launch Date	Share classes
CAP	BE0947465663	EUR	-8.24%		7.24%						28/09/2007	-9.48%

Risk warning: Past performance is not a guide to future performance.

* Return on annual basis.

Institutional B Shares

The cumulative returns are shown where they relate to a period of at least one year.

Classic Shares

- The bar chart shows the performance for full financial years.
- The figures do not take account of any restructuring.
- Calculated in EUR.
- The return is calculated as the change in the net asset value between two dates expressed as a percentage.
- Calculation method for date D, where NAV stands for net asset value:

Capitalisation units (CAP)

Return on date D over a period of X years:

$$[\text{NIW}(D) / \text{NIW}(Y)]^{1 / X} - 1$$

where Y = D-X

Return on date D since the start date S of the unit:

$$[\text{NIW}(D) / \text{NIW}(S)]^{1 / F} - 1$$

where F = 1 if the unit has existed for less than one year on date D

where F = (D-S) / 365.25 if the unit has existed for longer than one year on date D

- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the n^{th} square root of 1 plus the total return of the unit.
- The return figures shown above do not take account of the fees and charges associated with the issue and redemption of units.

These are the performance figures for capitalization shares.

2.4.6 COSTS

Total expense ratio (TER): *

Classic Shares Capitalization: 1.637%

Institutional B Shares Capitalization: Not applicable

Percentage calculated at the end of the financial year: 31 December

* The following costs have not been included in the TER:

- Transaction charges
- Interest payments on loans taken out
- Payments in respect of financial derivatives
- Fees and charges paid directly by the investor
- Any soft commissions

SOFT COMMISSIONS

The management company or the appointed manager, as the case may be, is the recipient of soft commissions.

The recipient has laid down an internal policy as regards accepting soft commissions and avoiding possible conflicts of interest in this respect, and has put appropriate internal controls in place to ensure this policy is observed.

For more information, please see the 'General' section of the annual report.

	Commission gross in EUR paid during the period: 1-01-12 -	CSA Credits in EUR accrued during the period: 1-01-12 -	
Broker	30-06-12	30-06-12	Percentage
CITI	5,954	3,721	62.50%
CSFBSAS	4,929	3,081	62.50%
DEUTSCHE	13,306	8,317	62.50%
EQ CSA MACQUARIE	1,616	1,010	62.50%
MORGAN STANLEY	5,053	3,536	69.97%
NOMURA	6,282	3,926	62.50%
SOCGEN	99	49	50.00%
UBSWDR	613	355	57.86%

FEE-SHARING AGREEMENTS AND REBATES:

The management company may share its fee with the distributor, and institutional and/or professional parties.

In principle, the percentage share amounts to between 35% and 60% if the distributor is an entity of KBC Group NV or to between 35% and 70% if the distributor is not an entity of KBC Group NV. However, in a small number of cases, the distributor's fee is less than 35%. Investors may, on request, obtain more information on these cases.

If the management company invests the assets of the undertaking for collective investment in units of undertakings for collective investment that are not managed by an entity of KBC Group NV, and receives a fee for doing so, it will pay this fee to the undertaking for collective investment.

Fee-sharing does not affect the amount of the management fee paid by the sub-fund to the management company. This management fee is subject to the limitations laid down in the articles of association. The limitations may only be amended after approval by the general meeting of shareholders.

The management company has concluded a distribution agreement with the distributor in order to facilitate the wider distribution of the sub-fund's units by using multiple distribution channels. It is in the interests of the holders of units, the sub-fund and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund to be maximised in this way. In this respect, there is therefore no question of any conflict of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: 1.35% per annum calculated on the basis of the average total net assets of the sub-fund, excluding those assets invested in investment undertakings managed by a financial institution of the KBC group.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the average total net assets of the sub-fund.

Auditor's fee: 1 700 EUR per year. This fee is not including VAT and will be increased at the end of the 3-year mandate.

The custody fee is calculated on the value of the securities held in custody by the custodian on the final banking day of the preceding calendar year, except on those assets invested in investment undertakings managed by a financial institution of the KBC group. The custody fee is paid at the beginning of the calendar year.

Social, ethical and environmental aspects:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

Exercising voting rights

If necessary, relevant and in the interest of the shareholders, the management company will exercise the voting rights attached to the shares in the Bevek's portfolio.

The management company will adhere to the following criteria when determining how it stands relative to the items on the agenda that are put to the vote:

- Shareholder value may not be adversely affected.
- Corporate governance rules, especially with regard to the rights of minority shareholders, must be respected.
- The minimum standards with regard to sustainable business and corporate social responsibility must be met.

The list of companies for which voting rights are exercised is available at the registered office of the Bevek.

Financial derivatives on financial indices

The following financial indices were used as the underlying for financial derivatives:

The **Euro Stoxx 50** is a weighted equity index computed by Stoxx Ltd. The dividend is not reinvested. The main purpose of this index is to provide a continuous indication of market trends on the European stock markets. The base value of the index is 1000, calculated on the basis of the underlying prices recorded on 31 December 1991.

The Euro Stoxx 50 consists solely of shares from countries participating in the Economic and Monetary Union, with the exception of Luxembourg. On 10 April 1998, the following stock exchanges were included in the index: Austria (Vienna), Belgium (Brussels), Finland (Helsinki), France (Paris), Germany (Frankfurt), Italy (Milan), Ireland (Dublin), the Netherlands (Amsterdam), Portugal (Lisbon) and Spain (Madrid).

The index consists of the 50 largest European shares in terms of shares that are freely negotiable, and the shares are accordingly weighted on the basis of this criterion.

The Euro Stoxx 50 is published daily in L'Echo, De Tijd, The Financial Times and The Wall Street Journal Europe.

Stoxx Limited has all proprietary rights with respect to the index. In no way Stoxx Limited endorses, sponsors or is otherwise involved in the issue and offering the shares of this undertaking for collective investment. Stoxx Limited disclaims any liability for the issue and offering of the shares of this undertaking for collective investment.

The **FTSE 100** is an equity index computed by the Financial Times Ltd. The dividend is not reinvested. It comprises 100 shares. The FTSE 100 serves primarily as a continuous indicator of market trends on the UK stock market. The value of the FTSE 100 is based on the market value of the shares of 100 companies listed on the London Stock Exchange. These are the companies with the biggest market capitalisation, and the shares are weighted accordingly. The base value of the index is 1000, calculated on the basis of the underlying prices recorded on 3 January 1984.

The FTSE 100 is published daily in the leading financial newspapers, i.e. The Financial Times and The Wall Street Journal Europe. In Belgium, the index is published in De Tijd and L'Echo.

Financial Times Ltd has all proprietary rights with respect to the index. In no way Financial Times Ltd endorses, sponsors or is otherwise involved in the issue and offering the shares of this undertaking for collective investment. Financial Times Ltd disclaims any liability for the issue and offering of the shares of this undertaking for collective investment.

The value and, if available for distribution, the composition of the aforementioned financial indices may be obtained from the branches providing the financial service.

Securities lending

In accordance with the Royal Decree of 7 March 2006 concerning securities lending, the undertaking for collective investment has taken out securities loans with a principal to whom the full title of the loaned securities was transferred, without recording this transfer of ownership in the accounts.

For the period from 1 January 2012 to 30 June 2012, the fee for securities lent comes to - 26,346.71 EUR. KBC Asset Management NV receives 50% of the net fee received for securities lent.

The detailed list of securities lending transactions carried out can be obtained from the registered office of the collective investment undertaking at 2 Havenlaan, 1080 Brussels.

Overview of securities lent as at 30/06/2012

Name	Currency	Quantity	Price	Value in currency of the portfolio
ACS - ACTIV.CONSTR.SERVIC.SA	EUR	6.228	16,890	105.190,92
BANKIA S.A.	EUR	3.234	0,924	2.988,22
GLENCORE INTERNATIONAL PLC	GBP	5.322	2,956	19.440,33
PERNOD-RICARD	EUR	2.482	84,260	209.133,32
PUBLICIS GROUPE	EUR	7.901	36,050	284.831,05
ROCHE HOLDING AG AAN TOONDER	CHF	102	170,700	14.495,61
			Total	636.079,45

Details of collateral received for securities lent

Name	Currency	Nominal value	Currency fund	Value in Currency fund
OESTERREICH 2007 4.3% 15/09/17	EUR	130.000	EUR	152.749,61
GERMANY 2009 2,25% 11/04/14	EUR	166.000	EUR	173.271,30
FRANCE 2001 3% 25/07/2012	EUR	54.000	EUR	69.045,43
OAT FRANCE 2005 3% 25/10/15	EUR	235.000	EUR	255.718,07
NEDERLAND 2009 4.00% 15/07/19	EUR	16.000	EUR	19.093,55
			Total	669.877,96

For the valuation of the collateral received, indicative prices have been used in this detail list by the Collateral Management Division of KBC Bank.

TABLE OF CONTENTS

- 2. Information on KBC Equity Fund Satellites
 - 2.1. Management report
 - 2.1.1. Launch date and subscription price
 - 2.1.2. Stock exchange listing
 - 2.1.3. Aim and distinctive features of the investment policy
 - 2.1.4. Financial portfolio management
 - 2.1.5. Distributors
 - 2.1.6. Index and benchmark
 - 2.1.7. Policy conducted during the financial year
 - 2.1.8. Future policy
 - 2.1.9. Synthetic risk and reward indicator (SRRI)
 - 2.2. Balance sheet
 - 2.3. Profit and loss account
 - 2.4. Composition of the assets and key figures
 - 2.4.1. Composition of the assets
 - 2.4.2. Change in the composition of the assets
 - 2.4.3. Value of commitments in respect of financial derivatives positions
 - 2.4.4. Evolution of the number of subscriptions, repayments and the net asset value
 - 2.4.5. Return figures
 - 2.4.6. Expenses
 - 2.4.7. Notes to the financial statements and other data

2 INFORMATION ON KBC EQUITY FUND SATELLITES

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Classic Shares :

Launch date: 30 January 2009
Initial subscription price: 500 EUR
Currency: EUR

Institutional B Shares :

Launch date: 24 November 2011
Initial subscription price: 676.29 EUR
Currency: EUR

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

The main objective of this sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. To this end, the assets are invested, either directly or indirectly via correlated financial instruments, primarily in shares.

SUB-FUND'S INVESTMENT POLICY:

PERMITTED ASSET CLASSES:

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the sub-fund's object.

The sub-fund shall invest no more than 10% of its assets in units of other undertakings for collective investment.

RESTRICTIONS OF THE INVESTMENT POLICY:

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

PERMITTED DERIVATIVES TRANSACTIONS:

Derivates may be used either for hedging purposes or to achieve investment objectives.

Changes will be made to the investments at regular intervals to comply with the sub-fund's investment strategy. **In addition, listed and unlisted derivates may be used to achieve the objectives:** these may be forward contracts, options or swaps on securities, indices, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions. **Such derivatives may also be used to hedge the assets against exchange-rate fluctuations.** Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions.

Derivatives may be used to partially hedge the open exchange risk in relation to the reference currency (euro). Where appropriate, they may therefore limit the foreign exchange risk expressed in euros, and hence the market risk and performance risk too.

Derivatives are liquid and readily negotiable instruments. They do not, therefore, affect the liquidity risk.

Derivatives are also used in accordance with the investment policy and strategy. They do not affect the market, performance and concentration risks or the risks associated with external factors or of any kind.

STRATEGY SELECTED

At least 75% of the assets are invested, directly or indirectly, in a selection of shares in global companies. The manager has autonomy in the stock picking, which is theme-based. As a result, the sub-fund's investments may at any time be focused to a greater or lesser extent on one or more very specific themes. Some examples of these themes (this list is not exhaustive) are family companies, holding companies with a greater average undervaluation in relation to their intrinsic value, and global companies that generate a significant percentage of their turnover in emerging countries.

LENDING FINANCIAL INSTRUMENTS:

The sub-fund may lend financial instruments within the limits set by law and regulations.

This lending does not affect the sub-fund's risk profile since:

- it takes place within the framework of a securities lending system managed by a principal. In addition, the sub-fund has a relationship only with the principal of the securities lending system which acts as counterparty and to which title of the loaned securities is transferred. The choice of principal is subject to strict selection criteria. The return of securities similar to the securities that have been lent is guaranteed by the principal.
- through a margin management system, the sub-fund is always guaranteed financial security, the actual value of which always exceeds the actual value of the securities that have been lent, in case the principal does not return similar securities.

The return of securities similar to the securities that have been lent can be requested at any time, which means that the lending of securities does not affect the management of the sub-fund's assets. By lending securities, the sub-fund can generate an additional return. The principal pays a fee to the management company. After deducting the fee for the margin management and clearing services of KBC Bank, most of this fee is paid to the sub-fund.

The relationship with the counterparty or counterparties is governed by standard international agreements.

More information is provided on the terms and conditions governing securities lending in the annual or half-yearly report for the sub-fund.

VOLATILITY OF THE NET ASSET VALUE:

The volatility of the net asset value may be high due to the composition of the portfolio.

GENERAL STRATEGY FOR HEDGING THE EXCHANGE RATE RISK:

In order to protect its assets against exchange rate fluctuations and within the limitations laid down in the articles of association, the sub-fund may perform transactions relating to the sale of forward currency contracts, as well as the sale of call options and the purchase of put options on currencies. The transactions in question may relate solely to contracts traded on a regulated market that operates regularly, is recognised and is open to the public or that are traded with a recognised, prime financial institution specialising in such transactions and dealing in the over-the-counter (OTC) market in options. With the same objective, the sub-fund may also sell currencies forward or exchange them in private transactions with prime financial institutions specialising in such transactions. The hedging objective of the aforementioned transactions suggests that there is a direct link between these transactions and the assets to be hedged, which implies that the transactions carried out in a particular currency may in principle not exceed, in terms of volume, either the valuation value of all the assets in the same currency or the holding period of those assets.

SOCIAL, ETHICAL AND ENVIRONMENTAL ASPECTS:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

THE EUROPEAN SAVINGS DIRECTIVE AND TAX ON DEBT CLAIM RETURNS OBTAINED THROUGH THE REDEMPTION OF OWN UNITS OR IN THE EVENT OF FULL OR PARTIAL DISTRIBUTION OF EQUITY CAPITAL.

The following information is of a general character and is not intended to cover all aspects of an investment in a UCITS. In certain cases entirely different rules might even apply. Moreover, both tax law and the interpretation of it can change. Investors who wish to have more information about the tax implications – in both Belgium and abroad – of acquiring, holding and transferring units should seek the advice of their usual financial and tax advisers.

This UCITS shall invest a maximum of 15% of its assets directly or indirectly in debt instruments as intended by the European Savings Directive.

A. European Savings Directive (Directive 2003/48/EC)

The European Savings Directive has been implemented in Belgium through:

- The Law of 17 May 2004 transposing into Belgian law Directive 2003/48/EC of 3 June 2003 of the Council of the European Union on taxation of savings income in the form of interest payments and amending Income Tax Code 1992 on withholding tax;
- The Royal Decree of 27 September 2009 implementing Article 338bis § 2 of Income Tax Code 1992;
- The Royal Decree of 27 September 2009 concerning the entry into effect of Article 338bis § 2, paragraphs one to three, of Income Tax Code 1992;

Since this UCITS invests a maximum of 15% of its assets directly or indirectly in debt claims as intended by the European Savings Directive, the income of this UCITS does not fall within the scope of this directive.

B. Tax on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital (Article 19bis Income Tax Code 1992).

The income from this UCITS is not subject to the tax on debt instrument returns as intended by Article 19bis, Income Tax Code 1992.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

There is no delegation of the portfolio.

2.1.5 DISTRIBUTORS

KBC Asset Management S.A., 5, Place de la Gare, L-1616 Luxembourg.

2.1.6 INDEX AND BENCHMARK

See 'Sub-fund's investment policy'.

2.1.7 POLICY PURSUED DURING THE FINANCIAL YEAR

KBC Equity Fund Satellites invests primarily in companies selected on a theme basis. Several themes were chosen that are likely to outperform the broad equity market in the medium to long term. At the beginning of the year, KBC Equity Fund Satellites was invested in holdings with a more than average undervaluation compared to their net asset value; businesses with a sufficiently strong market position to be able to set their own selling prices; conservatively managed family businesses; clean energy; companies at which substantial R&D efforts have created clear shareholder value; and structural growth companies. A reasonable sector and regional spread was pursued for the portfolio.

Shareholders of KBC Equity Fund Satellites obtained a positive return of more than 9% in EUR in the first half of 2012. KBC Equity Fund Satellites outperformed the MSCI World thanks to the good relative performance of, among others, Arcadis, Anheuser-Busch InBev and Novo Nordisk. The positions in Weir, Boskalis and Arkema dragged down the fund's relative performance.

Profits were taken in stocks including Coca-Cola, Experian, Intertek, Kerry, Kone, Nutreco and Tractebel Energia. The funds released were invested in stocks including Andritz, Berkshire Hathaway, Brenntag, Diasorin, Eutelsat, Henkel and Tullow Oil.

2.1.8 FUTURE POLICY

At the beginning of the second half, KBC Equity Fund Satellites was invested in holdings with a more than average undervaluation compared to their net asset value; businesses with a sufficiently strong market position to be able to set their own selling prices; conservatively managed family businesses; clean energy; companies at which substantial R&D efforts have created clear shareholder value; and structural growth companies. These six themes are highly likely to deliver a better performance than the broad equity market in the medium to long term. Consequently, there is still the real prospect of a good relative performance. KBC Equity Fund Satellites will sell themes if the valuation of the underlying businesses is no longer attractive and will invest in new themes if the opportunity arises.

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

Classic Shares: 6 on a scale of 1 (lowest risk) to 7 (highest risk).

Institutional B Shares: 6 on a scale of 1 (lowest risk) to 7 (highest risk).

The value of a share can decrease or increase and the investor may not get back the amount invested.

In accordance with Commission Regulation (EU) No. 583/2010, a synthetic risk and reward indicator has been calculated. This indicator provides a quantitative measure of the sub-fund's potential return and the risk involved, calculated in the currency in which the sub-fund is denominated. It is given as a figure between 1 and 7. The higher the figure, the greater the potential return, but also the more difficult it is to predict this return. Losses are possible too. The lowest figure does not mean that the investment is entirely free of risk. However, it does indicate that, compared with the higher figures, this product will generally provide a lower, but more predictable return.

The synthetic risk and reward indicator is assessed regularly and can therefore go up or down based on data from the past. Data from the past is not always a reliable indicator of future risk and return.

The most recent indicator can be found under the 'Risk and reward profile' heading in the 'Key Investor Information' document.

2.2 BALANCE SHEET

Balance sheet layout	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
TOTAL NET ASSETS	38.024.679,46	35.869.436,37
II. Securities, money market instruments, UCIs and derivatives		
A. Bonds and other debt instruments		
a) Bonds	92.379,50	
a) Collateral received in the form of bonds	1.896.089,60	368.203,14
C. Shares and similar instruments		
a) Shares	37.569.991,48	35.602.588,26
Of which securities lent	1.824.775,38	329.180,89
D. Other securities	3,40	21,00
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable		11.680,55
b) Tax assets	64.500,31	97.434,06
B. Payables		
a) Accounts payable (-)	-47.111,02	-27.117,03
d) Collateral (-)	-1.896.089,60	-368.203,14
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	334.762,59	162.411,41
VI. Accruals and deferrals		
A. Expense to be carried forward	5.234,07	37.842,19
B. Accrued income	30.546,05	9.526,64
C. Accrued expense (-)	-25.626,92	-24.950,71
TOTAL SHAREHOLDERS' EQUITY	38.024.679,46	35.869.436,37
A. Capital	35.765.574,67	38.008.433,94
B. Income equalization	-39.341,17	-32.489,32
D. Result for the period	2.298.445,96	-2.106.508,25

Off-balance-sheet headings

I Collateral (+/-)		
I.A Collateral (+/-)		
I.A.A Securities/market instruments	1.896.089,60	368.203,14
IX Financial instruments lent	1.824.775,38	329.180,89

2.3 PROFIT AND LOSS ACCOUNT

Income Statement	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
I. Net gains(losses) on investments		
A. Bonds and other debt instruments		
a) Bonds	-10.063,00	
C. Shares and similar instruments		
a) Shares	1.490.807,04	-1.054.070,88
D. Other securities	43,72	0,17
F. Derivative financial instruments		
l) Financial indices		
Futures and forward contracts		24.940,02
H. Foreign exchange positions and transactions		
b) Other foreign exchange positions and transactions	600.558,78	-1.305.886,19
II. Investment income and expenses		
A. Dividends	582.479,97	608.745,26
B. Interests		
a) Securities and money market instruments	17.565,53	0,65
b) Cash at bank and in hand and deposits	309,71	173,60
C. Interest on borrowings (-)	-178,14	-6.573,85
III. Other income		
A. Income received to cover the acquisition and realization of assets, to discourage withdrawals and for delivery charges	51.249,72	
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-129.089,53	-67.275,07
B. Financial expenses (-)	-232,57	-877,08
C. Custodian's fee (-)	-10.314,55	
D. Manager's fee (-)		
a) Financial management		
Classic Shares	-101.999,08	-260.828,81
Institutional B Shares	-145.031,25	
b) Administration and accounting management	-20.279,20	-18.408,75
F. Formation and organisation expenses (-)	-1.771,60	-1.667,90
G. Remuneration, social security charges and pension	-3,27	-7,96
H. Services and sundry goods (-)	-3.939,20	-3.430,63
J. Taxes		
Classic Shares	-5.553,97	-14.383,36
Institutional B Shares	-1.268,43	
K. Other expenses (-)	-14.844,72	-6.957,47
Income and expenditure for the period		
Subtotal II + III + IV	217.099,42	228.508,63
V. Profit (loss) on ordinary activities before tax	2.298.445,96	-2.106.508,25
VII. Result for the period	2.298.445,96	-2.106.508,25

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC EQUITY FUND SATELLITES

Name	Quantity on 30/06/2012	Currency	Price in currency	Evaluation (in the currency of the sub-fund)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
Bonds							
Corporate bonds							
<u>Ireland</u>							
D-STAR FINANCE PLC SUB 14/05/13	145.000,00	EUR	63,710	92.379,50		0,25	0,24
Total bonds				92.379,50		0,25	0,24
Shares							
Exchange-listed shares							
<u>Austria</u>							
ANDRITZ AG -	37.000,00	EUR	40,520	1.499.240,00		3,98	3,94
<u>Belgium</u>							
ANHEUSER-BUSCH INBEV NV -	18.000,00	EUR	61,300	1.103.400,00		2,93	2,90
EVS BROADCAST EQUIPMENT (BRU)	27.000,00	EUR	37,170	1.003.590,00		2,67	2,64
KBC ANCORA -	39.635,00	EUR	6,850	271.499,75		0,72	0,71
SIPEF (BRU)	8.000,00	EUR	56,900	455.200,00		1,21	1,20
THROMBOGENICS NV -	70.000,00	EUR	21,300	1.491.000,00		3,96	3,92
UMICORE -	13.000,00	EUR	36,370	472.810,00		1,26	1,24
<u>Bermuda</u>							
HAL TRUST (AMS)	3.121,00	EUR	83,400	260.291,40		0,69	0,69
<u>Denmark</u>							
DSV DE SAMMENSLUTTEDE VOGNMAEND -	95.000,00	DKK	116,100	1.483.576,35		3,94	3,90
NOVO NORDISK A/S "B"	11.500,00	DKK	848,500	1.312.513,45		3,49	3,45
<u>France</u>							
ARKEMA -	27.000,00	EUR	51,550	1.391.850,00		3,70	3,66
EUTELSAT -	60.000,00	EUR	24,265	1.455.900,00		3,87	3,83
<u>Germany</u>							
BRENNTAG AG -	16.000,00	EUR	87,180	1.394.880,00		3,70	3,67
HENKEL KGAA PREF	28.000,00	EUR	52,370	1.466.360,00		3,89	3,86
<u>Hong Kong</u>							
HUABAO INTERNATIONAL HOLDINGS -	757.000,00	HKD	3,780	290.686,52		0,77	0,76
<u>Italy</u>							
DIASORIN SPA -	37.000,00	EUR	22,970	849.890,00		2,26	2,24
<u>Netherlands</u>							
ARCADIS N.V. (AMS)	72.000,00	EUR	17,220	1.239.840,00		3,29	3,26
BOSKALIS WESTMINSTER (AMS)	18.000,00	EUR	25,970	467.460,00		1,24	1,23
FUGRO NV CVA	31.000,00	EUR	47,730	1.479.630,00		3,93	3,89
ROYAL IMTECH NV (AMS)	22.000,00	EUR	18,775	413.050,00		1,10	1,09
<u>Norway</u>							
DOCKWISE LTD -	106.245,00	EUR	12,400	1.317.438,00		3,50	3,47

<u>Sweden</u>							
ELEKTA AB -B-	39.000,00	SEK	315,200	1.403.367,77		3,73	3,69
SWEDISH MATCH AB -	35.000,00	SEK	278,700	1.113.590,96		2,96	2,93
<u>Switzerland</u>							
COMPAGNIE FINANCIERE RICHEMONT "A"	32.000,00	CHF	51,850	1.381.342,88		3,67	3,63
NESTLE AG REG	18.000,00	CHF	56,550	847.437,87		2,25	2,23
<u>U.K.</u>							
BAT HOLDINS BV -	33.000,00	GBP	32,415	1.322.080,09		3,51	3,48
BG GROUP PLC -	92.000,00	GBP	13,000	1.478.185,64		3,93	3,89
COBHAM -	160.000,00	GBP	2,322	459.176,86		1,22	1,21
IMPERIAL TOBACCO GR PLC -	49.000,00	GBP	24,550	1.486.775,43		3,95	3,91
TULLOW OIL INC (LON)	78.000,00	GBP	14,700	1.417.130,14		3,76	3,73
WEIR GROUP PLC (THE) -	78.000,00	GBP	15,300	1.474.972,19		3,92	3,88
<u>U.S.A.</u>							
BERKSHIRE HATHAWAY INC. "B"	20.000,00	USD	83,330	1.313.214,09		3,49	3,45
MICROSOFT CORP -	60.000,00	USD	30,590	1.446.221,73		3,84	3,80
PHILIP MORRIS INTERNATIONAL INC. -	19.000,00	USD	87,260	1.306.390,36		3,47	3,44
Total shares				37.569.991,48		99,76	98,80
Rights							
<u>Bermuda</u>							
HAL TRUST CP 18/05/12	1,00	EUR	3,400	3,40			
Total rights				3,40			
TOTAL SECURITIES PORTFOLIO				37.662.374,38		100,00	99,05
COLLATERAL RECEIVED							
<u>Belgium</u>							
KBC GROUP COLLATERAL EUR	1.896.089,60	EUR	1,000	1.896.089,60			4,99
TOTAL RECEIVED COLLATERAL				1.896.089,60			4,99
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP AUD	373,79	AUD	1,000	301,92			0,00
KBC GROUP CHF	219,32	CHF	1,000	182,59			
KBC GROUP DKK	398,18	DKK	1,000	53,56			
KBC GROUP EURO	332.232,84	EUR	1,000	332.232,84			0,87
KBC GROUP GBP	652,33	GBP	1,000	806,24			0,00
KBC GROUP HKD	189,32	HKD	1,000	19,23			
KBC GROUP JPY	99.873,00	JPY	1,000	986,30			0,00
KBC GROUP MXN	495,47	MXN	1,000	29,08			
KBC GROUP NOK	108,38	NOK	1,000	14,37			
KBC GROUP SEK	648,59	SEK	1,000	74,04			
KBC GROUP USD	79,22	USD	1,000	62,42			
Total demand accounts				334.762,59			0,88
TOTAL CASH AT BANK AND IN HAND				334.762,59			0,88

OTHER RECEIVABLES AND PAYABLES							
Receivables							
<u>Belgium</u>							
KBC GROUP WHT TO BE RECOVERED EUR	64.500,31	EUR	1,000	64.500,31			0,17
Total receivables				64.500,31			0,17
Payables							
<u>Belgium</u>							
KBC GROUP COUNTERPART ENTRY COLLATERAL IN EUR	-1.896.089,60	EUR	1,000	-1.896.089,60			-4,99
KBC GROUP EUR PAYABLE	-47.111,02	EUR	1,000	-47.111,02			-0,12
Payables				-1.943.200,62			-5,11
TOTAL RECEIVABLES AND PAYABLES				-1.878.700,31			-4,94
OTHER							
Interest receivable		EUR		25.922,26			0,07
Accrued interest		EUR		4.623,79			0,01
Expenses payable		EUR		-25.626,92			-0,07
Expenses to be carried forward		EUR		5.234,07			0,01
TOTAL OTHER				10.153,20			0,03
TOTAL NET ASSETS				38.024.679,46			100,00

Geographic breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Austria	1,59	0,52	0,00	3,98
Belgium	20,71	22,29	16,78	12,74
Bermuda	1,99	0,08	1,27	0,69
Brazil	4,17	2,73	1,65	0,00
Switzerland	2,14	1,56	6,57	5,92
Germany	0,00	0,00	2,48	7,60
Denmark	2,59	4,81	5,74	7,42
Finland	0,00	3,29	2,96	0,00
France	3,55	3,58	0,76	7,56
U.K.	18,96	20,48	22,49	20,27
Greece	1,98	1,75	0,15	0,00
Hong Kong	4,08	2,56	1,47	0,77
Ireland	0,00	0,00	3,85	0,25
Italy	0,00	0,00	0,00	2,26
Netherlands	9,62	17,91	14,69	9,56
Norway	6,38	4,26	2,90	3,50
Sweden	0,00	2,47	3,65	6,68
U.S.A.	22,24	11,71	12,59	10,80
Total	100,00	100,00	100,00	100,00

Sector breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Cyclicals	29,99	37,33	35,19	43,87
Consum(cycl)	5,00	9,20	16,92	10,27
Cons.goods	27,08	25,32	33,29	20,27
Pharma	8,72	9,88	4,80	13,43
Financials	17,63	9,46	5,19	4,45
Technology	7,41	6,08	2,96	3,84
Telecomm.	0,00	0,00	0,00	3,87
Utilities	4,17	2,73	1,65	0,00
Total	100,00	100,00	100,00	100,00

Currency breakdown (as a % of net assets)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
BRC	4,17	0,00	0,00	0,00
BRL	0,00	2,71	1,65	0,00
CHF	2,13	1,55	6,58	5,86
DKK	2,59	4,78	5,75	7,36
EUR	43,08	53,90	45,73	48,60
GBP	18,95	20,43	22,54	20,10
HKD	4,08	2,54	1,47	0,76
NOK	2,66	0,00	0,00	0,00
SEK	0,00	2,46	3,66	6,62
USD	22,34	11,63	12,62	10,70
Total	100,00	100,00	100,00	100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC EQUITY FUND SATELLITES (IN THE CURRENCY OF THE SUB-FUND)

	1st half of year	Year
Purchases	46.631.731,91	46.631.731,91
Sales	31.206.636,86	31.206.636,86
Total 1	77.838.368,77	77.838.368,77
Subscriptions	33.572.313,12	33.572.313,12
Redemptions	18.039.534,95	18.039.534,95
Total 2	51.611.848,07	51.611.848,07
Monthly average of total assets	39.540.341,48	39.540.341,48
Turnover rate	66,33 %	66,33 %

	1st half of year	Year
Purchases	46.631.731,91	46.631.731,91
Sales	31.206.636,86	31.206.636,86
Total 1	77.838.368,77	77.838.368,77
Subscriptions	33.572.313,12	33.572.313,12
Redemptions	18.039.534,95	18.039.534,95
Total 2	51.611.848,07	51.611.848,07
Monthly average of total assets	38.457.000,60	38.457.000,60
Corrected turnover rate	68,20 %	68,20 %

The table above shows the capital volume of portfolio transactions. This volume (adjusted to take account of total subscriptions and redemptions) is also compared to the average net assets at the beginning and end of the period.

A figure close to 0% implies that the transactions relating to the securities or transactions relating to the assets (excluding deposits and cash) in a given period only involve subscriptions and redemptions.

A negative percentage shows that subscriptions and redemptions entailed few, if any, transactions in the portfolio.

Active asset management may result in high turnover rates (monthly percentage >50%).

The detailed list of transactions is available for consultation free of charge at the registered office of the Bevek or fund at Havenlaan 2, 1080 Brussels.

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

NAME	Currency	Value in currency	In the currency of the sub-fund	Lot-size	Transaction date
KBC COLLATERAL EUR	EUR	1.896.089,60	1.896.089,60	N/A	29.06.2012

2.4.4 CHANGES OF THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND THE NET ASSET VALUE

Classic Shares

Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2010 - 06	83.901,00		76.132,00		48.090,59		48.090,59
2011 - 06	43.237,00		46.092,59		45.235,00		45.235,00
2012 - 06	35.898,00		64.380,00		16.753,00		16.753,00

Period	Amounts received and paid by the UCI (in the currency of the class)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2010 - 06	57.261.131,45		54.078.797,31	
2011 - 06	34.526.433,97		36.657.516,36	
2012 - 06	28.183.616,46		46.567.738,75	

Period	Net asset value End of period (in the currency of the class)		
Year	Of the class	Of one share	
		Capitalization	Distribution
2010 - 06	34.876.941,53	725,23	
2011 - 06	35.869.436,37	792,96	
2012 - 06	13.883.254,67	828,70	

Institutional B Shares

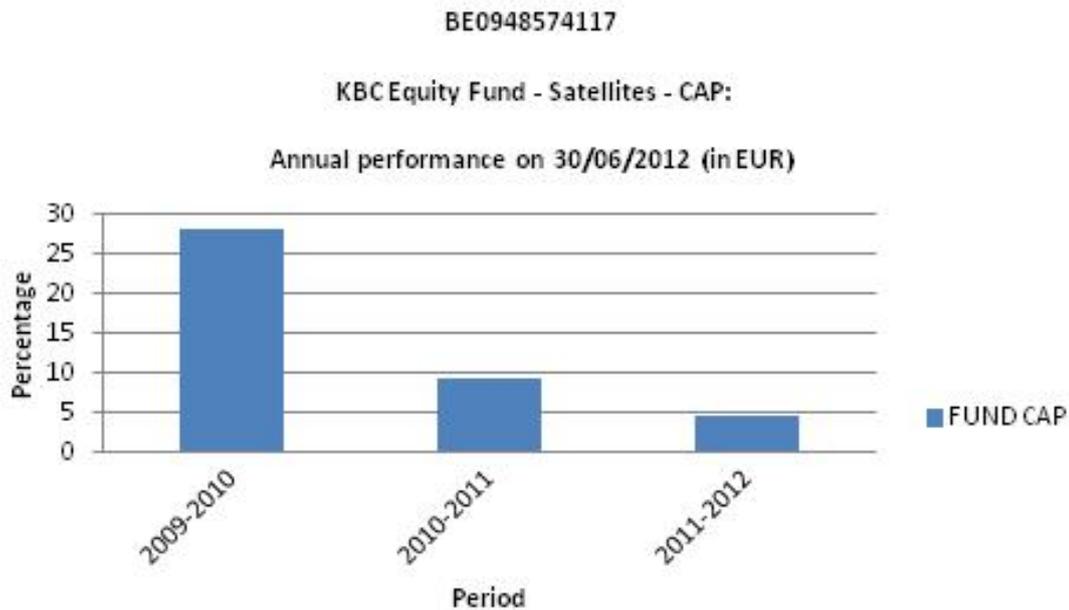
Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2012 - 06	38.945,00		9.860,00		29.085,00		29.085,00

Period	Amounts received and paid by the UCI (in the currency of the class)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2012 - 06	29.957.068,87		8.208.275,28	

Period	Net asset value End of period (in the currency of the class)		
Year	Of the class	Of one share	
		Capitalization	Distribution
2012 - 06	24.141.424,79	830,03	

2.4.5 PERFORMANCE FIGURES

Classic Shares



Cap Div	ISIN code	Cur-rency	1 Year		3 Years*		5 Years*		10 Years*		Since launch*	
			Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Launch Date	Share classes
CAP	BE0948574117	EUR	4.51%		13.58%						30/01/2009	15.95%

Risk warning: Past performance is not a guide to future performance.

* Return on annual basis.

Institutional B Shares

The cumulative returns are shown where they relate to a period of at least one year.

Classic Shares

- The bar chart shows the performance for full financial years.
- The figures do not take account of any restructuring.
- Calculated in EUR.
- The return is calculated as the change in the net asset value between two dates expressed as a percentage.
- Calculation method for date D, where NAV stands for net asset value:
Capitalisation units (CAP)
 Return on date D over a period of X years:

$$[\text{NIW}(D) / \text{NIW}(Y)]^{1 / X} - 1$$
 where $Y = D - X$
 Return on date D since the start date S of the unit:

$$[\text{NIW}(D) / \text{NIW}(S)]^{1 / F} - 1$$
 where $F = 1$ if the unit has existed for less than one year on date D
 where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D
- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the n^{th} square root of 1 plus the total return of the unit.
- The return figures shown above do not take account of the fees and charges associated with the issue and redemption of units.

These are the performance figures for capitalization shares.

2.4.6 COSTS

Total expense ratio (TER): *

Classic Shares Capitalization: 1.554%
Institutional B Shares Capitalization: Not applicable

Percentage calculated at the end of the financial year: 31 December

* The following costs have not been included in the TER:

- Transaction charges
- Interest payments on loans taken out
- Payments in respect of financial derivatives
- Fees and charges paid directly by the investor
- Any soft commissions

SOFT COMMISSIONS

The management company or the appointed manager, as the case may be, is the recipient of soft commissions.

The recipient has laid down an internal policy as regards accepting soft commissions and avoiding possible conflicts of interest in this respect, and has put appropriate internal controls in place to ensure this policy is observed.

For more information, please see the 'General' section of the annual report.

Broker	Commission gross in EUR paid during the period: 1-01-12 -	CSA Credits in EUR accrued during the period: 1-01-12 -	Percentage
	30-06-12	30-06-12	
CITI	3,055	1,910	62.50%
CSFBSAS	16,602	8,590	51.74%
DEUTSCHE	4,536	2,744	60.49%
EQ CSA MACQUARIE	5,887	3,679	62.50%
HSBC	267	141	52.84%
JP MORGAN	574	319	55.56%
MERRILL	3,492	2,182	62.50%
MORGAN STANLEY	10,559	6,569	62.22%
NOMURA	3,002	2,132	71.02%
SOCGEN	804	402	50.00%
UBSWDR	2,281	1,252	54.91%

FEE-SHARING AGREEMENTS AND REBATES:

The management company may share its fee with the distributor, and institutional and/or professional parties.

In principle, the percentage share amounts to between 35% and 60% if the distributor is an entity of KBC Group NV or to between 35% and 70% if the distributor is not an entity of KBC Group NV. However, in a small number of cases, the distributor's fee is less than 35%. Investors may, on request, obtain more information on these cases.

If the management company invests the assets of the undertaking for collective investment in units of undertakings for collective investment that are not managed by an entity of KBC Group NV, and receives a fee for doing so, it will pay this fee to the undertaking for collective investment.

Fee-sharing does not affect the amount of the management fee paid by the sub-fund to the management company. This management fee is subject to the limitations laid down in the articles of association. The limitations may only be amended after approval by the general meeting of shareholders.

The management company has concluded a distribution agreement with the distributor in order to facilitate the wider distribution of the sub-fund's units by using multiple distribution channels. It is in the interests of the holders of units, the sub-fund and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund to be maximised in this way. In this respect, there is therefore no question of any conflict of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: 1.25% per annum calculated on the basis of the average total net assets of the sub-fund, excluding those assets invested in investment undertakings managed by a financial institution of the KBC group.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the average total net assets of the sub-fund.

Auditor's fee: 1 700 EUR per year. This fee is not including VAT and will be increased at the end of the 3-year mandate.

The custody fee is calculated on the value of the securities held in custody by the custodian on the final banking day of the preceding calendar year, except on those assets invested in investment undertakings managed by a financial institution of the KBC group. The custody fee is paid at the beginning of the calendar year.

Social, ethical and environmental aspects:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

Exercising voting rights

If necessary, relevant and in the interest of the shareholders, the management company will exercise the voting rights attached to the shares in the Bevek's portfolio.

The management company will adhere to the following criteria when determining how it stands relative to the items on the agenda that are put to the vote:

- Shareholder value may not be adversely affected.
- Corporate governance rules, especially with regard to the rights of minority shareholders, must be respected.
- The minimum standards with regard to sustainable business and corporate social responsibility must be met.

The list of companies for which voting rights are exercised is available at the registered office of the Bevek.

Securities lending

In accordance with the Royal Decree of 7 March 2006 concerning securities lending, the undertaking for collective investment has taken out securities loans with a principal to whom the full title of the loaned securities was transferred, without recording this transfer of ownership in the accounts.

For the period from 1 January 2012 to 30 June 2012, the fee for securities lent comes to - 499.48 EUR. KBC Asset Management NV receives 50% of the net fee received for securities lent.

The detailed list of securities lending transactions carried out can be obtained from the registered office of the collective investment undertaking at 2 Havenlaan, 1080 Brussels.

Overview of securities lent as at 30/06/2012

Name	Currency	Quantity	Price	Value in currency of the portfolio
ANDRITZ AG	EUR	9.100	40,520	368.732,00
WEIR GROUP PLC	GBP	76.999	15,300	1.456.043,38
			Total	1.824.775,38

Details of collateral received for securities lent

Name	Currency	Nominal value	Currency fund	Value in Currency fund
BUNDESREPUB.DTL. 2011 2.25% 04/09/21	EUR	62.000	EUR	67.779,45
GERMANY 2009 2,25% 11/04/14	EUR	163.000	EUR	170.139,89
OAT FRANCE 2003 4% 25/04/14	EUR	300.000	EUR	321.831,30
OAT FRANCE 2005 3 1/2% 25/04/15	EUR	1.233.000	EUR	1.336.338,96
			Total	1.896.089,60

For the valuation of the collateral received, indicative prices have been used in this detail list by the Collateral Management Division of KBC Bank.

TABLE OF CONTENTS

- 2. Information on KBC Equity Fund Quant EMU
 - 2.1. Management report
 - 2.1.1. Launch date and subscription price
 - 2.1.2. Stock exchange listing
 - 2.1.3. Aim and distinctive features of the investment policy
 - 2.1.4. Financial portfolio management
 - 2.1.5. Distributors
 - 2.1.6. Index and benchmark
 - 2.1.7. Policy conducted during the financial year
 - 2.1.8. Future policy
 - 2.1.9. Synthetic risk and reward indicator (SRRI)
 - 2.2. Balance sheet
 - 2.3. Profit and loss account
 - 2.4. Composition of the assets and key figures
 - 2.4.1. Composition of the assets
 - 2.4.2. Change in the composition of the assets
 - 2.4.3. Value of commitments in respect of financial derivatives positions
 - 2.4.4. Evolution of the number of subscriptions, repayments and the net asset value
 - 2.4.5. Return figures
 - 2.4.6. Expenses
 - 2.4.7. Notes to the financial statements and other data

2 INFORMATION ON KBC EQUITY FUND QUANT EMU

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Classic Shares :

Launch date: 1 October 2010
Initial subscription price: 500 EUR
Currency: EUR

Institutional B Shares :

Launch date: 24 November 2011
Initial subscription price: 389.97 EUR
Currency: EUR

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

The main objective of this sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. To this end, the assets are invested, either directly or indirectly via correlated financial instruments, primarily in shares.

SUB-FUND'S INVESTMENT POLICY:

PERMITTED ASSET CLASSES:

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the sub-fund's object.

The sub-fund shall invest no more than 10% of its assets in units of other undertakings for collective investment.

RESTRICTIONS OF THE INVESTMENT POLICY:

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

PERMITTED DERIVATIVES TRANSACTIONS:

Derivates may be used either for hedging purposes or to achieve investment objectives.

Changes will be made to the investments at regular intervals to comply with the sub-fund's investment strategy. **In addition, listed and unlisted derivates may be used to achieve the objectives:** these may be forward contracts, options or swaps on securities, indices, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions. **Such derivatives may also be used to hedge the assets against exchange-rate fluctuations.** Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions.

Derivatives may be used to partially hedge the open exchange risk in relation to the reference currency (euro). Where appropriate, they may therefore limit the foreign exchange risk expressed in euros, and hence the market risk and performance risk too.

Derivatives are liquid and readily negotiable instruments. They therefore have little impact on the liquidity risk.

Derivatives are also used in accordance with the investment policy and strategy. They do not affect the market, performance and concentration risks or the risks associated with external factors or of any kind.

STRATEGY SELECTED

At least 75% of the assets are invested, directly or indirectly, in a selection of euro-area shares that are sufficiently liquid, the object being to outperform the MSCI EMU index in the long term.

The stock picking is based on purely quantitative criteria, using data available on companies in the euro area. The data concerned are widely used by financial analysts and readily available to them. These criteria are incorporated in a quantitative model designed by KBC Asset Management. The basic principle of this model is that share prices do not always accurately reflect the fundamental value of the company concerned, but that this value can be estimated provided that enough information is available and it can be processed efficiently. Share prices gradually change to better reflect these fundamental values. How this happens depends on the prevailing market cycle. The quantitative model developed by KBC Asset Management makes a regular assessment – at least once a month – of the cyclical trend in relation to criteria specific to the company and identifies which criteria are positive or negative in the prevailing market situation. This sensitivity to the market is reviewed on a regular basis and is used to classify which shares in the euro area are sufficiently liquid. Stock picking occurs at the same frequency as the assessment of the market sensitivity.

LENDING FINANCIAL INSTRUMENTS:

The sub-fund may lend financial instruments within the limits set by law and regulations.

This lending does not affect the sub-fund's risk profile since:

- it takes place within the framework of a securities lending system managed by a principal. In addition, the sub-fund has a relationship only with the principal of the securities lending system which acts as counterparty and to which title of the loaned securities is transferred. The choice of principal is subject to strict selection criteria. The return of securities similar to the securities that have been lent is guaranteed by the principal.
- through a margin management system, the sub-fund is always guaranteed financial security, the actual value of which always exceeds the actual value of the securities that have been lent, in case the principal does not return similar securities.

The return of securities similar to the securities that have been lent can be requested at any time, which means that the lending of securities does not affect the management of the sub-fund's assets. By lending securities, the sub-fund can generate an additional return. The principal pays a fee to the management company. After deducting the fee for the margin management and clearing services of KBC Bank, most of this fee is paid to the sub-fund.

The relationship with the counterparty or counterparties is governed by standard international agreements.

More information is provided on the terms and conditions governing securities lending in the annual or half-yearly report for the sub-fund.

VOLATILITY OF THE NET ASSET VALUE:

The volatility of the net asset value may be high due to the composition of the portfolio.

GENERAL STRATEGY FOR HEDGING THE EXCHANGE RATE RISK:

In order to protect its assets against exchange rate fluctuations and within the limitations laid down in the articles of association, the sub-fund may perform transactions relating to the sale of forward currency contracts, as well as the sale of call options and the purchase of put options on currencies. The transactions in question may relate solely to contracts traded on a regulated market that operates regularly, is recognised and is open to the public or that are traded with a recognised, prime financial institution specialising in such transactions and dealing in the over-the-counter (OTC) market in options. With the same objective, the sub-fund may also sell currencies forward or exchange them in private transactions with prime financial institutions specialising in such transactions. The hedging objective of the aforementioned transactions suggests that there is a direct link between these transactions and the assets to be hedged, which implies that the transactions carried out in a particular currency may in principle not exceed, in terms of volume, either the valuation value of all the assets in the same currency or the holding period of those assets.

SOCIAL, ETHICAL AND ENVIRONMENTAL ASPECTS:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

THE EUROPEAN SAVINGS DIRECTIVE AND TAX ON DEBT CLAIM RETURNS OBTAINED THROUGH THE REDEMPTION OF OWN UNITS OR IN THE EVENT OF FULL OR PARTIAL DISTRIBUTION OF EQUITY CAPITAL.

The following information is of a general character and is not intended to cover all aspects of an investment in a UCITS. In certain cases entirely different rules might even apply. Moreover, both tax law and the interpretation of it can change. Investors who wish to have more information about the tax implications – in both Belgium and abroad – of acquiring, holding and transferring units should seek the advice of their usual financial and tax advisers.

This UCITS shall invest a maximum of 15% of its assets directly or indirectly in debt instruments as intended by the European Savings Directive.

A. European Savings Directive (Directive 2003/48/EC)

The European Savings Directive has been implemented in Belgium through:

- The Law of 17 May 2004 transposing into Belgian law Directive 2003/48/EC of 3 June 2003 of the Council of the European Union on taxation of savings income in the form of interest payments and amending Income Tax Code 1992 on withholding tax;
- The Royal Decree of 27 September 2009 implementing Article 338bis § 2 of Income Tax Code 1992;
- The Royal Decree of 27 September 2009 concerning the entry into effect of Article 338bis § 2, paragraphs one to three, of Income Tax Code 1992;

Since this UCITS invests a maximum of 15% of its assets directly or indirectly in debt claims as intended by the European Savings Directive, the income of this UCITS does not fall within the scope of this directive.

B. Tax on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital (Article 19bis Income Tax Code 1992).

The income from this UCITS is not subject to the tax on debt instrument returns as intended by Article 19bis, Income Tax Code 1992.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

There is no delegation of the portfolio.

2.1.5 DISTRIBUTORS

KBC Asset Management S.A., 5, Place de la Gare, L-1616 Luxembourg.

2.1.6 INDEX AND BENCHMARK

See 'Sub-fund's investment policy'.

2.1.7 POLICY PERSUED DURING THE FINANCIAL YEAR

The global economy emerged from a deep recession in mid-2009, but the recovery was highly dependent on massive government budgetary and monetary stimuli. Doubts about the sustainability of the economic recovery continued to dominate the investment climate in the past period under review. In Europe the debt crisis continued to rage unabated. Five euro countries needed a bail-out from the European emergency fund. Greece reached agreements with its private sector creditors on restructuring the bond debt it owes them. The continued existence of the euro was even called into question. Fortunately, this was offset to some extent by the boom in Asia.

Although more jobs have been created than lost in the US since 2010, the rate of employment growth has remained on the low side. And wages increased very little: household purchasing power remained very modest and managed to support only scant growth. Economic growth (barely 1.6% year-on-year in the first half of 2012) was further hampered by the financial restructuring undertaken by states and local authorities and the increase in imports.

The euro is teetering on the brink of recession. The strong growth figures of 2010 and 2011 couldn't be sustained, and the euro crisis started taking its toll from the second half of 2011. Europe suffered under the strain of austerity measures and more restrictive lending policy of the banks. The reduction in the value of their sovereign bond portfolios threatened their solvency so that action had to be taken to compensate this. Greater divergence within Europe resulted in a further decline in unemployment in Germany and an alarmingly rapid rise in unemployment in countries such as Greece, Spain and Portugal. Belgium was closer to the strong core of the euro area than to the weak periphery.

The recession of the 2008-2009 period and the initial phase of the recovery have taught us much about the role of the emerging markets in the global economy. Exports to the Old World are still important, but that exclusive dependency is decreasing. Domestic demand (due to a rapidly growing middle class with a high consumption ratio) and inter-regional trade within Asia are playing an increasingly important role. The economic recovery in Asia since the second quarter of 2009 was just as pronounced as the slump. And that recovery has continued through 2010, 2011 and into 2012. As a result of pressure from rising oil and food prices, inflation increased sharply in 2011, and monetary policy was tightened in response to this. Higher interest rates have slowed growth somewhat since mid-2011.

The region is better armed to deal with financial crises than it was in the past. Public finances are healthy, the balance of payments is generally neutral (China actually has an astronomical surplus) and the domestic savings buffer is high. Asia's economic development no longer depends on fickle foreign capital.

The initial phase of the economic recovery went hand in hand with a fine stock-market rally, resulting in the S&P 500 being 75% higher at the end of April 2010 than its low point on 9 March 2009. Since then, the equity markets have struggled to find fresh impetus. The euro crisis and fear that the European banking sector would collapse naturally continued to cast a dark cloud over the market. On top of this, the stock markets were affected by changeable sentiment about the economic situation, and the same is true of 2012. Relative optimism about the economy caused the stock markets to improve in the first quarter, but they have since run out of steam. On 30 June 2012, the MSCI All Countries (the broadest global index) recorded a return of 8.7% in EUR over the past six months.

Of the traditional markets, the underperformance of Western Europe (MSCI Europe return index over the past six months: -5.2%) remained relatively limited. Nevertheless, the problems in the EMU kept stacking up: they include the Greek debt crisis, the threat of an extremist separatist party winning the Greek elections, the undercapitalisation of Spanish banks, the referendum in Ireland, and the financial collapse in Cyprus. Apparently the underperformance of European shares over many years has increased the valuation gap with US shares so much that fresh events in the euro crisis have less impact on the stock markets. In any event, the gap that had opened up in Europe in comparison with the US in recent years widened slightly during the reporting period. Wall Street closed the year under review up considerably (S&P 500: +8.6%, Dow Jones: +6.4%), while European investors also benefited from an increase in the value of the dollar (return MSCI USA in euros: +11.9%).

2.1.8 FUTURE POLICY

Thanks to the continued strong growth in the emerging markets, the global economy could post growth of 3-3.5% in 2012 and 2013 (only slightly lower than in 2011, and higher than the average of the past forty years, so quite respectable). That is one reason to expect that corporate earnings might grow significantly again in the quarters ahead.

It seems paradoxical that companies have emerged as the winners from the 2008/09 crisis. They are now reaping the benefits of the considerable restructuring measures pushed through during the recession. Cost controls go beyond (one-off and in some cases spectacular) restructuring measures and have now become an integral part of business culture. The recession of 2008/09 caused companies to be even more aware of risks (i.e. money, and hence costs). Investment projects are subject to a more thorough profitability study. A combination of debt reduction and low interest rates has resulted in a steep drop in financial charges. Globalisation (pressure of relocation) and ongoing high unemployment have made employees powerless to demand high pay increases. Maintaining purchasing power is now about all that is on offer. There is no question of real wage rises. In brief, every cent increase in revenue goes (almost) entirely to the capital factor.

The S&P 500 is forecast to post earnings growth of 6.7% in the 2012 calendar year. The projected earning growth for the MSCI Europe index over the next twelve months is 7.8%. Against a backdrop of reasonable global growth (3-3.5%), some price gains (2.5-3%) and a further increase in margins should be readily achievable.

The money market rate won't increase rapidly and bond yields are close to historical lows. Everything seems to point to shares being the most attractive investment option for the months ahead. The lack of alternatives is not, of course, sufficient reason to increase the market valuation. For that to happen, investors will need to be more disposed to taking risk. The present valuation prices in very gloomy scenarios. Based on forecast earnings for the next twelve months, the price-earnings ratio is 12.8 for the US S&P 500 index and 9.7 for the MSCI Europe. That is 25% and 35% respectively lower than the historical average. Equities are certainly dirt-cheap compared with bonds. The earnings yield – the inverse of the price/earnings ratio – is currently slightly more than 10% for the MSCI Europe, an unprecedented premium of more than 800 basis points above German bond yields.

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

Classic Shares: 7 on a scale of 1 (lowest risk) to 7 (highest risk).

Institutional B Shares: 7 on a scale of 1 (lowest risk) to 7 (highest risk).

The value of a share can decrease or increase and the investor may not get back the amount invested.

In accordance with Commission Regulation (EU) No. 583/2010, a synthetic risk and reward indicator has been calculated. This indicator provides a quantitative measure of the sub-fund's potential return and the risk involved, calculated in the currency in which the sub-fund is denominated. It is given as a figure between 1 and 7. The higher the figure, the greater the potential return, but also the more difficult it is to predict this return. Losses are possible too. The lowest figure does not mean that the investment is entirely free of risk. However, it does indicate that, compared with the higher figures, this product will generally provide a lower, but more predictable return.

The synthetic risk and reward indicator is assessed regularly and can therefore go up or down based on data from the past. Data from the past is not always a reliable indicator of future risk and return.

The most recent indicator can be found under the 'Risk and reward profile' heading in the 'Key Investor Information' document.

2.2 BALANCE SHEET

Balance sheet layout	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
TOTAL NET ASSETS	371.919.700,23	4.519.998,85
II. Securities, money market instruments, UCIs and derivatives		
A. Bonds and other debt instruments		
a) Bonds	1.702.842,00	
a) Collateral received in the form of bonds	21.837.122,38	51.952,75
C. Shares and similar instruments		
a) Shares	369.133.950,30	3.785.292,47
Of which securities lent	20.996.350,75	46.957,46
D. Other securities	25.333,44	6.564,33
F. Derivative financial instruments		
m) Financial indices		
Futures and forward contracts (+/-)	183.500,55	32.500,00
IV. Receivables and payables within one year		
A. Receivables		
b) Tax assets	103.248,71	1.559,58
c) Collateral		55.536,00
B. Payables		
a) Accounts payable (-)	-454.862,62	
d) Collateral (-)	-21.837.122,38	-51.952,75
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	989.446,65	637.022,59
VI. Accruals and deferrals		
A. Expense to be carried forward	71.140,17	4.165,07
B. Accrued income	374.127,34	672,68
C. Accrued expense (-)	-209.026,31	-3.313,87
TOTAL SHAREHOLDERS' EQUITY	371.919.700,23	4.519.998,85
A. Capital	384.097.385,21	4.395.639,25
B. Income equalization	-603.133,30	-8.763,10
D. Result for the period	-11.574.551,68	133.122,70

Off-balance-sheet headings

I	Collateral (+/-)		
I.A	Collateral (+/-)		
I.A.A	Securities/market instruments	21.837.122,38	51.952,75
I.A.B	Cash at bank and in hand/deposits		55.536,00
III	Notional amounts of futures and forward contracts		
III.A	Purchased futures and forward contracts	3.089.350,00	740.480,00
IX	Financial instruments lent	20.996.350,75	46.957,46

2.3 PROFIT AND LOSS ACCOUNT

Income Statement	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
I. Net gains(losses) on investments		
A. Bonds and other debt instruments		
a) Bonds	-93.368,00	
C. Shares and similar instruments		
a) Shares	-20.520.190,76	34.616,61
D. Other securities	-4.128,11	189,72
F. Derivative financial instruments		
l) Financial indices		
Futures and forward contracts	529.979,96	33.650,00
H. Foreign exchange positions and transactions		
b) Other foreign exchange positions and transactions	-501,50	-103,87
II. Investment income and expenses		
A. Dividends	10.768.116,68	114.141,35
B. Interests		
a) Securities and money market instruments	383.313,73	
b) Cash at bank and in hand and deposits	16.703,18	134,04
c) Collateral (+/-)		20,62
C. Interest on borrowings (-)	-8.191,22	-8,85
III. Other income		
A. Income received to cover the acquisition and realization of assets, to discourage withdrawals and for delivery charges	593.669,05	7.218,06
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-479.467,00	-8.638,36
B. Financial expenses (-)	-2.000,65	-69,39
C. Custodian's fee (-)	-62.652,07	
D. Manager's fee (-)		
a) Financial management		
Classic Shares	-85.373,91	-35.665,49
Institutional B Shares	-2.228.567,02	
b) Administration and accounting management	-171.345,88	-2.431,34
F. Formation and organisation expenses (-)	-12.985,33	-6.667,10
G. Remuneration, social security charges and pension	-29,17	
H. Services and sundry goods (-)	-30.643,69	-440,58
J. Taxes		
Classic Shares	-5.149,73	-1.810,58
Institutional B Shares	-18.704,49	
K. Other expenses (-)	-143.035,75	-1.012,14
Income and expenditure for the period		
Subtotal II + III + IV	8.513.656,73	64.770,24
V. Profit (loss) on ordinary activities before tax	-11.574.551,68	133.122,70
VII. Result for the period	-11.574.551,68	133.122,70

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC EQUITY FUND QUANT EMU

Name	Quantity on 30/06/2012	Currency	Price in currency	Evaluation (in the currency of the sub-fund)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
Bonds							
Corporate bonds							
<u>Ireland</u>							
ARCADE FINANCE PLC R17 SUB 14/05/13	1.050.000,00	EUR	63,880	670.740,00		0,18	0,18
D-STAR FINANCE PLC SUB 14/05/13	1.620.000,00	EUR	63,710	1.032.102,00		0,28	0,28
Total bonds				1.702.842,00		0,46	0,46
Shares							
Exchange-listed shares							
<u>Austria</u>							
AGRANA BETEILIGUNGS AG -	108,00	EUR	86,440	9.335,52		0,00	0,00
ANDRITZ AG -	25.753,00	EUR	40,520	1.043.511,56		0,28	0,28
IMMOFINANZ AG -	225.473,00	EUR	2,505	564.809,87		0,15	0,15
OESTERREICHISCHE POST AG -	2.632,00	EUR	26,500	69.748,00		0,02	0,02
RAIFFEISEN BANK INTL -	27.983,00	EUR	25,750	720.562,25		0,19	0,19
RHI AG (WIEN)	9.673,00	EUR	18,345	177.451,19		0,05	0,05
TELEKOM AUSTRIA AG (WIEN)	46.679,00	EUR	7,759	362.182,36		0,10	0,10
VIENNA INSURANCE GROUP -	11.943,00	EUR	31,880	380.742,84		0,10	0,10
VOESTALPINE AG -	8.019,00	EUR	20,855	167.236,25		0,05	0,05
<u>Belgium</u>							
AGFA GEVAERT STRIP VVPR	833,00	EUR	0,001	0,83			
ANHEUSER-BUSCH INBEV NV -	151.049,00	EUR	61,300	9.259.303,70		2,50	2,49
BARCO NV NEW	6.096,00	EUR	39,850	242.925,60		0,07	0,07
BELGACOM -	43.621,00	EUR	22,455	979.509,56		0,26	0,26
BREDERODE -	269,00	EUR	20,100	5.406,90		0,00	0,00
DELHAIZE GROEP -	49.878,00	EUR	28,880	1.440.476,64		0,39	0,39
DEXIA -	921.708,00	EUR	0,130	119.822,04		0,03	0,03
ELIA SYSTEM OPERATOR -	2.446,00	EUR	32,485	79.458,31		0,02	0,02
EVS BROADCAST EQUIPMENT (BRU)	2.562,00	EUR	37,170	95.229,54		0,03	0,03
G.B.L. -	23.890,00	EUR	53,500	1.278.115,00		0,34	0,34
NYRSTAR STRIP VVPR	1.365,00	EUR	0,001	1,37			
SOFINA -	1.181,00	EUR	60,950	71.981,95		0,02	0,02
UMICORE -	30.651,00	EUR	36,370	1.114.776,87		0,30	0,30
<u>Cyprus</u>							
BANK OF CYPRUS PUBLIC CO LTD -	1.147.604,00	EUR	0,282	323.624,33		0,09	0,09
<u>Finland</u>							
ELISA OYJ (HEL) "A"	23.007,00	EUR	15,880	365.351,16		0,10	0,10
HUHTAMAKI OYJ -	27.954,00	EUR	11,710	327.341,34		0,09	0,09
KESKO OYJ "B"	18.822,00	EUR	20,590	387.544,98		0,10	0,10
METSO OYJ (HEL)	56.420,00	EUR	27,110	1.529.546,20		0,41	0,41
NOKIA "A"	41.266,00	EUR	1,620	66.850,92		0,02	0,02
OUTOKUMPU A -	3.361,00	EUR	35,910	120.693,51		0,03	0,03
POHJOLA BANK PLC -	20.327,00	EUR	9,190	186.805,13		0,05	0,05

RAUTORUUKI FIMIO -	27.449,00	EUR	4,960	136.147,04		0,04	0,04
SAMPO OYJ "A"	146.255,00	EUR	20,420	2.986.527,10		0,81	0,80
SPONDA OYJ (HEL)	15.077,00	EUR	2,950	44.477,15		0,01	0,01
STORA ENSO OYJ "R"	19.453,00	EUR	4,840	94.152,52		0,03	0,03
TIETOENATOR OYJ -	10.600,00	EUR	12,580	133.348,00		0,04	0,04
France							
ADP -	9.288,00	EUR	59,600	553.564,80		0,15	0,15
AIR FRANCE-KLM (PAR)	455.009,00	EUR	3,759	1.710.378,83		0,46	0,46
AIR LIQUIDE (L') -	97.299,00	EUR	90,050	8.761.774,95		2,36	2,36
ALCATEL-LUCENT -	1.245.140,00	EUR	1,301	1.619.927,14		0,44	0,44
AREVA SA -	191,00	EUR	10,230	1.953,93		0,00	0,00
ARKEMA -	18.114,00	EUR	51,550	933.776,70		0,25	0,25
AXA -	55.579,00	EUR	10,480	582.467,92		0,16	0,16
BENETEAU -	1.000,00	EUR	7,600	7.600,00		0,00	0,00
BIC (PAR)	23.577,00	EUR	81,400	1.919.167,80		0,52	0,52
BNP PARIBAS -	136.651,00	EUR	30,335	4.145.308,09		1,12	1,12
BOUYGUES -	192.528,00	EUR	21,200	4.081.593,60		1,10	1,10
CAP GEMINI SOGETI -	12.375,00	EUR	29,000	358.875,00		0,10	0,10
CARREFOUR -	144.006,00	EUR	14,545	2.094.567,27		0,57	0,56
CHRISTIAN DIOR -	22.728,00	EUR	108,250	2.460.306,00		0,66	0,66
CLUB MEDITERRANEE (PAR)	1.553,00	EUR	13,500	20.965,50		0,01	0,01
COMPAGNIE GENERALE DE GEOPHYSIQUE SA -	52.804,00	EUR	20,235	1.068.488,94		0,29	0,29
DANONE -	79.647,00	EUR	49,015	3.903.897,71		1,05	1,05
DASSAULT SYSTEMES -	5.272,00	EUR	73,920	389.706,24		0,11	0,11
DERICHEBOURG -	5.953,00	EUR	1,897	11.292,84		0,00	0,00
EDENRED -	13.699,00	EUR	22,345	306.104,16		0,08	0,08
ELECTRICITE DE FRANCE -	193.397,00	EUR	17,550	3.394.117,35		0,92	0,91
ESSILOR (PAR)	17.424,00	EUR	73,300	1.277.179,20		0,34	0,34
ETAB ECON CASINO GUICH-P (PAR)	4.967,00	EUR	69,310	344.262,77		0,09	0,09
ETABLISSEMENTS MAUREL ET PROM -	1.452,00	EUR	11,390	16.538,28		0,00	0,00
EULER HERMES SA -	596,00	EUR	51,000	30.396,00		0,01	0,01
FAURECIA (PAR)	36.311,00	EUR	13,050	473.858,55		0,13	0,13
FIMALAC -	633,00	EUR	31,300	19.812,90		0,01	0,01
FONCIERE DES REGIONS -	5.049,00	EUR	56,640	285.975,36		0,08	0,08
FRANCE TELECOM -	70.468,00	EUR	10,375	731.105,50		0,20	0,20
GDF SUEZ -	185.387,00	EUR	18,755	3.476.933,19		0,94	0,94
GENERALE DE SANTE -	418,00	EUR	9,530	3.983,54		0,00	0,00
GROUPE EUROTUNNEL SA -	38.090,00	EUR	6,400	243.776,00		0,07	0,07
HAVAS (PAR)	18.038,00	EUR	3,595	64.846,61		0,02	0,02
ICADE EMGP -	6.894,00	EUR	59,600	410.882,40		0,11	0,11
ILIAD SA -	5.166,00	EUR	114,250	590.215,50		0,16	0,16
IMERYS (PAR)	1.550,00	EUR	40,090	62.139,50		0,02	0,02
KLEPIERRE (CIE FONCIERE) -	54.662,00	EUR	25,900	1.415.745,80		0,38	0,38
L'OREAL -	4.445,00	EUR	92,240	410.006,80		0,11	0,11
LEGRAND (PAR)	264,00	EUR	26,755	7.063,32		0,00	0,00
LVMH-MOET H.L.VUIT. -	22.504,00	EUR	119,850	2.697.104,40		0,73	0,73
MAUREL & PROM NIGERIA -	1.452,00	EUR	1,780	2.584,56		0,00	0,00
MERCIALYS SA -	19.204,00	EUR	14,690	282.106,76		0,08	0,08
NATIXIS (PAR)	490.798,00	EUR	2,118	1.039.510,16		0,28	0,28
ORPEA -	2.709,00	EUR	27,250	73.820,25		0,02	0,02
PERNOD-RICARD -	75.288,00	EUR	84,260	6.343.766,88		1,71	1,71
PINAULT-PRINTEMPS-REDOUTE -	22.182,00	EUR	112,250	2.489.929,50		0,67	0,67
PUBLICIS GROUPE SA -	121.343,00	EUR	36,050	4.374.415,15		1,18	1,18
RALLYE -	11.594,00	EUR	22,500	260.865,00		0,07	0,07
RENAULT (PAR)	94.268,00	EUR	31,440	2.963.785,92		0,80	0,80
RODAMCO UNIBAIL -	20.834,00	EUR	145,100	3.023.013,40		0,82	0,81
S.I.L.I.C. -	682,00	EUR	74,730	50.965,86		0,01	0,01

SAFT GROUPE SA -	7.640,00	EUR	18,900	144.396,00		0,04	0,04
SANOFI -	178.160,00	EUR	59,740	10.643.278,40		2,87	2,86
SCHNEIDER ELECTRIC SA -	13.548,00	EUR	43,730	592.454,04		0,16	0,16
SOCIETE GENERALE -	18.966,00	EUR	18,410	349.164,06		0,09	0,09
SODEXHO ALLIANCE -	53.698,00	EUR	61,400	3.297.057,20		0,89	0,89
SOPRA (PAR)	329,00	EUR	40,200	13.225,80		0,00	0,00
STMICROELECTRONICS NV -	172.513,00	EUR	4,324	745.946,21		0,20	0,20
TECHNIP SA (PAR)	31.122,00	EUR	81,950	2.550.447,90		0,69	0,69
TELEVISION FRANCAISE (TF1) (PAR)	67.393,00	EUR	6,290	423.901,97		0,11	0,11
THALES -	8.525,00	EUR	26,020	221.820,50		0,06	0,06
TOTAL -	455.512,00	EUR	35,500	16.170.676,00		4,36	4,35
UBI SOFT ENTERTAINMENT -	66.023,00	EUR	5,274	348.205,30		0,09	0,09
VALEO -	12.023,00	EUR	32,490	390.627,27		0,11	0,11
VIVENDI -	67.396,00	EUR	14,630	986.003,48		0,27	0,27
WENDEL INVESTISSEMENT (PAR)	13.234,00	EUR	58,280	771.277,52		0,21	0,21
ZODIAC (PAR)	25.761,00	EUR	80,090	2.063.198,49		0,56	0,56
<u>Germany</u>							
ALLIANZ AG REG	39.222,00	EUR	79,110	3.102.852,42		0,84	0,83
AURUBIS AG (FRA)	44.101,00	EUR	37,995	1.675.617,50		0,45	0,45
BASF SE -	210.107,00	EUR	54,700	11.492.852,90		3,10	3,09
BAYER AG -	203.039,00	EUR	56,780	11.528.554,42		3,11	3,10
BAYERISCHE MOTOREN WERKE AG (FRA)(PREF)	14.047,00	EUR	38,835	545.515,25		0,15	0,15
BAYERISCHE MOTOREN WERKE AG -	57.792,00	EUR	56,930	3.290.098,56		0,89	0,89
BAYWA AG -	2.377,00	EUR	28,750	68.338,75		0,02	0,02
BEIERSDORF AG -	4.621,00	EUR	51,150	236.364,15		0,06	0,06
BRENNTAG AG -	2.617,00	EUR	87,180	228.150,06		0,06	0,06
CELESIO AG (FRA)	24.033,00	EUR	12,895	309.905,54		0,08	0,08
CONTINENTAL AG -	13.017,00	EUR	65,620	854.175,54		0,23	0,23
DAIMLER AG -	153.486,00	EUR	35,345	5.424.962,67		1,46	1,46
DEUTSCHE BANK AG REG	97.610,00	EUR	28,500	2.781.885,00		0,75	0,75
DEUTSCHE LUFTHANSA AG REG	370.374,00	EUR	9,113	3.375.218,26		0,91	0,91
DEUTSCHE POST AG -	140.834,00	EUR	13,940	1.963.225,96		0,53	0,53
DEUTSCHE POSTBANK AG -	2.104,00	EUR	28,430	59.816,72		0,02	0,02
DEUTSCHE TELEKOM INT FIN REG	689.623,00	EUR	8,654	5.967.997,44		1,61	1,61
DEUTZ AG (FRA)	42.873,00	EUR	4,006	171.749,24		0,05	0,05
DOUGLAS HOLDING AG -	5.569,00	EUR	31,090	173.140,21		0,05	0,05
DUERR AG (FRA)	8.977,00	EUR	48,331	433.867,39		0,12	0,12
E.ON AG -	305.775,00	EUR	17,000	5.198.175,00		1,40	1,40
FREENET AG FRA	52.539,00	EUR	11,465	602.359,64		0,16	0,16
FRESENIUS SE & CO KGAA (FRA)	12.574,00	EUR	81,780	1.028.301,72		0,28	0,28
FUCHS PETROCLUB AG -	906,00	EUR	40,140	36.366,84		0,01	0,01
GEA AG -	32.491,00	EUR	20,970	681.336,27		0,18	0,18
GERRESHEIMER AG -	23.533,00	EUR	37,110	873.309,63		0,24	0,24
HAMBURGER HAFEN UND LOGISTIK -	8.238,00	EUR	20,130	165.830,94		0,05	0,05
HANNOVER RUCKVERSICHERUNG AG (FRA) NAAM	38.218,00	EUR	46,890	1.792.042,02		0,48	0,48
HENKEL KGAA (FRA)	26.276,00	EUR	43,780	1.150.363,28		0,31	0,31
HENKEL KGAA PREF	43.003,00	EUR	52,370	2.252.067,11		0,61	0,61
HOCHTIEF AG -	15.856,00	EUR	38,150	604.906,40		0,16	0,16
HORNBACH BAUMARKT AKTIENGESELL -	128,00	EUR	25,500	3.264,00		0,00	0,00
INFINEON TECHNOLOGIES AG -	199.755,00	EUR	5,332	1.065.093,66		0,29	0,29
KABEL DEUTSCHLAND HOLDING AG -	8.997,00	EUR	49,125	441.977,63		0,12	0,12
KUKA AG -	12.140,00	EUR	17,735	215.302,90		0,06	0,06
KWS SAAT AG -	225,00	EUR	205,060	46.138,50		0,01	0,01
LANXESS -	28.838,00	EUR	49,720	1.433.825,36		0,39	0,39
LINDE AG -	37.737,00	EUR	122,650	4.628.443,05		1,25	1,24
MTU AERO ENGINES HOLDING AG -	8.731,00	EUR	57,940	505.874,14		0,14	0,14
MUNCHENER RUCKVERSICHERUNG AG REG	65.326,00	EUR	111,150	7.260.984,90		1,96	1,95

PROSIEBEN SAT.1 MEDIA AG PREF	26.251,00	EUR	17,620	462.542,62		0,13	0,12
RWE AG -	23.336,00	EUR	32,175	750.835,80		0,20	0,20
RWE AG PREF	12.690,00	EUR	29,265	371.372,85		0,10	0,10
SALZGITTER AG -	3.232,00	EUR	32,375	104.636,00		0,03	0,03
SAP AG -	171.260,00	EUR	46,545	7.971.296,70		2,15	2,14
SIEMENS AG REG	145.683,00	EUR	66,140	9.635.473,62		2,60	2,59
SUDZUCKER AG (FRA)	59.184,00	EUR	27,940	1.653.600,96		0,45	0,45
TUI AG PREF	102.961,00	EUR	4,713	485.255,19		0,13	0,13
VOLKSWAGEN AG PREF	23.648,00	EUR	124,600	2.946.540,80		0,79	0,79
VOSSLOH AG (FRA)	3.031,00	EUR	66,400	201.258,40		0,05	0,05
WINCOR NIXDORF AG -	3.243,00	EUR	27,980	90.739,14		0,02	0,02
<u>Greece</u>							
COCA-COLA HELLENIC BOTTLING CO -	7.606,00	EUR	14,000	106.484,00		0,03	0,03
EFG EUROBANK ERGASIAS -	1.963,00	EUR	0,753	1.478,14			
GREEK ORG OF FOOTBALL PROGNOSTICS -	89.426,00	EUR	4,950	442.658,70		0,12	0,12
MOTOR OIL (HELLAS) CORINTH REF. -	11.833,00	EUR	5,400	63.898,20		0,02	0,02
NAT. BK GREECE -	224.866,00	EUR	1,400	314.812,40		0,09	0,09
OTE PLC -	136.748,00	EUR	2,000	273.496,00		0,07	0,07
PUBLIC POWER CORP -	98.794,00	EUR	1,870	184.744,78		0,05	0,05
<u>Ireland</u>							
ELAN CORPORATION PLC -	58.765,00	EUR	11,500	675.797,50		0,18	0,18
PADDY POWER PLC -	8.475,00	EUR	51,550	436.886,25		0,12	0,12
<u>Italy</u>							
ASSICURAZIONI GENERALI -	271.659,00	EUR	10,660	2.895.884,94		0,78	0,78
AUTOGRILL SPA (MIL)	56.070,00	EUR	7,145	400.620,15		0,11	0,11
BANCA CARIGE SPA -	125.742,00	EUR	0,684	86.007,53		0,02	0,02
BANCA POPOLARE DI SONDRIO SCAR -	26.580,00	EUR	4,808	127.796,64		0,03	0,03
BANCO POPLARE DI VERONA E NOVARA -	371.814,00	EUR	1,058	393.379,21		0,11	0,11
CIR INTL (MIL) NOM	357.539,00	EUR	0,778	277.986,57		0,08	0,08
DIASORIN SPA -	2.325,00	EUR	22,970	53.405,25		0,01	0,01
E.N.E.L. -	1.446.639,00	EUR	2,542	3.677.356,34		0,99	0,99
EDISON SPA. -	240.895,00	EUR	0,888	213.794,31		0,06	0,06
ENEL GREEN POWER SPA -	138.242,00	EUR	1,244	171.973,05		0,05	0,05
ENI -	266.875,00	EUR	16,780	4.478.162,50		1,21	1,20
EXOR SPA -	95.730,00	EUR	16,910	1.618.794,30		0,44	0,44
EXOR SPA PRF	1.141,00	EUR	14,800	16.886,80		0,01	0,01
FIAT INDUSTRIAL SPA -	51.338,00	EUR	7,740	397.356,12		0,11	0,11
GEMINA SPA -	33.405,00	EUR	0,607	20.276,84		0,01	0,01
INTERPUMP GROUP SPA -	9.804,00	EUR	6,000	58.824,00		0,02	0,02
INTESA SANPAOLO SPA (MIL) RSNC	1.028.721,00	EUR	0,896	921.219,66		0,25	0,25
INTESA SANPAOLO SPA -	2.607.734,00	EUR	1,118	2.915.446,61		0,79	0,78
ITALCEMENTI (MIL)	39.919,00	EUR	3,858	154.007,50		0,04	0,04
LOTTOMATICA SPA -	11.939,00	EUR	15,200	181.472,80		0,05	0,05
LUXOTTICA GROUP SPA -	71.259,00	EUR	27,620	1.968.173,58		0,53	0,53
MEDIASET -	390.384,00	EUR	1,379	538.339,54		0,15	0,15
MEDIOBANCA (MIL)	262.679,00	EUR	3,474	912.546,85		0,25	0,25
MEDIOLANUM SPA (MIL)	570.281,00	EUR	2,774	1.581.959,49		0,43	0,43
OFFICINE MECCANISHE DANIELI E.C. (MIL)	492,00	EUR	16,430	8.083,56		0,00	0,00
PIRELLI (MIL) SPA	288.130,00	EUR	8,295	2.390.038,35		0,64	0,64
SAIPEM (MIL)	37.742,00	EUR	34,990	1.320.592,58		0,36	0,36
SARAS SPA -	453.596,00	EUR	0,769	348.588,53		0,09	0,09
SORIN SPA -	17.000,00	EUR	1,716	29.172,00		0,01	0,01
TELECOM ITALIA (MIL)	4.557.640,00	EUR	0,781	3.557.238,02		0,96	0,96
TELECOM ITALIA (MIL) DI RISPARMIO NWE	1.828.678,00	EUR	0,637	1.163.953,55		0,31	0,31
UNICREDIT SPA -	464.527,00	EUR	2,980	1.384.290,46		0,37	0,37

<u>Jersey/The Channel Islands</u>							
BEAZLEY PLC -	30.229,00	GBP	1,377	51.446,46		0,01	0,01
<u>Luxembourg</u>							
ARCELORMITTAL -	137.291,00	EUR	12,110	1.662.594,01		0,45	0,45
<u>Netherlands</u>							
AALBERTS INDUSTRIES (AMS)	18,00	EUR	12,240	220,32			
APERAM -	28,00	EUR	10,360	290,08			
ASM INTERNATIONAL -	14.532,00	EUR	29,900	434.506,80		0,12	0,12
ASML HOLDING NV -	136.401,00	EUR	40,065	5.464.906,07		1,47	1,47
BOSKALIS WESTMINSTER (AMS)	17.307,00	EUR	25,970	449.462,79		0,12	0,12
DELTA LLOYD -	30.629,00	EUR	10,940	335.081,26		0,09	0,09
EUROPEAN AERONAUTIC DEF.&SPACE -	78.870,00	EUR	27,940	2.203.627,80		0,59	0,59
FUGRO NV CVA	5.805,00	EUR	47,730	277.072,65		0,08	0,07
HEINEKEN -	38.324,00	EUR	41,145	1.576.840,98		0,43	0,42
HEINEKEN HOLDING (AMS)("A" 25NLG)	18.436,00	EUR	35,320	651.159,52		0,18	0,18
ING GROEP NV -	190.980,00	EUR	5,266	1.005.700,68		0,27	0,27
KON. AHOLD -	537.649,00	EUR	9,774	5.254.981,33		1,42	1,41
KONINKLIJKE D.S.M. NV (AMS)	57.682,00	EUR	38,800	2.238.061,60		0,60	0,60
KONINKLIJKE PHILIPS ELECTRONICS N.V. -	347.374,00	EUR	15,570	5.408.613,18		1,46	1,45
MEDIQ NV -	29.598,00	EUR	9,701	287.130,20		0,08	0,08
NUTRECO NV -	6.840,00	EUR	54,930	375.721,20		0,10	0,10
RANDSTAD HOLDING (AMS)	41.023,00	EUR	23,175	950.708,03		0,26	0,26
REED ELSEVIER NV -	266.374,00	EUR	9,012	2.400.562,49		0,65	0,65
SBM OFFSHORE NV (AMS)	20.988,00	EUR	10,885	228.454,38		0,06	0,06
SNS REAAL -	115.225,00	EUR	1,065	122.714,63		0,03	0,03
UNILEVER CVA	182.769,00	EUR	26,385	4.822.360,07		1,30	1,30
USG PEOPLE NV -	22.310,00	EUR	5,650	126.051,50		0,03	0,03
VOPAK (KON.) (AMS)	9.567,00	EUR	50,550	483.611,85		0,13	0,13
WOLTERS KLUWER -	26.038,00	EUR	12,530	326.256,14		0,09	0,09
<u>Portugal</u>							
ENERGIAS DE PORTUGAL SA -	731.096,00	EUR	1,864	1.362.762,94		0,37	0,37
SEMAPA-SOCIEDADE DE INV. -	2.947,00	EUR	4,930	14.528,71		0,00	0,00
SONAE SGPS SA -	323.684,00	EUR	0,412	133.357,81		0,04	0,04
SONAECON SGPS SA (LTS)	7.215,00	EUR	1,307	9.430,01		0,00	0,00
<u>Spain</u>							
ABENGOA S.A. -	141.495,00	EUR	10,420	1.474.377,90		0,40	0,40
ACERINOX (MAD)	8.000,00	EUR	8,818	70.544,00		0,02	0,02
ACTIVIDADES CONSTRUCY SERV -	172.423,00	EUR	16,890	2.912.224,47		0,79	0,78
ANTENA 3 TELEVISION SA -	17.350,00	EUR	3,380	58.643,00		0,02	0,02
BANCO BILBAO VIZCAYA ARGENTARIA -	507.351,00	EUR	5,629	2.855.878,78		0,77	0,77
BANCO POPULAR ESPANOL -	177.719,00	EUR	1,783	316.872,98		0,09	0,09
BANCO SABADELL -	635.732,00	EUR	1,533	974.577,16		0,26	0,26
BANCO SANTANDER CENTRAL HISPANO SA -	1.589.576,00	EUR	5,221	8.299.176,30		2,24	2,23
BANKIA SAU -	202.577,00	EUR	0,924	187.181,15		0,05	0,05
BANKINTER S.A. (MAD)	249.740,00	EUR	2,719	679.043,06		0,18	0,18
BOLSAS Y MERCADOS ESPAÑOLES -	22.627,00	EUR	15,890	359.543,03		0,10	0,10
CODERE SA -	148,00	EUR	3,800	562,40			
CONSTRUCCIONES Y AUXILIAR DE F -	492,00	EUR	367,000	180.564,00		0,05	0,05
CORP FINANCIERA ALBA SA -	1.893,00	EUR	26,370	49.918,41		0,01	0,01
CORPORACION MAPFRE SA (MAD)	193.600,00	EUR	1,603	310.340,80		0,08	0,08
DISTRIBUIDORA INTERNACIONAL DE ALIM -	186.883,00	EUR	3,710	693.335,93		0,19	0,19
EBRO FOODS SA (MAD)	3.687,00	EUR	13,570	50.032,59		0,01	0,01
EDP RENOVAVEIS SA -	120.086,00	EUR	2,701	324.352,29		0,09	0,09
ENAGAS -	63.202,00	EUR	14,370	908.212,74		0,25	0,24
ENCE ENERGIA Y CELULOSA SA (MAD)	18.351,00	EUR	1,520	27.893,52		0,01	0,01

ENDESA -	124.826,00	EUR	13,835	1.726.967,71		0,47	0,46
FERROVIAL SA -	226.565,00	EUR	8,887	2.013.483,16		0,54	0,54
FOMENTO CONSTR Y CONT -	6.606,00	EUR	10,080	66.588,48		0,02	0,02
GAMESA CORP TECNOLOGICA SA -	203.743,00	EUR	1,409	287.073,89		0,08	0,08
GRIFOLS SA -	41.517,00	EUR	19,990	829.924,83		0,22	0,22
IBERDROLA SA -	1.398.374,00	EUR	3,719	5.200.552,91		1,40	1,40
INDRA SISTEMAS SA -	148.628,00	EUR	7,326	1.088.848,73		0,29	0,29
INDUSTRIA DE DISENO TEXTIL SA -	72.275,00	EUR	81,530	5.892.580,75		1,59	1,58
OBRASCON HUARTE LAIN S.A. (MAD)	62.560,00	EUR	16,300	1.019.728,00		0,28	0,27
PROSEGUR CIA DE SEGURIDAD S.A. (MAD) -REGD-	3.080,00	EUR	40,420	124.493,60		0,03	0,03
RED ELECTRICA DE ESPANA -	88.578,00	EUR	34,410	3.047.968,98		0,82	0,82
TELEFONICA SA -	501.000,00	EUR	10,370	5.195.370,00		1,40	1,40
ZARDOYA OTIS S.A. (MAD)	12.076,00	EUR	8,780	106.027,28		0,03	0,03
<u>U.K.</u>							
INTERNAT CONSOLIDATED AIRLINES GROUP -	294.139,00	EUR	1,974	580.630,39		0,16	0,16
JAZZTEL PLC -	238.352,00	EUR	4,470	1.065.433,44		0,29	0,29
Total shares				369.133.950,30		99,49	99,25
Options and futures							
Exchange-listed futures							
<u>Belgium</u>							
EURO - STOXX 50 SEP 12	137,00	EUR	2.255,000	3.089.350,00		0,83	0,83
Suspense accounts (futures)							
<u>Belgium</u>							
EURO - STOXX 50 SEP 12	-2.905.849,45	EUR	1,000	-2.905.849,45		-0,78	-0,78
Total options and futures				183.500,55		0,05	0,05
Warrants							
<u>France</u>							
UBI SOFT ENTERTAINMENT 10/10/2013	51.971,00	EUR	0,026	1.351,25			
<u>Spain</u>							
PROMOTORA DE INFORMACIONES SA CP 05/06/14	14.205,00	EUR	0,010	142,05			
Total Warrants				1.493,30			
Rights							
<u>Netherlands</u>							
DELTA LLOYD CP 25/05/12	30.629,00	EUR	0,610	18.683,69		0,01	0,01
<u>Spain</u>							
ZARDOYA OTIS S.A. CP 14/06/12	12.076,00	EUR	0,427	5.156,45		0,00	0,00
Total rights				23.840,14		0,01	0,01
TOTAL SECURITIES PORTFOLIO				371.045.626,29		100,00	99,77
COLLATERAL RECEIVED							
<u>Belgium</u>							
KBC GROUP COLLATERAL EUR	21.837.122,38	EUR	1,000	21.837.122,38			5,87
TOTAL RECEIVED COLLATERAL				21.837.122,38			5,87
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP CHF	338,56	CHF	1,000	281,86			

KBC GROUP DKK	91,04	DKK	1,000	12,25			
KBC GROUP EURO	1.066.199,68	EUR	1,000	1.066.199,68			0,29
KBC GROUP GBP	919,51	GBP	1,000	1.136,46			
KBC GROUP NOK	888,58	NOK	1,000	117,79			
KBC GROUP SEK	732,82	SEK	1,000	83,66			
KBC GROUP USD	785,00	USD	1,000	618,55			
Total demand accounts				1.068.450,25			0,29
Managed futures accounts							
<u>Belgium</u>							
KBC GROUP EURO FUT REK	-79.003,60	EUR	1,000	-79.003,60			-0,02
Total managed futures accounts				-79.003,60			-0,02
TOTAL CASH AT BANK AND IN HAND				989.446,65			0,27
OTHER RECEIVABLES AND PAYABLES							
Receivables							
<u>Belgium</u>							
KBC GROUP WHT TO BE RECOVERED EUR	103.248,71	EUR	1,000	103.248,71			0,03
Total receivables				103.248,71			0,03
Payables							
<u>Belgium</u>							
KBC GROUP COUNTERPART ENTRY COLLATERAL IN EUR	-21.837.122,38	EUR	1,000	-21.837.122,38			-5,87
KBC GROUP EUR PAYABLE	-454.862,62	EUR	1,000	-454.862,62			-0,12
Payables				-22.291.985,00			-5,99
TOTAL RECEIVABLES AND PAYABLES				-22.188.736,29			-5,97
OTHER							
Interest receivable		EUR		180.200,06			0,05
Accrued interest		EUR		193.927,28			0,05
Expenses payable		EUR		-209.026,31			-0,06
Expenses to be carried forward		EUR		71.140,17			0,02
TOTAL OTHER				236.241,20			0,06
TOTAL NET ASSETS				371.919.700,23			100,00

Geographic breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Austria	1,87	1,29	0,87	0,94
Belgium	6,70	4,53	3,49	4,01
Bermuda	0,42	0,40	0,00	0,00
Cyprus	0,00	0,00	0,01	0,09
Germany	22,68	29,20	28,08	29,20
Spain	8,56	8,56	11,80	12,76
Finland	5,50	5,83	3,05	1,72
France	33,54	31,41	31,62	30,06
U.K.	0,00	0,99	0,11	0,44
Greece	0,13	0,00	0,31	0,37
Ireland	1,42	0,00	1,32	0,76
Italy	11,43	10,43	7,83	9,23
Jersey/The Channel Islands	0,00	0,00	0,00	0,01
Luxembourg	0,67	0,00	1,13	0,45
Netherlands	5,61	5,27	9,64	9,55
Portugal	1,47	2,09	0,74	0,41
Total	100,00	100,00	100,00	100,00

Sector breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Cyclicals	28,39	30,68	29,41	28,83
Consum(cycl)	13,21	13,88	14,96	15,91
Cons.goods	8,86	8,16	10,39	12,90
Pharma	4,59	4,35	5,74	4,63
Financials	21,71	22,37	18,26	15,67
Technology	5,55	5,18	5,08	5,85
Telecomm.	7,88	6,10	7,35	6,56
Utilities	8,87	6,22	7,62	7,95
Real est.	0,96	2,21	1,18	1,56
Governm.	0,00	0,00	0,01	0,09
Various	-0,02	0,85	0,00	0,05
Total	100,00	100,00	100,00	100,00

Currency breakdown (as a % of net assets)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
EUR	100,00	100,00	100,00	99,99
GBP	0,00	0,00	0,00	0,01
Total	100,00	100,00	100,00	100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC EQUITY FUND QUANT EMU (IN THE CURRENCY OF THE SUB-FUND)

	1st half of year	Year
Purchases	378.118.162,32	378.118.162,32
Sales	155.388.756,41	155.388.756,41
Total 1	533.506.918,73	533.506.918,73
Subscriptions	322.617.044,77	322.617.044,77
Redemptions	105.323.947,69	105.323.947,69
Total 2	427.940.992,46	427.940.992,46
Monthly average of total assets	341.905.166,00	341.905.166,00
Turnover rate	30,88 %	30,88 %

	1st half of year	Year
Purchases	378.118.162,32	378.118.162,32
Sales	155.388.756,41	155.388.756,41
Total 1	533.506.918,73	533.506.918,73
Subscriptions	322.617.044,77	322.617.044,77
Redemptions	105.323.947,69	105.323.947,69
Total 2	427.940.992,46	427.940.992,46
Monthly average of total assets	338.775.797,53	338.775.797,53
Corrected turnover rate	31,16 %	31,16 %

The table above shows the capital volume of portfolio transactions. This volume (adjusted to take account of total subscriptions and redemptions) is also compared to the average net assets at the beginning and end of the period.

A figure close to 0% implies that the transactions relating to the securities or transactions relating to the assets (excluding deposits and cash) in a given period only involve subscriptions and redemptions.

A negative percentage shows that subscriptions and redemptions entailed few, if any, transactions in the portfolio.

Active asset management may result in high turnover rates (monthly percentage >50%).

The detailed list of transactions is available for consultation free of charge at the registered office of the Bevek or fund at Havenlaan 2, 1080 Brussels.

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

NAME	Currency	Value in currency	In the currency of the sub-fund	Lot-size	Transaction date
KBC COLLATERAL EUR	EUR	21.837.122,38	21.837.122,38	N/A	29.06.2012
EUROSTOX 09/12/2012	EUR	3.089.350,00	3.089.350,00	10,00	21.06.2012

2.4.4 CHANGES OF THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND THE NET ASSET VALUE

Classic Shares

Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2011 - 06	13.955,00		5.550,00		8.405,00		8.405,00
2012 - 06	53.157,00		32.591,00		28.971,00		28.971,00

Period	Amounts received and paid by the UCI (in the currency of the class)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2011 - 06	7.108.519,50		2.991.201,50	
2012 - 06	23.976.385,81		14.145.708,19	

Period	Net asset value End of period (in the currency of the class)		
Year	Of the class	Of one share	
		Capitalization	Distribution
2011 - 06	4.519.998,85	537,77	
2012 - 06	12.893.080,24	445,03	

Institutional B Shares

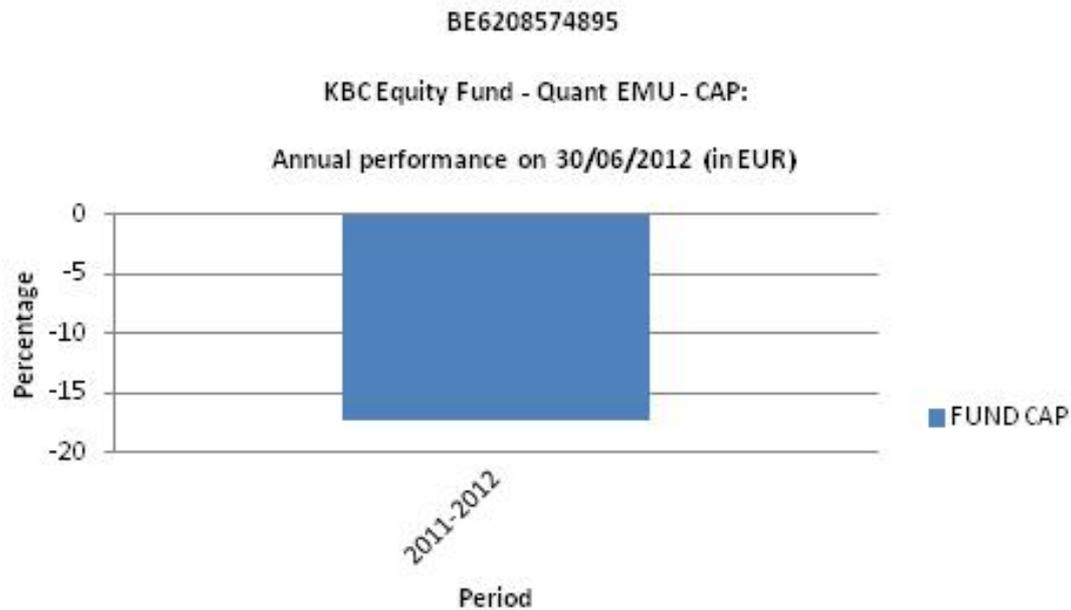
Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2012 - 06	1.047.350,00		234.523,00		812.827,00		812.827,00

Period	Amounts received and paid by the UCI (in the currency of the class)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2012 - 06	472.753.430,06		102.260.040,31	

Period	Net asset value End of period (in the currency of the class)		
Year	Of the class	Of one share	
		Capitalization	Distribution
2012 - 06	359.026.619,99	441,70	

2.4.5 PERFORMANCE FIGURES

Classic Shares



Cap Div	ISIN code	Cur-ency	1 Year		3 Years*		5 Years*		10 Years*		Since launch*	
			Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Launch Date	Share classes
CAP	BE6208574895	EUR	-17.25%								01/10/2010	-6.45%

Risk warning: Past performance is not a guide to future performance.

* Return on annual basis.

Institutional B Shares

The cumulative returns are shown where they relate to a period of at least one year.

Classic Shares

- The bar chart shows the performance for full financial years.
- The figures do not take account of any restructuring.
- Calculated in EUR.
- The return is calculated as the change in the net asset value between two dates expressed as a percentage.
- Calculation method for date D, where NAV stands for net asset value:
Capitalisation units (CAP)
Return on date D over a period of X years:
$$\left[\frac{NIW(D)}{NIW(Y)} \right]^{1/X} - 1$$
where Y = D-X
Return on date D since the start date S of the unit:
$$\left[\frac{NIW(D)}{NIW(S)} \right]^{1/F} - 1$$
where F = 1 if the unit has existed for less than one year on date D
where F = (D-S) / 365.25 if the unit has existed for longer than one year on date D
- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the n^{th} square root of 1 plus the total return of the unit.
- The return figures shown above do not take account of the fees and charges associated with the issue and redemption of units.

These are the performance figures for capitalization shares.

2.4.6 COSTS

Total expense ratio (TER): *

Classic Shares Capitalization: 1.941%

Institutional B Shares Capitalization: Not applicable

Percentage calculated at the end of the financial year: 31 December

* The following costs have not been included in the TER:

- Transaction charges
- Interest payments on loans taken out
- Payments in respect of financial derivatives
- Fees and charges paid directly by the investor
- Any soft commissions

SOFT COMMISSIONS

The management company or the appointed manager, as the case may be, is the recipient of soft commissions.

The recipient has laid down an internal policy as regards accepting soft commissions and avoiding possible conflicts of interest in this respect, and has put appropriate internal controls in place to ensure this policy is observed.

For more information, please see the 'General' section of the annual report.

	Commission gross in EUR paid during the period: 1-01-12 -	CSA Credits in EUR accrued during the period: 1-01-12 -	
Broker	30-06-12	30-06-12	Percentage
CITI	109,918	68,699	62.50%
CSFBSAS	889	337	37.88%
DEUTSCHE	50,529	31,581	62.50%
HSBC	216	108	50.00%
MERRILL	34,457	21,535	62.50%
MORGAN STANLEY	68,983	48,704	70.60%
NOMURA	23,004	14,377	62.50%
UBSWDR	102,081	63,668	62.37%

FEE-SHARING AGREEMENTS AND REBATES:

The management company may share its fee with the distributor, and institutional and/or professional parties.

In principle, the percentage share amounts to between 35% and 60% if the distributor is an entity of KBC Group NV or to between 35% and 70% if the distributor is not an entity of KBC Group NV. However, in a small number of cases, the distributor's fee is less than 35%. Investors may, on request, obtain more information on these cases.

If the management company invests the assets of the undertaking for collective investment in units of undertakings for collective investment that are not managed by an entity of KBC Group NV, and receives a fee for doing so, it will pay this fee to the undertaking for collective investment.

Fee-sharing does not affect the amount of the management fee paid by the sub-fund to the management company. This management fee is subject to the limitations laid down in the articles of association. The limitations may only be amended after approval by the general meeting of shareholders.

The management company has concluded a distribution agreement with the distributor in order to facilitate the wider distribution of the sub-fund's units by using multiple distribution channels.

It is in the interests of the holders of units, the sub-fund and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund to be maximised in this way. In this respect, there is therefore no question of any conflict of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: 1.35% per annum calculated on the basis of the average total net assets of the sub-fund, excluding those assets invested in investment undertakings managed by a financial institution of the KBC group.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the average total net assets of the sub-fund.

Auditor's fee: 1 700 EUR per year. This fee is not including VAT and will be increased at the end of the 3-year mandate.

The custody fee is calculated on the value of the securities held in custody by the custodian on the final banking day of the preceding calendar year, except on those assets invested in investment undertakings managed by a financial institution of the KBC group. The custody fee is paid at the beginning of the calendar year.

Social, ethical and environmental aspects:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

Exercising voting rights

If necessary, relevant and in the interest of the shareholders, the management company will exercise the voting rights attached to the shares in the Bevek's portfolio.

The management company will adhere to the following criteria when determining how it stands relative to the items on the agenda that are put to the vote:

- Shareholder value may not be adversely affected.
- Corporate governance rules, especially with regard to the rights of minority shareholders, must be respected.
- The minimum standards with regard to sustainable business and corporate social responsibility must be met.

The list of companies for which voting rights are exercised is available at the registered office of the Bevek.

Financial derivatives on financial indices

The following financial indices were used as the underlying for financial derivatives:

The **Euro Stoxx 50** is a weighted equity index computed by Stoxx Ltd. The dividend is not reinvested. The main purpose of this index is to provide a continuous indication of market trends on the European stock markets. The base value of the index is 1000, calculated on the basis of the underlying prices recorded on 31 December 1991.

The Euro Stoxx 50 consists solely of shares from countries participating in the Economic and Monetary Union, with the exception of Luxembourg. On 10 April 1998, the following stock exchanges were included in the index: Austria (Vienna), Belgium (Brussels), Finland (Helsinki), France (Paris), Germany (Frankfurt), Italy (Milan), Ireland (Dublin), the Netherlands (Amsterdam), Portugal (Lisbon) and Spain (Madrid).

The index consists of the 50 largest European shares in terms of shares that are freely negotiable, and the shares are accordingly weighted on the basis of this criterion.

The Euro Stoxx 50 is published daily in L'Echo, De Tijd, The Financial Times and The Wall Street Journal Europe.

Stoxx Limited has all proprietary rights with respect to the index. In no way Stoxx Limited endorses, sponsors or is otherwise involved in the issue and offering the shares of this undertaking for collective investment. Stoxx Limited disclaims any liability for the issue and offering of the shares of this undertaking for collective investment.

The value and, if available for distribution, the composition of the aforementioned financial indices may be obtained from the branches providing the financial service.

Securities lending

In accordance with the Royal Decree of 7 March 2006 concerning securities lending, the undertaking for collective investment has taken out securities loans with a principal to whom the full title of the loaned securities was transferred, without recording this transfer of ownership in the accounts.

For the period from 1 January 2012 to 30 June 2012, the fee for securities lent comes to 60,636.10 EUR. KBC Asset Management NV receives 50% of the net fee received for securities lent.

The detailed list of securities lending transactions carried out can be obtained from the registered office of the collective investment undertaking at 2 Havenlaan, 1080 Brussels.

Overview of securities lent as at 30/06/2012

Name	Currency	Quantity	Price	Value in currency of the portfolio
ACS - ACTIV.CONSTR.SERVIC.SA	EUR	172.422	16,890	2.912.207,58
BANCO DE SABADELL SA NEW	EUR	635.731	1,533	974.575,62
BANCO POPULAR ESPANOL	EUR	177.718	1,783	316.871,19
BANKIA S.A.	EUR	202.576	0,924	187.180,22
BANKINTER SA REG.SHS	EUR	249.738	2,719	679.037,62
BNP PARIBAS	EUR	1	30,335	30,34
BOUYGUES	EUR	84.556	21,200	1.792.587,20
DASSAULT SYSTEMES SA	EUR	5.000	73,920	369.600,00
EXOR SPA	EUR	9	14,800	133,20
HAVAS ADVERTISING	EUR	18.037	3,595	64.843,02
IMMOFINANZ AG	EUR	74.387	2,505	186.339,44
INTESA SANPAOLO RISP. NON CONV	EUR	682.000	0,896	610.731,00
PERNOD-RICARD	EUR	75.287	84,260	6.343.682,62
PIRELLI E CO	EUR	39.306	8,295	326.043,27
PUBLICIS GROUPE	EUR	121.342	36,050	4.374.379,10
RAIFFEISEN BANK INTL	EUR	27.973	25,750	720.304,75
SOCIETE BIC	EUR	4.370	81,400	355.718,00
VALEO	EUR	12.022	32,490	390.594,78
VIENNA INSUR GR AG WIENER VERSICH	EUR	11.940	31,880	380.647,20
VOESTALPINE	EUR	520	20,855	10.844,60
Total				20.996.350,75

Details of collateral received for securities lent

Name	Currency	Nominal value	Currency fund	Value in Currency fund
OESTERREICH 2009 3.40% 20/10/14	EUR	2.539.000	EUR	2.769.962,67
BUNDESREPUB.DTL. 2011 2.25% 04/09/21	EUR	218.000	EUR	238.321,31
FRANCE 2001 3% 25/07/2012	EUR	521.000	EUR	666.160,50
OAT FRANCE 2003 4% 25/10/13	EUR	5.742.000	EUR	6.181.257,26
OAT FRANCE 2003 4% 25/04/14	EUR	796.000	EUR	853.925,72
FRANCE 2004 4% 25/04/55	EUR	2.500.000	EUR	2.726.427,50
OAT FRANCE 2006 3 1/4% 25/04/16	EUR	1.914.000	EUR	2.076.845,03
FRANCE 2007 4,50% 12/07/2012	EUR	448.000	EUR	468.189,12
BTAN FRANCE 2008 4 1/2% 12/07/13	EUR	629.000	EUR	684.204,81
FRANCE 2010 2,50% 25/07/16	EUR	3.122.000	EUR	3.356.821,23
BTF FRANCE 2012 T-BILL 07/02/13	EUR	1.292.000	EUR	1.291.127,90
NEDERLAND 2009 4.00% 15/07/19	EUR	439.000	EUR	523.879,33
Total				21.837.122,38

For the valuation of the collateral received, indicative prices have been used in this detail list by the Collateral Management Division of KBC Bank.

TABLE OF CONTENTS

- 2. Information on KBC Equity Fund Industrials & Infrastructure
 - 2.1. Management report
 - 2.1.1. Launch date and subscription price
 - 2.1.2. Stock exchange listing
 - 2.1.3. Aim and distinctive features of the investment policy
 - 2.1.4. Financial portfolio management
 - 2.1.5. Distributors
 - 2.1.6. Index and benchmark
 - 2.1.7. Policy conducted during the financial year
 - 2.1.8. Future policy
 - 2.1.9. Synthetic risk and reward indicator (SRRI)
 - 2.2. Balance sheet
 - 2.3. Profit and loss account
 - 2.4. Composition of the assets and key figures
 - 2.4.1. Composition of the assets
 - 2.4.2. Change in the composition of the assets
 - 2.4.3. Value of commitments in respect of financial derivatives positions
 - 2.4.4. Evolution of the number of subscriptions, repayments and the net asset value
 - 2.4.5. Return figures
 - 2.4.6. Expenses
 - 2.4.7. Notes to the financial statements and other data

2 INFORMATION ON KBC EQUITY FUND INDUSTRIALS & INFRASTRUCTURE

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Classic Shares :

Launch date: 28 February 2011
Initial subscription price: 200 EUR
Currency: EUR

Institutional B Shares :

Launch date: 25 November 2011
Initial subscription price: 164.25 EUR
Currency: EUR

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

The main objective of this sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. To this end, the assets are invested, either directly or indirectly via correlated financial instruments, primarily in shares.

SUB-FUND'S INVESTMENT POLICY:

PERMITTED ASSET CLASSES:

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the sub-fund's object. The sub-fund shall invest no more than 10% of its assets in units of other undertakings for collective investment.

RESTRICTIONS OF THE INVESTMENT POLICY:

The investment policy will be implemented within the limits set by law and regulations. The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

PERMITTED DERIVATIVES TRANSACTIONS:

Derivates may be used either for hedging purposes or to achieve investment objectives.

Changes will be made to the investments at regular intervals to comply with the sub-fund's investment strategy. **In addition, listed and unlisted derivates may be used to achieve the objectives:** these may be forward contracts, options or swaps on securities, indices, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions. **Such derivatives may also be used to hedge the assets against exchange-rate fluctuations.** Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions.

Strategy selected

The sub-fund will invest at least 75% of its assets, worldwide, in shares in the industrial sector (such as equipment manufacturers), in shares of companies in these sectors that provide services to industry (such as transportation companies and employment agencies), and shares of companies that export or manage infrastructure works.

The manager is responsible for the stock picking. The selection is not restricted to shares of a particular stock-market index.

LENDING FINANCIAL INSTRUMENTS:

The sub-fund may lend financial instruments within the limits set by law and regulations.

This lending does not affect the sub-fund's risk profile since:

- it takes place within the framework of a securities lending system managed by a principal. In addition, the sub-fund has a relationship only with the principal of the securities lending system which acts as counterparty and to which title of the loaned securities is transferred. The choice of principal is subject to strict selection criteria. The return of securities similar to the securities that have been lent is guaranteed by the principal.
- through a margin management system, the sub-fund is always guaranteed financial security, the actual value of which always exceeds the actual value of the securities that have been lent, in case the principal does not return similar securities.

The return of securities similar to the securities that have been lent can be requested at any time, which means that the lending of securities does not affect the management of the sub-fund's assets. By lending securities, the sub-fund can generate an additional return. The principal pays a fee to the management company. After deducting the fee for the margin management and clearing services of KBC Bank, most of this fee is paid to the sub-fund.

The relationship with the counterparty or counterparties is governed by standard international agreements.

More information is provided on the terms and conditions governing securities lending in the annual or half-yearly report for the sub-fund.

VOLATILITY OF THE NET ASSET VALUE:

The volatility of the net asset value may be high due to the composition of the portfolio.

GENERAL STRATEGY FOR HEDGING THE EXCHANGE RATE RISK:

In order to protect its assets against exchange rate fluctuations and within the limitations laid down in the articles of association, the sub-fund may perform transactions relating to the sale of forward currency contracts, as well as the sale of call options and the purchase of put options on currencies. The transactions in question may relate solely to contracts traded on a regulated market that operates regularly, is recognised and is open to the public or that are traded with a recognised, prime financial institution specialising in such transactions and dealing in the over-the-counter (OTC) market in options. With the same objective, the sub-fund may also sell currencies forward or exchange them in private transactions with prime financial institutions specialising in such transactions. The hedging objective of the aforementioned transactions suggests that there is a direct link between these transactions and the assets to be hedged, which implies that the transactions carried out in a particular currency may in principle not exceed, in terms of volume, either the valuation value of all the assets in the same currency or the holding period of those assets.

SOCIAL, ETHICAL AND ENVIRONMENTAL ASPECTS:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

THE EUROPEAN SAVINGS DIRECTIVE AND TAX ON DEBT CLAIM RETURNS OBTAINED THROUGH THE REDEMPTION OF OWN UNITS OR IN THE EVENT OF FULL OR PARTIAL DISTRIBUTION OF EQUITY CAPITAL.

The following information is of a general character and is not intended to cover all aspects of an investment in a UCITS. In certain cases entirely different rules might even apply. Moreover, both tax law and the interpretation of it can change. Investors who wish to have more information about the tax implications – in both Belgium and abroad – of acquiring, holding and transferring units should seek the advice of their usual financial and tax advisers.

This UCITS shall invest a maximum of 15% of its assets directly or indirectly in debt instruments as intended by the European Savings Directive.

A. European Savings Directive (Directive 2003/48/EC)

The European Savings Directive has been implemented in Belgium through:

- The Law of 17 May 2004 transposing into Belgian law Directive 2003/48/EC of 3 June 2003 of the Council of the European Union on taxation of savings income in the form of interest payments and amending Income Tax Code 1992 on withholding tax;
- The Royal Decree of 27 September 2009 implementing Article 338bis § 2 of Income Tax Code 1992;
- The Royal Decree of 27 September 2009 concerning the entry into effect of Article 338bis § 2, paragraphs one to three, of Income Tax Code 1992;

Since this UCITS invests a maximum of 15% of its assets directly or indirectly in debt claims as intended by the European Savings Directive, the income of this UCITS does not fall within the scope of this directive.

B. Tax on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital (Article 19bis Income Tax Code 1992).

The income from this UCITS is not subject to the tax on debt instrument returns as intended by Article 19bis, Income Tax Code 1992.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

There is no delegation of the portfolio.

2.1.5 DISTRIBUTORS

KBC Asset Management S.A., 5, Place de la Gare, L-1616 Luxembourg.

2.1.6 INDEX AND BENCHMARK

See 'Sub-fund's investment policy'.

2.1.7 POLICY PERSUED DURING THE FINANCIAL YEAR

The economic news was dominated in 2011 by the escalating debt problem in Europe. In the US the mounting debts also caused disunity among the politicians. The Chinese economy slowed after the government took measures to cool the overheated construction sector. The Japanese economy was hit by the severe earthquake and tsunami, while the floods in Thailand caused considerable human suffering and economic loss.

In December, however, Europe provided the market with a boost in the form of the LTRO operation. Together with better economic figures in the US, this led to a strong market rally in the first quarter of 2012.

We anticipated the recovery by picking up a number of cheap stocks that had lagged behind and by increasing the market-sensitivity of the portfolio. For example, we bought a number of building materials suppliers in the US in order to take advantage of the anticipated recovery in the construction markets. In Europe we bought various names in the industrial distribution sector.

Sentiment turned around entirely in April, however, when the European debt problem once again dominated the scene and fears of contamination of the world economy came to the fore. The emerging countries also began to slow, while in the US the jobs engine started to misfire. As such it is not surprising that the industrial sectors underperformed the broad market in the second quarter.

We therefore took profits in the portfolio on names that had done well and were starting to become expensive. We limited the losses by increasing the cash level in the portfolio.

We did not, however, go entirely on the defensive. We invested for example in the US aviation industry, which is in much better shape than its European counterpart following the consolidations and reorganisations in recent years and which is moreover able to benefit from the lower oil price.

2.1.8 FUTURE POLICY

It remains a matter of seeing to what extent the sector will be hit by the debt problem and to what extent the associated savings will weigh on economic growth. In Europe little if any growth is in any case anticipated. The US should be doing somewhat better but the uncertainty over the forthcoming presidential elections casts a temporary cloud. China could rekindle growth through a relaxation of monetary policy and appropriate stimulus measures. The rising debt ratio at local government level and lower investment returns, however, rule out a repeat on the same scale of the massive investment wave in infrastructure of 2009. Growth is therefore likely to be a good deal lower in the coming quarters than we have been used to. All in all much will depend on the actions of the politicians and the central banks, so that volatility is likely to remain high.

We are on the lookout for opportunities to pick up high-quality companies at interesting valuations upon downward corrections. Railway operators and commercial services, for example, have already lost some ground and are areas in which we are beginning to build up positions. Generally speaking we are avoiding companies that are heavily dependent on industrial output or investment. We remain positive about the impact of cheap shale gas on the US industrial economy. We are tapping into this theme especially by investing in companies that will be building or renewing the infrastructure required for transporting the gas and using it in the petrochemical industry, transport and construction, etc.

We are inclined to be cautious about construction in Europe. The uncertain economic and political climate holds out little that is good for this sector. We also tend towards caution when it comes to the transport sector on account of the decline in air freight, which generally leads to a slowdown of growth in the transport sector as a whole.

In general, however, we are on the look-out for interesting individual names or to heavily underweight or overweight particular segments or sectors, on account of the highly uncertain economic climate.

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

Classic Shares: 6 on a scale of 1 (lowest risk) to 7 (highest risk).

Institutional B Shares: 6 on a scale of 1 (lowest risk) to 7 (highest risk).

The value of a share can decrease or increase and the investor may not get back the amount invested.

In accordance with Commission Regulation (EU) No. 583/2010, a synthetic risk and reward indicator has been calculated. This indicator provides a quantitative measure of the sub-fund's potential return and the risk involved, calculated in the currency in which the sub-fund is denominated. It is given as a figure between 1 and 7. The higher the figure, the greater the potential return, but also the more difficult it is to predict this return. Losses are possible too. The lowest figure does not mean that the investment is entirely free of risk. However, it does indicate that, compared with the higher figures, this product will generally provide a lower, but more predictable return.

The synthetic risk and reward indicator is assessed regularly and can therefore go up or down based on data from the past. Data from the past is not always a reliable indicator of future risk and return.

The most recent indicator can be found under the 'Risk and reward profile' heading in the 'Key Investor Information' document.

2.2 BALANCE SHEET

Balance sheet layout	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
TOTAL NET ASSETS	74.125.309,52	24.751.828,43
II. Securities, money market instruments, UCIs and derivatives		
C. Shares and similar instruments		
a) Shares	69.306.717,99	24.894.520,11
D. Other securities		2.235,68
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable	47.136,45	83.046,45
B. Payables		
a) Accounts payable (-)	-503.400,96	-14.237,77
c) Borrowings (-)	-219.013,05	-289.338,92
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	5.369.706,35	78.385,26
VI. Accruals and deferrals		
A. Expense to be carried forward	5.424,67	
B. Accrued income	178.799,78	40.619,95
C. Accrued expense (-)	-60.061,71	-43.402,33
TOTAL SHAREHOLDERS' EQUITY	74.125.309,52	24.751.828,43
A. Capital	76.662.125,94	27.886.056,43
B. Income equalization	-189.574,52	-34.400,40
D. Result for the period	-2.347.241,90	-3.099.827,60

2.3 PROFIT AND LOSS ACCOUNT

Income Statement	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
I. Net gains(losses) on investments		
C. Shares and similar instruments		
a) Shares	-6.351.962,68	-1.661.253,38
D. Other securities	-1,02	-1,28
H. Foreign exchange positions and transactions		
b) Other foreign exchange positions and transactions	3.251.112,15	-1.491.001,81
II. Investment income and expenses		
A. Dividends	1.100.400,04	377.611,66
B. Interests		
a) Securities and money market instruments	1.909,76	0,81
b) Cash at bank and in hand and deposits	2.977,81	1.281,98
C. Interest on borrowings (-)	-127,60	-3.611,32
III. Other income		
A. Income received to cover the acquisition and realization of assets, to discourage withdrawals and for delivery charges	311.385,59	
B. Other		14.105,73
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-188.902,63	-86.629,69
B. Financial expenses (-)	-338,03	-261,87
C. Custodian's fee (-)	-4.728,86	
D. Manager's fee (-)		
a) Financial management		
Classic Shares	-13.302,03	-188.376,71
Institutional B Shares	-364.158,50	
b) Administration and accounting management	-30.281,32	-12.287,29
F. Formation and organisation expenses (-)	-3.272,70	-2.729,31
G. Remuneration, social security charges and pension	-8,35	-8,02
H. Services and sundry goods (-)	-5.839,96	-5.705,99
J. Taxes		
Classic Shares	-1.205,49	-9.999,56
Institutional B Shares	-3.688,53	
K. Other expenses (-)	-47.209,55	-30.961,55
Income and expenditure for the period		
Subtotal II + III + IV	753.609,65	52.428,87
V. Profit (loss) on ordinary activities before tax	-2.347.241,90	-3.099.827,60
VII. Result for the period	-2.347.241,90	-3.099.827,60

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC EQUITY FUND INDUSTRIALS & INFRASTRUCTURE

Name	Quantity on 30/06/2012	Currency	Price in currency	Evaluation (in the currency of the sub-fund)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
Shares							
Exchange-listed shares							
<u>Australia</u>							
CAMPBELL BROTHERS LTD -	3.145,00	AUD	54,250	137.810,47		0,20	0,19
QR NATIONAL LTD -	36.602,00	AUD	3,400	100.518,40		0,15	0,14
TOLL HOLDINGS LTD -	72.824,00	AUD	3,980	234.109,70		0,34	0,32
TRANSURBAN GROUP -	93.110,00	AUD	5,690	427.927,71		0,62	0,58
<u>Austria</u>							
ANDRITZ AG -	6.583,00	EUR	40,520	266.743,16		0,39	0,36
<u>Bermuda</u>							
NOBLE GROUP LTD -	62.000,00	SGD	1,115	42.999,32		0,06	0,06
PACIFIC BASIN SHIPPING LTD -	60.000,00	HKD	3,300	20.114,18		0,03	0,03
<u>Canada</u>							
CANADIAN NATIONAL RAILWAY CO -	21.126,00	CAD	86,100	1.405.950,61		2,03	1,90
CANADIAN PACIFIC RAILWAY LTD -	3.339,00	CAD	74,720	192.842,57		0,28	0,26
<u>China</u>							
CHINA COMMUNICATIONS CONST-H -	402.000,00	HKD	6,770	276.472,50		0,40	0,37
CHINA RAILWAY CONSTRUCTION CORP -	226.500,00	HKD	6,410	147.490,30		0,21	0,20
CHINA SOUTHERN AIRLINES CO LTD -	482.000,00	HKD	3,400	166.480,42		0,24	0,23
HARBIN ELECTRIC CO LTD -	150.000,00	HKD	6,230	94.932,85		0,14	0,13
JIANGSU EXPRESSWAY COMP LTD -	182.000,00	HKD	7,240	133.858,88		0,19	0,18
SANY HEAVY EQUIPMENT INTERNATIONAL -	227.000,00	HKD	4,140	95.469,23		0,14	0,13
SHANGAI ELECTRIC GROUP CO LTD -	650.000,00	HKD	3,130	206.678,32		0,30	0,28
WEICHAJ POWER CO LTD -	38.000,00	HKD	30,550	117.932,10		0,17	0,16
<u>Denmark</u>							
A.P. MOLLER-MAERSK A/S -B-	100,00	DKK	38.440,000	517.055,85		0,75	0,70
DSV DE SAMMENSLUTTEDE VOGNMAEND -	13.156,00	DKK	116,100	205.451,90		0,30	0,28
<u>Finland</u>							
YIT OYJ -	5.500,00	EUR	13,380	73.590,00		0,11	0,10
<u>France</u>							
ALSTOM -	14.629,00	EUR	24,930	364.700,97		0,53	0,49
EDENRED -	3.291,00	EUR	22,345	73.537,40		0,11	0,10
LEGRAND (PAR)	18.286,00	EUR	26,755	489.241,93		0,71	0,66
REXEL SA (PAR)	25.966,00	EUR	13,465	349.632,19		0,50	0,47
SAFRAN SA (PAR)	14.921,00	EUR	29,200	435.693,20		0,63	0,59
SAINT GOBAIN -	17.753,00	EUR	29,100	516.612,30		0,75	0,70
SCHNEIDER ELECTRIC SA -	28.822,00	EUR	43,730	1.260.386,06		1,82	1,70
VINCI S.A. -	27.337,00	EUR	36,785	1.005.591,55		1,45	1,36
<u>Germany</u>							
BILFINGER & BERGER AG -	1.097,00	EUR	64,200	70.427,40		0,10	0,10

DEUTSCHE POST AG -	40.739,00	EUR	13,940	567.901,66		0,82	0,77
NORMA GROUP -	4.023,00	EUR	17,340	69.758,82		0,10	0,09
SIEMENS AG REG	32.872,00	EUR	66,140	2.174.154,08		3,14	2,93
VOSSLOH AG (FRA)	731,00	EUR	66,400	48.538,40		0,07	0,07
<u>Hong Kong</u>							
HUTCHISON WHAMPOA -	40.299,00	HKD	66,500	272.240,75		0,39	0,37
XINGDA INTERNATIONAL HOLDINGS -	285.000,00	HKD	2,520	72.959,63		0,11	0,10
<u>Indonesia</u>							
PT UNITED TRACTORS -	101.136,00	IDR	21.350,000	181.151,52		0,26	0,24
<u>Italy</u>							
ATLANTIA SPA -	28.715,00	EUR	10,050	288.585,75		0,42	0,39
PRYSMIAN SPA -	18.166,00	EUR	11,740	213.268,84		0,31	0,29
<u>Japan</u>							
CENTRAL JAPAN RAILWAY -	73,00	JPY	627.000,000	452.014,62		0,65	0,61
CHIYODA CORP -	23.000,00	JPY	969,000	220.096,78		0,32	0,30
EAST JAPAN RAILWAY -	16.300,00	JPY	5.000,000	804.858,78		1,16	1,09
FANUC CORP -	2.802,00	JPY	12.950,000	358.343,87		0,52	0,48
HANKYU HANSHIN HOLDINGS INC -	42.694,00	JPY	402,000	169.494,25		0,25	0,23
ISHIKAWAJIMA HARIMA HEAVY IND -	227.000,00	JPY	169,000	378.856,41		0,55	0,51
ITOCHU CORP -	71.200,00	JPY	832,000	585.012,84		0,84	0,79
JGC CORPORATION -	14.954,00	JPY	2.295,000	338.923,86		0,49	0,46
JTEKT CORP -	23.095,00	JPY	816,000	186.110,21		0,27	0,25
KAWASAKI HEAVY IND -	400,00	JPY	216,000	853,25		0,00	0,00
KOMATSU -	41.542,00	JPY	1.878,000	770.451,08		1,11	1,04
KUBOTA CORP -	86.000,00	JPY	730,000	619.988,15		0,90	0,84
KURITA WATER INDUSTR. -	10.500,00	JPY	1.837,000	190.484,89		0,28	0,26
LIXIL GROUP CORP -	16.300,00	JPY	1.678,000	270.110,61		0,39	0,36
MAKITA -	12.400,00	JPY	2.773,000	339.573,38		0,49	0,46
MARUBENI CORP -	105.000,00	JPY	526,000	545.427,61		0,79	0,74
MITSUBISHI CORP -	26.400,00	JPY	1.596,000	416.101,13		0,60	0,56
MITSUBISHI ELECTRIC -	91.525,00	JPY	660,000	596.548,49		0,86	0,81
MITSUBISHI HEAVY IND. -	169.040,00	JPY	322,000	537.535,85		0,78	0,73
MITSUI & CO -	31.315,00	JPY	1.174,000	363.063,50		0,52	0,49
NGK INSULATORS -	15.483,00	JPY	873,000	133.484,68		0,19	0,18
NIDEC -	5.600,00	JPY	6.020,000	332.925,14		0,48	0,45
SECOM CO -	10.800,00	JPY	3.645,000	388.761,60		0,56	0,52
SMC CORP. -	2.400,00	JPY	13.710,000	324.945,68		0,47	0,44
SUMITOMO CORP -	54.900,00	JPY	1.108,000	600.722,89		0,87	0,81
SUMITOMO ELECTR. -	37.400,00	JPY	983,000	363.067,35		0,52	0,49
TOBU-RAILWAY CO.LTD. -	89.000,00	JPY	419,000	368.269,80		0,53	0,50
TOYOTA TSUSHO CORPORATION -	18.400,00	JPY	1.511,000	274.564,49		0,40	0,37
YAMATO HOLDINGS CO LTD -	22.100,00	JPY	1.279,000	279.141,81		0,40	0,38
YOKOGAWA ELECTRIC -	21.900,00	JPY	818,000	176.912,90		0,26	0,24
<u>Malaysia</u>							
SIME DARBY BERHAD -	221.200,00	MYR	9,890	542.859,13		0,78	0,73
<u>Mexico</u>							
ALFA SA DE CV -	31.000,00	MXN	213,250	387.995,80		0,56	0,52
<u>Netherlands</u>							
KONINKLIJKE PHILIPS ELECTRONICS N.V. -	12.000,00	EUR	15,570	186.840,00		0,27	0,25
RANDSTAD HOLDING (AMS)	10.533,00	EUR	23,175	244.102,28		0,35	0,33
<u>Philippines</u>							
SM INVESTMENTS CORP -	21.840,00	PHP	730,000	298.162,57		0,43	0,40

<u>Singapore</u>							
KEPPEL CORP -	62.840,00	SGD	10,280	401.813,27		0,58	0,54
SEMBCORP INDUSTRIES LTD -	865,00	SGD	5,130	2.760,12		0,00	0,00
<u>South Africa</u>							
BIDVEST GROUP LTD -	15.243,00	ZAR	182,000	267.292,22		0,39	0,36
<u>South Korea</u>							
DAELIM INDUSTRIAL CO -	1.535,00	KRW	90.200,000	95.257,00		0,14	0,13
HYUNDAI HEAVY INDUSTRIES -	1.057,00	KRW	257.500,000	187.255,33		0,27	0,25
LG CHEM INVESTMENT LTD. -	8.438,00	KRW	55.000,000	319.289,17		0,46	0,43
LS CABLE LTD -	2.062,00	KRW	85.700,000	121.577,01		0,18	0,16
SAMSUNG CORPOR. -	6.668,00	KRW	65.400,000	300.023,53		0,43	0,41
<u>Spain</u>							
FERROVIAL SA -	16.823,00	EUR	8,887	149.506,00		0,22	0,20
<u>Sweden</u>							
ATLAS COPCO AB AB "B" FRIA	61.447,00	SEK	131,400	921.757,61		1,33	1,24
HEXAGON AB -B-	7.314,00	SEK	118,200	98.694,54		0,14	0,13
S.K.F. B FRIA	18.286,00	SEK	135,900	283.699,69		0,41	0,38
VOLVO TREASURY AB "B"	79.361,00	SEK	78,750	713.474,37		1,03	0,96
<u>Switzerland</u>							
ABB LTD -	38.894,00	CHF	15,450	500.280,81		0,72	0,68
FLUGHAFEN ZUERICH AG -	782,00	CHF	333,000	216.797,24		0,31	0,29
SCHINDLER-HLDG PART.BON	800,00	CHF	105,800	70.465,80		0,10	0,10
SGS SA (REG)	110,00	CHF	1.775,000	162.552,55		0,24	0,22
SULZER FRERES (NOM)	1.500,00	CHF	112,000	139.865,96		0,20	0,19
<u>Taiwan</u>							
FAR EASTERN TEXTILE LTD. -	31.930,00	TWD	31,500	26.520,21		0,04	0,04
WANHAI LINES LINES LTD -	66.050,00	TWD	14,600	25.426,89		0,04	0,03
<u>U.K.</u>							
APR ENERGY PLC -	10.971,00	GBP	6,800	92.204,67		0,13	0,12
ASHTREAD GROUP PLC -	51.200,00	GBP	2,599	164.465,21		0,24	0,22
BAE SYSTEMS PLC -	183.955,00	GBP	2,886	656.153,91		0,95	0,89
BALFOUR BEATTY PLC -	93.916,00	GBP	2,980	345.902,46		0,50	0,47
COBHAM -	72.792,00	GBP	2,322	208.902,51		0,30	0,28
IMI PLC (LON)	20.846,00	GBP	8,315	214.231,23		0,31	0,29
INVENSYS PLC -	43.886,00	GBP	2,227	120.793,63		0,17	0,16
MEGGITT PLC -	32.893,00	GBP	3,853	156.639,14		0,23	0,21
MORGAN CRUCIBLE COMPANY PLC -	36.572,00	GBP	2,785	125.884,34		0,18	0,17
ROLLS ROYCE GROUP PLC -	69.128,00	GBP	8,580	733.059,25		1,06	0,99
SERCO GROUP PLC -	39.132,00	GBP	5,360	259.235,60		0,37	0,35
SIG PLC -	36.572,00	GBP	0,968	43.754,41		0,06	0,06
SMITHS GROUP PLC -	42.904,00	GBP	10,150	538.222,22		0,78	0,73
TRAVIS PERINKS PLC -	25.801,00	GBP	9,705	309.478,07		0,45	0,42
WEIR GROUP PLC (THE) -	32.185,00	GBP	15,300	608.615,13		0,88	0,82
<u>U.S.A.</u>							
ACTUANT CORP -	3.657,00	USD	27,160	78.263,43		0,11	0,11
BE AEROSPCE INC -	8.541,00	USD	43,660	293.830,32		0,42	0,40
BOEING -	19.493,00	USD	74,300	1.141.225,99		1,65	1,54
CALGON CARBON CORP -	7.314,00	USD	14,220	81.951,84		0,12	0,11
CATERPILLAR INC -	28.257,00	USD	84,910	1.890.553,83		2,73	2,55
CSX -	20.556,00	USD	22,360	362.171,74		0,52	0,49
CUMMINS INC. -	1.494,00	USD	96,910	114.083,63		0,17	0,15
DANAHER CORPORATION -	23.124,00	USD	52,080	948.938,55		1,37	1,28

DEERE & COMPANY -	19.870,00	USD	80,870	1.266.162,56		1,83	1,71
DELTA AIR LINES INC -	71.309,00	USD	10,950	615.265,58		0,89	0,83
DOVER CORPORATION -	11.155,00	USD	53,610	471.215,47		0,68	0,64
DUN & BRADSTREET -	4.771,00	USD	71,170	267.553,44		0,39	0,36
EATON CORP. -	20.516,00	USD	39,630	640.650,13		0,92	0,86
EMERSON ELECTRIC CO -	32.514,00	USD	46,580	1.193.367,05		1,72	1,61
EQUIFAX INC -	9.509,00	USD	46,600	349.160,35		0,50	0,47
EXELIS INC -	14.146,00	USD	9,860	109.904,31		0,16	0,15
FEDEX CORP -	5.222,00	USD	91,610	376.950,14		0,54	0,51
FLOWSERVE CORP -	2.926,00	USD	114,750	264.564,26		0,38	0,36
FLUOR CORPORATION NEW	11.854,00	USD	49,340	460.859,16		0,67	0,62
FOSTER AG WHEELER AG -	25.794,00	USD	17,265	350.904,90		0,51	0,47
GENERAL CABLE CORP -	6.583,00	USD	25,940	134.554,42		0,19	0,18
GENERAL ELEC CAP CORP -	327.850,00	USD	20,840	5.383.652,98		7,77	7,26
H&E EQUIPMENT SERVICES INC -	7.314,00	USD	15,030	86.619,98		0,13	0,12
HONEYWELL INTERNATIONAL INC. -	32.106,00	USD	55,840	1.412.653,88		2,04	1,91
HUBBELL INC -	1.829,00	USD	77,940	112.325,47		0,16	0,15
ILLINOIS TOOL WORKS INC -	5.888,00	USD	52,890	245.383,59		0,35	0,33
IRON MOUNTAIN INC -	92,00	USD	32,960	2.389,35		0,00	0,00
JACOBS ENGINEERING GROUP INC -	15.138,00	USD	37,860	451.599,31		0,65	0,61
JOHNSON CONTROLS -	6.583,00	USD	27,710	143.735,66		0,21	0,19
KANSAS CITY SOUTHERN -	5.851,00	USD	69,560	320.696,21		0,46	0,43
KBR INC -	14.619,00	USD	24,710	284.639,11		0,41	0,38
LINDSAY MANUFACTURING CO -	3.657,00	USD	64,900	187.013,87		0,27	0,25
MANPOWER GROUP -	9.618,00	USD	36,650	277.755,65		0,40	0,38
MASTEC INC -	10.971,00	USD	15,040	130.016,42		0,19	0,18
MSC INDUSTRIAL DIRECT CO -	5.389,00	USD	65,550	278.346,03		0,40	0,38
NORFOLK STHN CP -	18.016,00	USD	71,770	1.018.838,80		1,47	1,37
NORTHROP GRUMMAN CORPORATION -	10.850,00	USD	63,790	545.364,04		0,79	0,74
OWENS CORNING -	10.781,00	USD	28,540	242.447,20		0,35	0,33
PARKER-HANNIFIN CORPORATION -	8.703,00	USD	76,880	527.213,49		0,76	0,71
PRECISION CASTPARTS -	3.684,00	USD	164,490	477.488,90		0,69	0,64
RAYTHEON CO -	4.010,00	USD	56,590	178.808,53		0,26	0,24
ROCKWELL AUTOMATION CORP -	6.783,00	USD	66,060	353.073,03		0,51	0,48
SPIRIT AEROSYSTEMS HOLDINGS IN -	20.663,00	USD	23,830	387.990,93		0,56	0,52
SPX CORPORATION -	731,00	USD	65,320	37.624,24		0,05	0,05
STERICYCLE INC -	5.042,00	USD	91,670	364.195,21		0,53	0,49
THE MOSAIC COMPANY -	4.023,00	USD	54,760	173.587,17		0,25	0,23
TYCO INTERNATIONAL -	17.914,00	USD	52,850	746.004,96		1,08	1,01
UNION PACIFIC CORPORATION -	19.663,00	USD	119,310	1.848.548,21		2,67	2,49
UNITED CONTINENTAL HOLDINGS INC -	14.629,00	USD	24,330	280.453,53		0,41	0,38
UNITED PARCEL SERVICE "B"	20.433,00	USD	78,760	1.268.066,41		1,83	1,71
UNITED TECHNOLOGIES -	34.503,00	USD	75,530	2.053.432,82		2,96	2,77
URS CORP -	8.070,00	USD	34,880	221.796,23		0,32	0,30
US AIRWAYS GROUP, INC -	29.989,00	USD	13,330	314.989,65		0,45	0,43
VERISK ANALYTICS INC -	6.720,00	USD	49,260	260.836,18		0,38	0,35
W.W. GRAINGER, INC. -	1.097,00	USD	191,240	165.306,34		0,24	0,22
3M CO -	16.493,00	USD	89,600	1.164.425,81		1,68	1,57
Total shares				69.306.717,99		100,00	93,50
TOTAL SECURITIES PORTFOLIO				69.306.717,99		100,00	93,50
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP AUD	9.426,47	AUD	1,000	7.613,97			0,01
KBC GROUP CAD	18.793,63	CAD	1,000	14.526,48			0,02

KBC GROUP CHF	-242.213,80	CHF	1,000	-201.651,58		-0,27
KBC GROUP DKK	87.471,45	DKK	1,000	11.765,77		0,02
KBC GROUP EURO	3.917.658,47	EUR	1,000	3.917.658,47		5,29
KBC GROUP GBP	26.043,63	GBP	1,000	32.188,39		0,04
KBC GROUP HKD	33.578,01	HKD	1,000	3.411,08		0,01
KBC GROUP JPY	-1.440.657,00	JPY	1,000	-14.227,31		-0,02
KBC GROUP MXN	3.041,49	MXN	1,000	178,51		
KBC GROUP NOK	1.025,12	NOK	1,000	135,89		
KBC GROUP NZD	866,50	NZD	1,000	548,80		0,00
KBC GROUP SEK	-27.453,65	SEK	1,000	-3.134,16		0,00
KBC GROUP SGD	822.955,12	SGD	1,000	511.883,51		0,69
KBC GROUP TRY	1.046,99	TRY	1,000	456,13		0,00
KBC GROUP USD	1.099.984,17	USD	1,000	866.743,50		1,17
KBC GROUP ZAR	26.942,33	ZAR	1,000	2.595,85		0,00
Total demand accounts				5.150.693,30		6,95
TOTAL CASH AT BANK AND IN HAND				5.150.693,30		6,95
OTHER RECEIVABLES AND PAYABLES						
Receivables						
<u>Belgium</u>						
KBC GROUP EUR RECEIVABLE	48,54	EUR	1,000	48,54		
KBC GROUP GBP RECEIVABLE	10.018,17	GBP	1,000	12.381,87		0,02
KBC GROUP HKD RECEIVABLE	50.000,00	HKD	1,000	5.079,34		0,01
KBC GROUP JPY RECEIVABLE	3.000.000,00	JPY	1,000	29.626,70		0,04
Total receivables				47.136,45		0,06
Payables						
<u>Belgium</u>						
KBC GROUP EUR PAYABLE	-451.768,38	EUR	1,000	-451.768,38		-0,61
KBC GROUP USD PAYABLE	-65.526,91	USD	1,000	-51.632,58		-0,07
Payables				-503.400,96		-0,68
TOTAL RECEIVABLES AND PAYABLES				-456.264,51		-0,62
OTHER						
Interest receivable		EUR		176.890,02		0,24
Accrued interest		EUR		1.909,76		0,00
Expenses payable		EUR		-60.061,71		-0,08
Expenses to be carried forward		EUR		5.424,67		0,01
TOTAL OTHER				124.162,74		0,17
TOTAL NET ASSETS				74.125.309,52		100,00

Geographic breakdown (as a % of securities portfolio)

	30/06/2011	31/12/2011	30/06/2012
Australia	1,22	1,05	1,30
Austria	0,00	0,00	0,38
Bermuda	0,26	0,10	0,09
Brazil	0,49	0,43	0,00
Canada	2,61	2,39	2,31
Switzerland	3,36	3,07	1,57
Chile	0,31	0,00	0,00
China	0,80	1,21	1,79
Germany	5,44	4,08	4,23
Denmark	0,87	0,56	1,04
Egypt	0,20	0,23	0,00
Spain	0,76	0,63	0,22
Finland	0,74	1,14	0,11
France	5,11	3,96	6,49
U.K.	3,90	4,75	6,60
Hong Kong	1,97	1,48	0,50
India	0,82	0,27	0,00
Indonesia	0,23	0,37	0,26
Ireland	6,40	1,15	0,00
Italy	0,97	1,05	0,72
Jersey/The Channel Islands	0,31	0,51	0,00
Japan	15,07	16,38	16,43
South Korea	3,03	2,50	1,48
Mexico	0,21	0,00	0,56
Malaysia	0,69	0,68	0,78
Netherlands	1,84	0,93	0,62
Norway	0,31	0,49	0,00
New Zealand	0,00	0,24	0,00
Philippines	0,17	0,34	0,43
Singapore	1,42	1,27	0,58
Sweden	3,84	2,55	2,91
Turkey	0,22	0,00	0,00
Taiwan	0,54	0,42	0,07
U.S.A.	35,53	45,44	48,14
South Africa	0,36	0,33	0,39
Total	100,00	100,00	100,00

Sector breakdown (as a % of securities portfolio)

	30/06/2011	31/12/2011	30/06/2012
Cyclicals	64,07	66,99	63,78
Consum(cycl)	27,30	22,36	24,06
Cons.goods	0,00	0,00	0,50
Financials	6,99	8,91	9,68
Technology	0,89	1,19	1,85
Telecomm.	0,41	0,55	0,00
Utilities	0,00	0,00	0,13
Various	0,34	0,00	0,00
Total	100,00	100,00	100,00

Currency breakdown (as a % of net assets)

	30/06/2011	31/12/2011	30/06/2012
AUD	1,26	1,06	1,23
BRL	0,00	0,43	0,00
CAD	2,63	2,38	2,18
CHF	3,38	3,05	1,20
DKK	0,89	0,56	0,99
EUR	14,03	12,58	16,64
GBP	4,09	5,22	6,25
HKD	2,79	2,71	2,18
IDR	0,41	0,37	0,24
JPY	15,19	16,27	15,41
KRW	3,05	2,48	1,38
MXN	0,21	0,00	0,52
MYR	0,69	0,68	0,73
NOK	0,31	0,52	0,00
NZD	0,00	0,24	0,00
PHP	0,17	0,34	0,40
SEK	3,86	2,53	2,72
SGD	1,54	1,36	1,30
TRY	0,22	0,00	0,00
TWD	0,54	0,42	0,07
USD	44,20	46,47	46,20
ZAR	0,54	0,33	0,36
Total	100,00	100,00	100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC EQUITY FUND INDUSTRIALS & INFRASTRUCTURE (IN THE CURRENCY OF THE SUB-FUND)

	1st half of year	Year
Purchases	112.545.863,45	112.545.863,45
Sales	53.187.078,72	53.187.078,72
Total 1	165.732.942,16	165.732.942,16
Subscriptions	111.112.419,99	111.112.419,99
Redemptions	47.136.862,50	47.136.862,50
Total 2	158.249.282,49	158.249.282,49
Monthly average of total assets	59.921.568,25	59.921.568,25
Turnover rate	12,49 %	12,49 %

	1st half of year	Year
Purchases	112.545.863,45	112.545.863,45
Sales	53.187.078,72	53.187.078,72
Total 1	165.732.942,16	165.732.942,16
Subscriptions	111.112.419,99	111.112.419,99
Redemptions	47.136.862,50	47.136.862,50
Total 2	158.249.282,49	158.249.282,49
Monthly average of total assets	23.600.314,32	23.600.314,32
Corrected turnover rate	31,71 %	31,71 %

The table above shows the capital volume of portfolio transactions. This volume (adjusted to take account of total subscriptions and redemptions) is also compared to the average net assets at the beginning and end of the period.

A figure close to 0% implies that the transactions relating to the securities or transactions relating to the assets (excluding deposits and cash) in a given period only involve subscriptions and redemptions.

A negative percentage shows that subscriptions and redemptions entailed few, if any, transactions in the portfolio.

Active asset management may result in high turnover rates (monthly percentage >50%).

The detailed list of transactions is available for consultation free of charge at the registered office of the Bevek or fund at Havenlaan 2, 1080 Brussels.

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

Nil

2.4.4 CHANGES OF THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND THE NET ASSET VALUE

Classic Shares

Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2011 - 06	376.808,27	0,00	247.343,00	0,00	129.465,27	0,00	129.465,27
2012 - 06	37.431,00	0,00	151.006,71	0,00	15.889,56	0,00	15.889,56

Period	Amounts received and paid by the UCI (in the currency of the class)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2011 - 06	75.079.621,36	0,00	47.227.965,33	0,00
2012 - 06	7.166.720,82	0,00	25.615.796,07	0,00

Period	Net asset value End of period (in the currency of the class)			
Year	Of the class	Of one share		
		Capitalization	Distribution	
2011 - 06	24.751.828,43	191,19	N/A	
2012 - 06	3.074.894,94	193,52	N/A	

Institutional B Shares

Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2012 - 06	604.580,00		238.768,00		365.812,00		365.812,00

Period	Amounts received and paid by the UCI (in the currency of the class)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2012 - 06	118.689.074,62		45.924.649,91	

Period	Net asset value End of period (in the currency of the class)			
Year	Of the class	Of one share		
		Capitalization	Distribution	
2012 - 06	71.050.414,60	194,23		

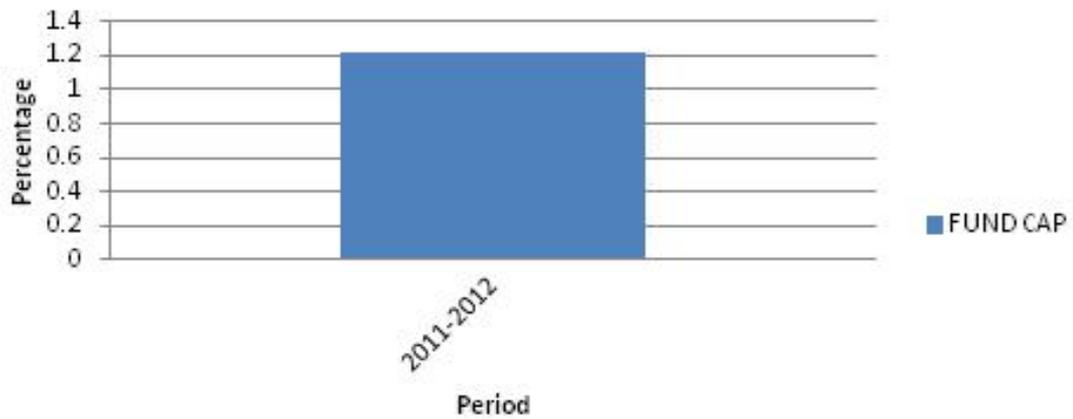
2.4.5 PERFORMANCE FIGURES

Classic Shares

BE6216682490

KBC Equity Fund - Industrials & Infrastructure - CAP:

Annual performance on 30/06/2012 (in EUR)



Cap Div	ISIN code	Cur-rency	1 Year		3 Years*		5 Years*		10 Years*		Since launch*	
			Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Launch Date	Share classes
CAP	BE6216682490	EUR	1.22%								28/02/2011	-2.44%
DIV	BE6216680478	EUR										
DIV	BE6216680478											

Risk warning: Past performance is not a guide to future performance.

* Return on annual basis.

Institutional B Shares

The cumulative returns are shown where they relate to a period of at least one year.

Classic Shares

- The bar chart shows the performance for full financial years.
- The figures do not take account of any restructuring.
- Calculated in EUR.
- The return is calculated as the change in the net asset value between two dates expressed as a percentage. In the case of units that pay dividends, the dividend is incorporated geometrically in the return.
- Calculation method for date D, where NAV stands for net asset value:

Capitalisation units (CAP)

Return on date D over a period of X years:

$$[\text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where $Y = D - X$

Return on date D since the start date S of the unit:

$$[\text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where $F = 1$ if the unit has existed for less than one year on date D

where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D

Distribution units (DIV)

Return on date D over a period of X years:

$$[C * \text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where $Y = D - X$

Return on date D since the start date S of the unit:

$$[C * \text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where $F = 1$ if the unit has existed for less than one year on date D

where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D

where C is a factor that is determined for all N dividends between the calculation date D and the reference date.

For dividend i on date Di with value Wi:

$$C_i = [W_i / \text{NIW}(D_i)] + 1$$

$i = 1 \dots N$

from which $C = C_0 * \dots * C_N$.

- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the n^{th} square root of 1 plus the total return of the unit.
- The return figures shown above do not take account of the fees and charges associated with the issue and redemption of units.

These are the performance figures for capitalisation and distribution shares.

2.4.6 COSTS

Total expense ratio (TER): *

Classic Shares Distribution: Not applicable
Classic Shares Capitalization: Not applicable
Institutional B Shares Capitalization: Not applicable

Percentage calculated at the end of the financial year: 31 December

* The following costs have not been included in the TER:

- Transaction charges
- Interest payments on loans taken out
- Payments in respect of financial derivatives
- Fees and charges paid directly by the investor
- Any soft commissions

SOFT COMMISSIONS

The management company or the appointed manager, as the case may be, is the recipient of soft commissions.

The recipient has laid down an internal policy as regards accepting soft commissions and avoiding possible conflicts of interest in this respect, and has put appropriate internal controls in place to ensure this policy is observed.

For more information, please see the 'General' section of the annual report.

Broker	Commission gross in EUR paid during the period: 1-01-12 - 30-06-12	CSA Credits in EUR accrued during the period: 1-01-12 - 30-06-12	Percentage
CITI	35,935	22,452	62.48%
CSFBSAS	6,476	3,357	51.83%
DEUTSCHE	1,902	951	50.00%
EQ CSA MACQUARIE	32,268	20,168	62.50%
HSBC	1,231	618	50.18%
JP MORGAN	5,301	2,945	55.56%
MERRILL	2,816	1,747	62.05%
MORGAN STANLEY	10,054	4,513	44.89%
NOMURA	9,337	5,618	60.17%
SOCGEN	1,098	549	50.00%
UBSWDR	9,660	5,254	54.38%

FEE-SHARING AGREEMENTS AND REBATES:

The management company may share its fee with the distributor, and institutional and/or professional parties.

In principle, the percentage share amounts to between 35% and 60% if the distributor is an entity of KBC Group NV or to between 35% and 70% if the distributor is not an entity of KBC Group NV. However, in a small number of cases, the distributor's fee is less than 35%. Investors may, on request, obtain more information on these cases.

If the management company invests the assets of the undertaking for collective investment in units of undertakings for collective investment that are not managed by an entity of KBC Group NV, and receives a fee for doing so, it will pay this fee to the undertaking for collective investment.

Fee-sharing does not affect the amount of the management fee paid by the sub-fund to the management company. This management fee is subject to the limitations laid down in the articles of association. The limitations may only be amended after approval by the general meeting of shareholders.

The management company has concluded a distribution agreement with the distributor in order to facilitate the wider distribution of the sub-fund's units by using multiple distribution channels.

It is in the interests of the holders of units, the sub-fund and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund to be maximised in this way. In this respect, there is therefore no question of any conflict of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: 1.25% per annum calculated on the basis of the average total net assets of the sub-fund, excluding those assets invested in investment undertakings managed by a financial institution of the KBC group.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the average total net assets of the sub-fund.

Auditor's fee: 1 700 EUR per year. This fee is not including VAT and will be increased at the end of the 3-year mandate.

The custody fee is calculated on the value of the securities held in custody by the custodian on the final banking day of the preceding calendar year, except on those assets invested in investment undertakings managed by a financial institution of the KBC group. The custody fee is paid at the beginning of the calendar year.

Social, ethical and environmental aspects:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

Exercising voting rights

If necessary, relevant and in the interest of the shareholders, the management company will exercise the voting rights attached to the shares in the Bevek's portfolio.

The management company will adhere to the following criteria when determining how it stands relative to the items on the agenda that are put to the vote:

- Shareholder value may not be adversely affected.
- Corporate governance rules, especially with regard to the rights of minority shareholders, must be respected.
- The minimum standards with regard to sustainable business and corporate social responsibility must be met.

The list of companies for which voting rights are exercised is available at the registered office of the Bevek.

TABLE OF CONTENTS

- 2. Information on KBC Equity Fund SRI Equity
 - 2.1. Management report
 - 2.1.1. Launch date and subscription price
 - 2.1.2. Stock exchange listing
 - 2.1.3. Aim and distinctive features of the investment policy
 - 2.1.4. Financial portfolio management
 - 2.1.5. Distributors
 - 2.1.6. Index and benchmark
 - 2.1.7. Policy conducted during the financial year
 - 2.1.8. Future policy
 - 2.1.9. Synthetic risk and reward indicator (SRRI)
 - 2.2. Balance sheet
 - 2.3. Profit and loss account
 - 2.4. Composition of the assets and key figures
 - 2.4.1. Composition of the assets
 - 2.4.2. Change in the composition of the assets
 - 2.4.3. Value of commitments in respect of financial derivatives positions
 - 2.4.4. Evolution of the number of subscriptions, repayments and the net asset value
 - 2.4.5. Return figures
 - 2.4.6. Expenses
 - 2.4.7. Notes to the financial statements and other data

2 INFORMATION ON KBC EQUITY FUND SRI EQUITY

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Classic Shares :

Launch date: 6 May 2011

Initial subscription price: 1000 EUR

Currency: EUR

Institutional B Shares :

Launch date: 25 November 2011

Initial subscription price: 870.05 EUR

Currency: EUR

Institutional Shares :

Launch date: 6 May 2011

Initial subscription price: 1000 EUR

Currency: EUR

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

The main objective of this sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. To this end, the assets are invested, either directly or indirectly via correlated financial instruments, primarily in shares.

SUB-FUND'S INVESTMENT POLICY:

PERMITTED ASSET CLASSES:

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the sub-fund's object.

The sub-fund shall invest no more than 10% of its assets in units of other undertakings for collective investment.

RESTRICTIONS OF THE INVESTMENT POLICY:

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

PERMITTED DERIVATIVES TRANSACTIONS:

Derivates may be used either for hedging purposes or to achieve investment objectives.

Changes will be made to the investments at regular intervals to comply with the sub-fund's investment strategy. **In addition, listed and unlisted derivates may be used to achieve the objectives:** these may be forward contracts, options or swaps on securities, indices, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions. **Such derivatives may also be used to hedge the assets against exchange-rate fluctuations.** Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions.

STRATEGY SELECTED

The assets are invested primarily in an international basket of shares.

The shares must satisfy the following requirements.

The companies must be best-in-class in terms of sustainability. They must therefore be screened according to the following criteria:

- 1) Long-term business policy
- 2) Corporate governance
- 3) Impact on the environment
- 4) Internal social policy
- 5) Respect for human rights and international labour standards.

Each criterion is subdivided into measurable indicators.

The requirements, criteria and indicators are set by KBC Asset Management in consultation with the External Advisory Board for Sustainability Analysis. Their relevance is constantly reviewed and the sustainability analysis methodology may be adapted subject to the approval of the External Advisory Board for Sustainability Analysis.

The shares are screened by the KBC Asset Management Sustainable Investment Department in consultation with the External Advisory Board for Sustainability Analysis.

The autonomy of the External Advisory Board for Sustainability Analysis responsible for the sustainability screening ensures that companies are screened objectively and that the sustainability screening is reliable. The External Advisory Board for Sustainability Analysis monitors the quality of KBC Asset Management's methodology and research.

Details of this procedure can be found at <http://www.kbc.be/sustainable> investment.

LENDING FINANCIAL INSTRUMENTS:

The sub-fund may lend financial instruments within the limits set by law and regulations.

This lending does not affect the sub-fund's risk profile since:

- it takes place within the framework of a securities lending system managed by a principal. In addition, the sub-fund has a relationship only with the principal of the securities lending system which acts as counterparty and to which title of the loaned securities is transferred. The choice of principal is subject to strict selection criteria. The return of securities similar to the securities that have been lent is guaranteed by the principal.
- through a margin management system, the sub-fund is always guaranteed financial security, the actual value of which always exceeds the actual value of the securities that have been lent, in case the principal does not return similar securities.

The return of securities similar to the securities that have been lent can be requested at any time, which means that the lending of securities does not affect the management of the sub-fund's assets.

By lending securities, the sub-fund can generate an additional return. The principal pays a fee to the management company. After deducting the fee for the margin management and clearing services of KBC Bank, most of this fee is paid to the sub-fund.

The relationship with the counterparty or counterparties is governed by standard international agreements.

More information is provided on the terms and conditions governing securities lending in the annual or half-yearly report for the sub-fund.

VOLATILITY OF THE NET ASSET VALUE:

The volatility of the net asset value may be high due to the composition of the portfolio.

GENERAL STRATEGY FOR HEDGING THE EXCHANGE RATE RISK:

In order to protect its assets against exchange rate fluctuations and within the limitations laid down in the articles of association, the sub-fund may perform transactions relating to the sale of forward currency contracts, as well as the sale of call options and the purchase of put options on currencies. The transactions in question may relate solely to contracts traded on a regulated market that operates regularly, is recognised and is open to the public or that are traded with a recognised, prime financial institution specialising in such transactions and dealing in the over-the-counter (OTC) market in options. With the same objective, the sub-fund may also sell currencies forward or exchange them in private transactions with prime financial institutions specialising in such transactions. The hedging objective of the aforementioned transactions suggests that there is a direct link between these transactions and the assets to be hedged, which implies that the transactions carried out in a particular currency may in principle not exceed, in terms of volume, either the valuation value of all the assets in the same currency or the holding period of those assets.

SOCIAL, ETHICAL AND ENVIRONMENTAL ASPECTS:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

THE EUROPEAN SAVINGS DIRECTIVE AND TAX ON DEBT CLAIM RETURNS OBTAINED THROUGH THE REDEMPTION OF OWN UNITS OR IN THE EVENT OF FULL OR PARTIAL DISTRIBUTION OF EQUITY CAPITAL.

The following information is of a general character and is not intended to cover all aspects of an investment in a UCITS. In certain cases entirely different rules might even apply. Moreover, both tax law and the interpretation of it can change. Investors who wish to have more information about the tax implications – in both Belgium and abroad – of acquiring, holding and transferring units should seek the advice of their usual financial and tax advisers.

This UCITS shall invest a maximum of 15% of its assets directly or indirectly in debt instruments as intended by the European Savings Directive.

A. European Savings Directive (Directive 2003/48/EC)

The European Savings Directive has been implemented in Belgium through:

- The Law of 17 May 2004 transposing into Belgian law Directive 2003/48/EC of 3 June 2003 of the Council of the European Union on taxation of savings income in the form of interest payments and amending Income Tax Code 1992 on withholding tax;
- The Royal Decree of 27 September 2009 implementing Article 338bis § 2 of Income Tax Code 1992;
- The Royal Decree of 27 September 2009 concerning the entry into effect of Article 338bis § 2, paragraphs one to three, of Income Tax Code 1992;

Since this UCITS invests a maximum of 15% of its assets directly or indirectly in debt claims as intended by the European Savings Directive, the income of this UCITS does not fall within the scope of this directive.

B. Tax on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital (Article 19bis Income Tax Code 1992).

The income from this UCITS is not subject to the tax on debt instrument returns as intended by Article 19bis, Income Tax Code 1992.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

There is no delegation of the portfolio.

2.1.5 DISTRIBUTORS

KBC Asset Management S.A., 5, Place de la Gare, L-1616 Luxembourg.

2.1.6 INDEX AND BENCHMARK

See 'Sub-fund's investment policy'.

2.1.7 POLICY PERSUED DURING THE FINANCIAL YEAR

The global economy emerged from a deep recession in mid-2009, but the recovery was highly dependent on massive government budgetary and monetary stimuli. Doubts about the sustainability of the economic recovery continued to dominate the investment climate in the past period under review. In Europe the debt crisis continued to rage unabated. Five euro countries needed a bail-out from the European emergency fund. Greece reached agreement with its private sector creditors on restructuring the bond debt it owes them. The continued existence of the euro was even called into question. Fortunately, this was offset to some extent by the boom in Asia.

Although more jobs have been created than lost in the US since 2010, the rate of employment growth has remained on the low side. And wages increased very little: household purchasing power remained very modest and managed to support only scant growth. Economic growth (barely 1.6% year-on-year in the first half of 2012) was further hampered by the financial restructuring undertaken by states and local authorities and the increase in imports.

The euro is teetering on the brink of recession. The strong growth figures of 2010 and 2011 couldn't be sustained, and the euro crisis started taking its toll from the second half of 2011. Europe suffered under the strain of austerity measures and more restrictive lending policy of the banks. The reduction in the value of their sovereign bond portfolios threatened their solvency so that action had to be taken to compensate this. Greater divergence within Europe resulted in a further decline in unemployment in Germany and an alarmingly rapid rise in unemployment in countries such as Greece, Spain and Portugal. Belgium was closer to the strong core of the euro area than to the weak periphery.

The recession of the 2008-2009 period and the initial phase of the recovery have taught us much about the role of the emerging markets in the global economy. Exports to the Old World are still important, but that exclusive dependency is decreasing. Domestic demand (due to a rapidly growing middle class with a high consumption ratio) and inter-regional trade within Asia are playing an increasingly important role. The economic recovery in Asia since the second quarter of 2009 was just as pronounced as the slump. And that recovery has continued through 2010, 2011 and into 2012. As a result of pressure from rising oil and food prices, inflation increased sharply in 2011, and monetary policy was tightened in response to this. Higher interest rates have slowed growth somewhat since mid-2011.

The region is better armed to deal with financial crises than it was in the past. Public finances are healthy, the balance of payments is generally neutral (China actually has an astronomical surplus) and the domestic savings buffer is high. Asia's economic development no longer depends on fickle foreign capital.

The initial phase of the economic recovery went hand in hand with a fine stock-market rally, resulting in the S&P 500 being 75% higher at the end of April 2010 than its low point on 9 March 2009. Since then, the equity markets have struggled to find fresh impetus. The euro crisis and fear that the European banking sector would collapse naturally continued to cast a dark cloud over the market. On top of this, the stock markets were affected by changeable sentiment about the economic situation, and the same is true of 2012. Relative optimism about the economy caused the stock markets to improve in the first quarter, but they have since run out of steam. On 30 June 2012, the MSCI All Countries (the broadest global index) recorded a return of 8.7% in EUR over the past six months.

Of the traditional markets, the underperformance of Western Europe (MSCI Europe return index over the past six months: -5.2%) remained relatively limited. Nevertheless, the problems in the EMU kept stacking up: they include the Greek debt crisis, the threat of an extremist separatist party winning the Greek elections, the undercapitalisation of Spanish banks, the referendum in Ireland, and the financial collapse in Cyprus. Apparently the underperformance of European shares over many years has increased the valuation gap with US shares so much that fresh events in the euro crisis have less impact on the stock markets. In any event, the gap that had opened up in Europe in comparison with the US in recent years widened slightly during the reporting period. Wall Street closed the year under review up considerably (S&P 500: +8.6%, Dow Jones: +6.4%), while European investors also benefited from an increase in the value of the dollar (return MSCI USA in euros: +11.9%).

2.1.8 FUTURE POLICY

Business confidence indicators in the US and Europe hit new highs in spring 2011 and have dipped to more neutral levels over the past twelve months. Considerable divergence between the US and Europe has developed since September. At the moment, the US producer confidence index points to some optimism about the economy. In Europe confidence is continuing to slip and has entered the twilight zone of recession. We expect growth in the US to remain positive but modest (around 1.5-2% y-o-y in the next couple of quarters), given the dearth of new jobs, the downward pressure on pay increases and the absence of a recovery in the housing market. Budgetary plans will depress growth in Europe. However, the indicators do suggest that the fears of deflation and depression that are currently dominating the financial markets are unwarranted.

In 2010 and 2011 the foundations were laid for more sustainable growth in 2012 and 2013. US households have trimmed back their debt level significantly, the savings rate has already increased considerably and loan servicing (instalments and interest payments combined) now accounts for only 11% of household budgets (the lowest level in fifteen years – it was at 14% three years ago). Households are gradually moving towards a position where they can spend more of their money on consumption. The explosion in earnings growth in 2010 and 2011 bolstered companies' already substantial cash positions. During the crisis investments were scaled back heavily, with the foundations being laid for a catch-up process.

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

Classic Shares: 6 on a scale of 1 (lowest risk) to 7 (highest risk).

Institutional B Shares: 6 on a scale of 1 (lowest risk) to 7 (highest risk).

Institutional Shares: 6 on a scale of 1 (lowest risk) to 7 (highest risk).

The value of a share can decrease or increase and the investor may not get back the amount invested.

In accordance with Commission Regulation (EU) No. 583/2010, a synthetic risk and reward indicator has been calculated. This indicator provides a quantitative measure of the sub-fund's potential return and the risk involved, calculated in the currency in which the sub-fund is denominated. It is given as a figure between 1 and 7. The higher the figure, the greater the potential return, but also the more difficult it is to predict this return. Losses are possible too. The lowest figure does not mean that the investment is entirely free of risk. However, it does indicate that, compared with the higher figures, this product will generally provide a lower, but more predictable return.

The synthetic risk and reward indicator is assessed regularly and can therefore go up or down based on data from the past. Data from the past is not always a reliable indicator of future risk and return.

The most recent indicator can be found under the 'Risk and reward profile' heading in the 'Key Investor Information' document.

2.2 BALANCE SHEET

Balance sheet layout	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
TOTAL NET ASSETS	25.020.036,84	7.938.971,68
II. Securities, money market instruments, UCIs and derivatives		
C. Shares and similar instruments		
a) Shares	25.034.264,55	7.908.016,49
D. Other securities		805,45
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable	25.923,86	
b) Tax assets	2.547,84	248,11
B. Payables		
a) Accounts payable (-)	-56.837,00	
c) Borrowings (-)	-29.816,53	
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	32.763,64	27.392,01
VI. Accruals and deferrals		
A. Expense to be carried forward	1.690,03	
B. Accrued income	27.152,92	9.758,63
C. Accrued expense (-)	-17.652,47	-7.249,01
TOTAL SHAREHOLDERS' EQUITY	25.020.036,84	7.938.971,68
A. Capital	24.319.138,04	8.240.370,42
B. Income equalization	66.054,38	-469,68
D. Result for the period	634.844,42	-300.929,06

2.3 PROFIT AND LOSS ACCOUNT

Income Statement	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
I. Net gains(losses) on investments		
C. Shares and similar instruments		
a) Shares	249.539,75	-268.175,46
D. Other securities	-1.522,98	-0,29
H. Foreign exchange positions and transactions		
b) Other foreign exchange positions and transactions	194.923,19	-58.051,40
II. Investment income and expenses		
A. Dividends	305.781,23	57.788,52
B. Interests		
a) Securities and money market instruments		-0,03
b) Cash at bank and in hand and deposits	79,30	377,51
c) Collateral (+/-)		61,52
C. Interest on borrowings (-)	-147,59	
III. Other income		
A. Income received to cover the acquisition and realization of assets, to discourage withdrawals and for delivery charges	40.691,07	304,10
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-21.086,17	-16.298,09
B. Financial expenses (-)	-84,29	-36,34
C. Custodian's fee (-)	-1.472,52	
D. Manager's fee (-)		
a) Financial management		
Institutional Shares	-1.951,44	-6.358,40
Institutional B Shares	-106.400,76	
b) Administration and accounting management	-7.247,89	-1.132,12
F. Formation and organisation expenses (-)	-897,19	-794,51
H. Services and sundry goods (-)	-1.198,72	-1.720,00
J. Taxes		
Institutional Shares	3.040,55	-3.178,49
Institutional B Shares	-1.013,60	
K. Other expenses (-)	-16.187,52	-3.715,58
Income and expenditure for the period		
Subtotal II + III + IV	191.904,46	25.298,09
V. Profit (loss) on ordinary activities before tax	634.844,42	-300.929,06
VII. Result for the period	634.844,42	-300.929,06

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC EQUITY FUND SRI EQUITY

Name	Quantity on 30/06/2012	Currency	Price in currency	Evaluation (in the currency of the sub-fund)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
Shares							
Exchange-listed shares							
<u>Australia</u>							
BHP BILLITON LTD -	4.053,00	AUD	31,450	102.957,76		0,41	0,41
COMMONWEALTH BK OF AUSTRALIA -	666,00	AUD	53,100	28.564,76		0,11	0,11
NATIONAL AUSTRALIA BANK -	329,00	AUD	23,540	6.255,53		0,03	0,03
ORIGIN ENERGY LTD -	11.242,00	AUD	12,200	110.780,99		0,44	0,44
RIO TINTO LTD -	1.000,00	AUD	56,500	45.636,28		0,18	0,18
SANTOS LTD. -	9.151,00	AUD	10,650	78.719,07		0,31	0,32
TELSTRA CORP -	12.882,00	AUD	3,690	38.394,72		0,15	0,15
VIRGIN MEDIA INC -	897,00	USD	24,390	17.238,85		0,07	0,07
WESTFIELD GROUP -	15,00	AUD	9,500	115,10			
WESTPAC BANKING -	2.042,00	AUD	21,130	34.851,14		0,14	0,14
WOODSIDE PETROLEUM LTD -	3.907,00	AUD	31,020	97.891,96		0,39	0,39
<u>Austria</u>							
ERSTE GROUP BANK AG -	1.750,00	EUR	14,945	26.153,75		0,10	0,11
OMV AG (WIEN)	4.198,00	EUR	24,770	103.984,46		0,42	0,42
TELEKOM AUSTRIA AG (WIEN)	3.787,00	EUR	7,759	29.383,33		0,12	0,12
<u>Belgium</u>							
AGEAS NV -	20.637,00	EUR	1,560	32.193,72		0,13	0,13
ANHEUSER-BUSCH INBEV NV -	5.117,00	EUR	61,300	313.672,10		1,25	1,25
BELGACOM -	1.811,00	EUR	22,455	40.666,01		0,16	0,16
DELHAIZE GROEP -	169,00	EUR	28,880	4.880,72		0,02	0,02
SOLVAY -	448,00	EUR	77,780	34.845,44		0,14	0,14
UMICORE -	1.739,00	EUR	36,370	63.247,43		0,25	0,25
<u>Bermuda</u>							
COVIDIEN LTD -	1.108,00	USD	53,500	46.708,69		0,19	0,19
<u>Canada</u>							
BANK OF MONTREAL -	1.216,00	CAD	56,260	52.878,96		0,21	0,21
BANK OF NOVA SCOTIA -	719,00	CAD	52,740	29.310,19		0,12	0,12
BCE INC -	6.476,00	CAD	41,980	210.135,25		0,84	0,84
BELL ALIANT REGIONAL COMM INC FD -	1.301,00	CAD	25,530	25.673,07		0,10	0,10
INMET MINING CORPORATION -	162,00	CAD	41,730	5.225,32		0,02	0,02
NEXEN INC -	4.982,00	CAD	17,240	66.388,16		0,27	0,27
ROYAL BK CANADA -	2.937,00	CAD	52,160	118.410,76		0,47	0,47
TALISMAN ENERGY INC. -	6.268,00	CAD	11,670	56.539,18		0,23	0,23
TORONTO DOMINION BK -	1.183,00	CAD	79,680	72.859,08		0,29	0,29
TRANSALTA CORP. -	5.681,00	CAD	17,250	75.746,67		0,30	0,30
<u>Denmark</u>							
NOVO NORDISK A/S "B"	477,00	DKK	848,500	54.440,78		0,22	0,22
<u>Finland</u>							
FORTUM CORPORATION -	3.044,00	EUR	14,970	45.568,68		0,18	0,18

KONE CORP. -	3.034,00	EUR	47,630	144.509,42		0,58	0,58
METSO OYJ (HEL)	2.222,00	EUR	27,110	60.238,42		0,24	0,24
NESTE OIL OYJ -	5.561,00	EUR	8,855	49.242,66		0,20	0,20
NOKIA "A"	26.827,00	EUR	1,620	43.459,74		0,17	0,17
UPM-KYMMENE CORP -	4.745,00	EUR	8,900	42.230,50		0,17	0,17
WARTSILA CORPORATION "B"	1.901,00	EUR	25,790	49.026,79		0,20	0,20
<u>France</u>							
ACCOR -	1.554,00	EUR	24,680	38.352,72		0,15	0,15
ADP -	331,00	EUR	59,600	19.727,60		0,08	0,08
AIR LIQUIDE (L) -	2.228,00	EUR	90,050	200.631,40		0,80	0,80
ALCATEL-LUCENT -	11.395,00	EUR	1,301	14.824,90		0,06	0,06
ALSTOM -	1.492,00	EUR	24,930	37.195,56		0,15	0,15
ARKEMA -	696,00	EUR	51,550	35.878,80		0,14	0,14
ATOS SA -	654,00	EUR	47,120	30.816,48		0,12	0,12
AXA -	12.545,00	EUR	10,480	131.471,60		0,53	0,53
BIC (PAR)	275,00	EUR	81,400	22.385,00		0,09	0,09
BNP PARIBAS -	7.134,00	EUR	30,335	216.409,89		0,86	0,87
BUREAU VERITAS SA -	687,00	EUR	70,140	48.186,18		0,19	0,19
CAP GEMINI SOGETI -	1.072,00	EUR	29,000	31.088,00		0,12	0,12
CARREFOUR -	5.040,00	EUR	14,545	73.306,80		0,29	0,29
CHRISTIAN DIOR -	750,00	EUR	108,250	81.187,50		0,32	0,32
CNP ASSURANCE (PAR)	404,00	EUR	9,630	3.890,52		0,02	0,02
CREDIT AGRICOLE -	11.647,00	EUR	3,471	40.426,74		0,16	0,16
DANONE -	3.832,00	EUR	49,015	187.825,48		0,75	0,75
DASSAULT SYSTEMES -	1.561,00	EUR	73,920	115.389,12		0,46	0,46
EDENRED -	1.577,00	EUR	22,345	35.238,07		0,14	0,14
ESSILOR (PAR)	1.897,00	EUR	73,300	139.050,10		0,56	0,56
ETAB ECON CASINO GUICH-P (PAR)	1.108,00	EUR	69,310	76.795,48		0,31	0,31
GDF SUEZ -	8.769,00	EUR	18,755	164.462,60		0,66	0,66
GECINA REG	133,00	EUR	70,250	9.343,25		0,04	0,04
JC DECAUX SA -	2.387,00	EUR	17,390	41.509,93		0,17	0,17
L'OREAL -	1.567,00	EUR	92,240	144.540,08		0,58	0,58
LAFARGE -	1.800,00	EUR	35,155	63.279,00		0,25	0,25
LAGARDERE S.C.A. -	1.481,00	EUR	21,990	32.567,19		0,13	0,13
LEGRAND (PAR)	3.128,00	EUR	26,755	83.689,64		0,33	0,33
LVMH-MOET H.L.VUIT. -	1.609,00	EUR	119,850	192.838,65		0,77	0,77
MICHELIN (PAR)	1.000,00	EUR	51,480	51.480,00		0,21	0,21
PERNOD-RICARD -	1.616,00	EUR	84,260	136.164,16		0,54	0,54
PEUGEOT -	2.894,00	EUR	7,753	22.437,18		0,09	0,09
PINAULT-PRINTEMPS-REDOUTE -	683,00	EUR	112,250	76.666,75		0,31	0,31
PUBLICIS GROUPE SA -	2.050,00	EUR	36,050	73.902,50		0,30	0,30
RENAULT (PAR)	1.954,00	EUR	31,440	61.433,76		0,25	0,25
RODAMCO UNIBAIL -	1.247,00	EUR	145,100	180.939,70		0,72	0,72
SAINT GOBAIN -	3.309,00	EUR	29,100	96.291,90		0,39	0,39
SANOFI -	7.883,00	EUR	59,740	470.930,42		1,89	1,88
SCOR REGROUPE (PAR)	1.014,00	EUR	19,110	19.377,54		0,08	0,08
SOCIETE GENERALE -	5.672,00	EUR	18,410	104.421,52		0,42	0,42
SODEXHO ALLIANCE -	1.248,00	EUR	61,400	76.627,20		0,31	0,31
STMICROELECTRONICS NV -	7.085,00	EUR	4,324	30.635,54		0,12	0,12
SUEZ ENVIRONNEMENT SA -	3.877,00	EUR	8,465	32.818,81		0,13	0,13
TECHNIP SA (PAR)	2.127,00	EUR	81,950	174.307,65		0,70	0,70
TELEVISION FRANCAISE (TF1) (PAR)	1.065,00	EUR	6,290	6.698,85		0,03	0,03
VEOLIA ENVIRONNEMENT (PAR)	3.928,00	EUR	9,984	39.217,15		0,16	0,16
VINCI S.A. -	4.305,00	EUR	36,785	158.359,43		0,63	0,63
VIVENDI -	9.689,00	EUR	14,630	141.750,07		0,57	0,57

<u>Germany</u>							
ADIDAS AG -	1.741,00	EUR	56,460	98.296,86		0,39	0,39
ALLIANZ AG REG	3.100,00	EUR	79,110	245.241,00		0,98	0,98
BASF SE -	6.266,00	EUR	54,700	342.750,20		1,37	1,37
BAYER AG -	5.612,00	EUR	56,780	318.649,36		1,27	1,27
BAYERISCHE MOTOREN WERKE AG -	2.661,00	EUR	56,930	151.490,73		0,61	0,61
COMMERZBANK AG -	28.900,00	EUR	1,336	38.610,40		0,15	0,15
CONTINENTAL AG -	1.009,00	EUR	65,620	66.210,58		0,26	0,27
DAIMLER AG -	6.114,00	EUR	35,345	216.099,33		0,86	0,86
DEUTSCHE BANK AG REG	6.778,00	EUR	28,500	193.173,00		0,77	0,77
DEUTSCHE BOERSE AG -	1.857,00	EUR	42,530	78.978,21		0,32	0,32
DEUTSCHE POST AG -	7.560,00	EUR	13,940	105.386,40		0,42	0,42
E.ON AG -	12.811,00	EUR	17,000	217.787,00		0,87	0,87
FRAPORT AG -	2.061,00	EUR	42,415	87.417,32		0,35	0,35
HEIDELBERGCEMENT AG -	1.291,00	EUR	37,765	48.754,62		0,20	0,20
HOCHTIEF AG -	227,00	EUR	38,150	8.660,05		0,04	0,04
INFINEON TECHNOLOGIES AG -	11.249,00	EUR	5,332	59.979,67		0,24	0,24
K+S AG (FRA)	1.395,00	EUR	36,000	50.220,00		0,20	0,20
LANXESS -	1.800,00	EUR	49,720	89.496,00		0,36	0,36
MAN AG -	632,00	EUR	80,540	50.901,28		0,20	0,20
MERCK KGAA -	672,00	EUR	78,720	52.899,84		0,21	0,21
METRO AG -	1.587,00	EUR	23,005	36.508,94		0,15	0,15
MUNCHENER RUCKVERSICHERUNG AG REG	1.661,00	EUR	111,150	184.620,15		0,74	0,74
RWE AG -	4.000,00	EUR	32,175	128.700,00		0,51	0,51
SAP AG -	6.176,00	EUR	46,545	287.461,92		1,15	1,15
SIEMENS AG REG	5.656,00	EUR	66,140	374.087,84		1,49	1,50
VOLKSWAGEN AG PREF	1.183,00	EUR	124,600	147.401,80		0,59	0,59
WACKER CHEMIE AG -	457,00	EUR	54,200	24.769,40		0,10	0,10
<u>Greece</u>							
COCA-COLA HELLENIC BOTTLING CO -	2.355,00	EUR	14,000	32.970,00		0,13	0,13
<u>Hong Kong</u>							
HANG LUNG PROPERTIES LTD -	6.000,00	HKD	26,200	15.969,44		0,06	0,06
HANG SENG BANK LTD. -	1.110,00	HKD	106,000	11.952,70		0,05	0,05
HONG KONG EXCHANGES & CLEARING LTD. -	3.400,00	HKD	110,000	37.993,46		0,15	0,15
MTR CORPORATION -	32.874,00	HKD	26,450	88.331,47		0,35	0,35
<u>Ireland</u>							
C.R.H. PLC -	5.506,00	EUR	15,110	83.195,66		0,33	0,33
<u>Israel</u>							
TEVA PHARMA -	1.079,00	ILS	151,900	33.055,04		0,13	0,13
<u>Italy</u>							
ASSICURAZIONI GENERALI -	11.719,00	EUR	10,660	124.924,54		0,50	0,50
A2A SPA -	13.727,00	EUR	0,423	5.801,03		0,02	0,02
E.N.E.L. -	57.035,00	EUR	2,542	144.982,97		0,58	0,58
FIAT SPA -	9.071,00	EUR	3,968	35.993,73		0,14	0,14
INTESA SANPAOLO SPA -	83.920,00	EUR	1,118	93.822,56		0,38	0,38
PIRELLI (MIL) SPA	3.950,00	EUR	8,295	32.765,25		0,13	0,13
PRYSMIAN SPA -	3.186,00	EUR	11,740	37.403,64		0,15	0,15
SAIPEM (MIL)	4.312,00	EUR	34,990	150.876,88		0,60	0,60
SNAM RETE GAS S.P.A. -	25.320,00	EUR	3,520	89.126,40		0,36	0,36
TELECOM ITALIA (MIL)	116.262,00	EUR	0,781	90.742,49		0,36	0,36
TELECOM ITALIA (MIL) DI RISPARMIO NWE	14.168,00	EUR	0,637	9.017,93		0,04	0,04
TERNA SPA -	19.563,00	EUR	2,844	55.637,17		0,22	0,22
UNICREDIT SPA -	27.058,00	EUR	2,980	80.632,84		0,32	0,32

<u>Japan</u>							
AEON CO LTD. -	4.500,00	JPY	992,000	44.084,53		0,18	0,18
ASAHI GLASS -	5.000,00	JPY	533,000	26.318,39		0,11	0,11
CANON INC -	2.259,00	JPY	3.165,000	70.607,69		0,28	0,28
COSMO OIL CO LTD -	26.900,00	JPY	202,000	53.661,86		0,21	0,21
DENSO CORP. -	1.100,00	JPY	2.693,000	29.254,39		0,12	0,12
DENTSU INC. -	800,00	JPY	2.348,000	18.550,27		0,07	0,07
EAST JAPAN RAILWAY -	503,00	JPY	5.000,000	24.837,05		0,10	0,10
HITACHI -	9.085,00	JPY	487,000	43.693,41		0,18	0,18
IDEMITSU KOSAN CO LTD -	1.258,00	JPY	7.100,000	88.206,60		0,35	0,35
KOMATSU -	2.400,00	JPY	1.878,000	44.511,16		0,18	0,18
MILLEA HOLDINGS INC -	1.258,00	JPY	1.986,000	24.673,00		0,10	0,10
MITSUBISHI CORP -	1.403,00	JPY	1.596,000	22.113,25		0,09	0,09
MITSUBISHI ELECTRIC -	13.189,00	JPY	660,000	85.964,25		0,34	0,34
MITSUBISHI ESTATE -	2.751,00	JPY	1.418,000	38.523,78		0,15	0,15
MITSUBISHI UFJ FINANCIAL GROUP -	7.346,00	JPY	378,000	27.422,36		0,11	0,11
MITSUMI FUDOSAN -	1.365,00	JPY	1.530,000	20.624,63		0,08	0,08
OSAKA GAS -	30.000,00	JPY	334,000	98.953,19		0,40	0,40
PANASONIC CORPORATION -	970,00	JPY	643,000	6.159,49		0,03	0,03
SEVEN & I HOLDINGS CO LTD -	4.274,00	JPY	2.397,000	101.173,00		0,40	0,40
SHIN-ETSU CHEM CO -	1.200,00	JPY	4.360,000	51.668,97		0,21	0,21
SHOWA SHELL (OIL) SEKIYU -	10.914,00	JPY	486,000	52.382,03		0,21	0,21
SONY CORP -	427,00	JPY	1.123,000	4.735,54		0,02	0,02
TAKEDA PHARMACEUTICAL CO LTD -	1.260,00	JPY	3.615,000	44.982,22		0,18	0,18
TOKYO GAS CO. LTD -	29.931,00	JPY	407,000	120.303,35		0,48	0,48
TORAY INDUSTRIES -	5.000,00	JPY	541,000	26.713,41		0,11	0,11
TOYOTA TSUSHO CORPORATION -	2.500,00	JPY	1.511,000	37.304,96		0,15	0,15
<u>Netherlands</u>							
A.K.Z.O. NOBEL -	1.954,00	EUR	37,040	72.376,16		0,29	0,29
AEGON -	10.520,00	EUR	3,644	38.334,88		0,15	0,15
ASML HOLDING NV -	2.746,00	EUR	40,065	110.018,49		0,44	0,44
DE MASTER BLENDERS 1753 NV -	3.404,00	EUR	8,910	30.329,64		0,12	0,12
HEINEKEN -	1.359,00	EUR	41,145	55.916,06		0,22	0,22
ING GROEP NV -	26.939,00	EUR	5,266	141.860,77		0,57	0,57
KON. AHOLD -	12.783,00	EUR	9,774	124.941,04		0,50	0,50
KONINKLIJKE D.S.M. NV (AMS)	1.183,00	EUR	38,800	45.900,40		0,18	0,18
KONINKLIJKE KPN NV -	13.983,00	EUR	7,556	105.655,55		0,42	0,42
KONINKLIJKE PHILIPS ELECTRONICS N.V. -	7.658,00	EUR	15,570	119.235,06		0,48	0,48
RANDSTAD HOLDING (AMS)	1.288,00	EUR	23,175	29.849,40		0,12	0,12
REED ELSEVIER NV -	6.543,00	EUR	9,012	58.965,52		0,24	0,24
SBM OFFSHORE NV (AMS)	6.048,00	EUR	10,885	65.832,48		0,26	0,26
UNILEVER CVA	10.195,00	EUR	26,385	268.995,08		1,08	1,08
<u>Norway</u>							
AKER KVAERNER ASA -	3.209,00	NOK	83,900	35.689,59		0,14	0,14
STATOIL -	5.711,00	NOK	141,400	107.046,24		0,43	0,43
<u>Portugal</u>							
ENERGIAS DE PORTUGAL SA -	11.121,00	EUR	1,864	20.729,54		0,08	0,08
JERONIMO MARTINS -	1.289,00	EUR	13,325	17.175,93		0,07	0,07
PORTUGAL TELECOM INT FIN -	1.453,00	EUR	3,455	5.020,12		0,02	0,02
<u>Singapore</u>							
CITY DEVELOPMENTS LTD -	4.000,00	SGD	11,200	27.865,90		0,11	0,11
SINGAPORE EXCHANGE LTD. -	4.104,00	SGD	6,310	16.107,63		0,06	0,06
<u>Spain</u>							
ABERTIS INFRAESTRUCTURAS -	6.835,00	EUR	10,645	72.758,58		0,29	0,29

ACCIONA SA -	732,00	EUR	47,100	34.477,20		0,14	0,14
BANCO BILBAO VIZCAYA ARGENTARIA -	31.904,00	EUR	5,629	179.587,62		0,72	0,72
BANCO SANTANDER CENTRAL HISPANO SA -	57.901,00	EUR	5,221	302.301,12		1,21	1,21
CORPORACION MAPFRE SA (MAD)	8.640,00	EUR	1,603	13.849,92		0,06	0,06
ENAGAS -	6.709,00	EUR	14,370	96.408,33		0,39	0,39
FERROVIAL SA -	5.283,00	EUR	8,887	46.950,02		0,19	0,19
GAS NATURAL SDG -	7.538,00	EUR	10,105	76.171,49		0,30	0,30
GRIFOLS SA -	4.388,00	EUR	19,990	87.716,12		0,35	0,35
IBERDROLA SA -	33.819,00	EUR	3,719	125.772,86		0,50	0,50
INDUSTRIA DE DISENO TEXTIL SA -	1.599,00	EUR	81,530	130.366,47		0,52	0,52
RED ELECTRICA DE ESPANA -	2.970,00	EUR	34,410	102.197,70		0,41	0,41
<u>Sweden</u>							
ATLAS COPCO AB "A"	2.521,00	SEK	148,400	42.709,79		0,17	0,17
BOLIDEN AB -	4.711,00	SEK	96,000	51.630,34		0,21	0,21
ERICSSON "B"	845,00	SEK	63,050	6.082,23		0,02	0,02
HENNES&MAURITZ "B"	312,00	SEK	247,400	8.812,01		0,04	0,04
SSAB AB "A"	3.986,00	SEK	57,100	25.983,29		0,10	0,10
TELIASONERA AB -	2.762,00	SEK	44,120	13.911,69		0,06	0,06
<u>Switzerland</u>							
ABB LTD -	8.519,00	CHF	15,450	109.577,11		0,44	0,44
COMPAGNIE FINANCIERE RICHEMONT "A"	867,00	CHF	51,850	37.425,76		0,15	0,15
NESTLE AG REG	2.956,00	CHF	56,550	139.168,13		0,56	0,56
NOVARTIS AG REG	2.128,00	CHF	52,900	93.719,52		0,37	0,38
ROCHE HOLDING GENOTS	670,00	CHF	163,600	91.255,88		0,37	0,37
SWISSCOM AG -	51,00	CHF	381,200	16.185,49		0,07	0,07
SYNGENTA (NOM)	165,00	CHF	323,300	44.411,19		0,18	0,18
U.B.S. REG	3.454,00	CHF	11,050	31.775,13		0,13	0,13
<u>U.K.</u>							
AMEC -	6.509,00	GBP	10,020	80.608,31		0,32	0,32
ANGLO AMERICAN PLC PLC	1.392,00	GBP	20,885	35.931,18		0,14	0,14
ASTRAZENECA PLC -	786,00	GBP	28,530	27.715,46		0,11	0,11
BARCLAYS BANK PLC -	15.522,00	GBP	1,629	31.241,60		0,13	0,13
BG GROUP PLC -	8.681,00	GBP	13,000	139.479,67		0,56	0,56
BILLITON PLC -	3.774,00	GBP	18,060	84.239,82		0,34	0,34
BT GROUP PLC -	18.900,00	GBP	2,114	49.381,54		0,20	0,20
CENTRICA -	9.461,00	GBP	3,180	37.184,50		0,15	0,15
GLAXOSMITHKLINE PLC -	5.480,00	GBP	14,470	98.004,70		0,39	0,39
HSBC HOLDING PLC -	15.270,00	GBP	5,611	105.895,40		0,42	0,42
LONMIN PLC -	6.658,00	GBP	7,745	63.732,80		0,26	0,26
NAT. GRID PLC -	5.481,00	GBP	6,755	45.759,68		0,18	0,18
PRUDENTIAL PLC -	4.908,00	GBP	7,380	44.767,07		0,18	0,18
RIO TINTO PLC -	4.604,00	GBP	30,190	171.789,35		0,69	0,69
SCOTTISH & SOUTHERN ENERGY -	1.113,00	GBP	13,910	19.134,63		0,08	0,08
VODAFONE GROUP PLC -	75.803,00	GBP	1,793	167.935,83		0,67	0,67
WEIR GROUP PLC (THE) -	432,00	GBP	15,300	8.169,08		0,03	0,03
XSTRATA PLC -	4.134,00	GBP	7,986	40.803,52		0,16	0,16
<u>U.S.A.</u>							
ABBOTT LAB. -	2.174,00	USD	64,470	110.438,72		0,44	0,44
ACCENTURE LTD "A"	2.482,00	USD	60,090	117.519,01		0,47	0,47
ADOBE SYSTEMS -	1.526,00	USD	32,370	38.922,56		0,16	0,16
AETNA INC NEW	1.582,00	USD	38,770	48.328,85		0,19	0,19
AFLAC INC -	1.810,00	USD	42,590	60.742,18		0,24	0,24
AGILENT TECHNOLOGIES -	607,00	USD	39,240	18.768,17		0,08	0,08
AIR PRODUCTS & CHEMICALS -	1.567,00	USD	80,730	99.680,02		0,40	0,40
ALLSTATE CORPORATION -	2.614,00	USD	35,090	72.275,83		0,29	0,29

AMERICAN EXPRESS -	4.439,00	USD	58,210	203.604,28		0,81	0,81
ANALOG DEVICES, INC. -	655,00	USD	37,670	19.442,01		0,08	0,08
APPLIED MATERIALS -	4.424,00	USD	11,460	39.948,81		0,16	0,16
AUTODESK INC -	1.333,00	USD	34,990	36.751,77		0,15	0,15
BALL CORPORATION -	3.152,00	USD	41,050	101.953,83		0,41	0,41
BANK OF AMERICA -	11.086,00	USD	8,180	71.454,95		0,29	0,29
BANK OF NEW YORK MELLON CORP -	3.093,00	USD	21,950	53.495,67		0,21	0,21
BAXTER INTL INC -	1.628,00	USD	53,150	68.180,76		0,27	0,27
BECTON DICKINSON -	1.200,00	USD	74,750	70.680,01		0,28	0,28
BMC SOFTWARE -	231,00	USD	42,680	7.768,56		0,03	0,03
BRISTOL-MYERS SQUIBB CO -	4.927,00	USD	35,950	139.567,92		0,56	0,56
CA INC -	1.081,00	USD	27,090	23.074,85		0,09	0,09
CAMPBELL SOUP CO -	1.561,00	USD	33,380	41.057,58		0,16	0,16
CARNIVAL CORP CORP	631,00	USD	34,270	17.039,14		0,07	0,07
CIGNA CORP. -	1.040,00	USD	44,000	36.057,05		0,14	0,14
CISCO SYSTEMS INC -	7.326,00	USD	17,170	99.115,45		0,40	0,40
CITIGROUP INC -	2.788,00	USD	27,410	60.215,18		0,24	0,24
COCA-COLA CO -	3.025,00	USD	78,190	186.372,04		0,74	0,75
COCA-COLA ENTERPRISE -	910,00	USD	28,040	20.105,90		0,08	0,08
COLGATE - PALMOLIVE -	1.195,00	USD	104,100	98.021,83		0,39	0,39
CUMMINS INC. -	722,00	USD	96,910	55.132,79		0,22	0,22
DARDEN RESTAURANTS -	1.204,00	USD	50,630	48.032,87		0,19	0,19
DEERE & COMPANY -	1.446,00	USD	80,870	92.142,48		0,37	0,37
DELL INC -	1.753,00	USD	12,520	17.293,80		0,07	0,07
EATON CORP. -	2.406,00	USD	39,630	75.131,81		0,30	0,30
EMC CORPORATION -	5.010,00	USD	25,630	101.179,02		0,40	0,40
FAMILY DOLLAR STORES -	478,00	USD	66,480	25.039,35		0,10	0,10
FORD MOTOR CY -	1.484,00	USD	9,590	11.213,90		0,05	0,05
FRANKLIN RESOURCES INC -	1.567,00	USD	110,990	137.043,05		0,55	0,55
GENERAL ELEC CAP CORP -	13.879,00	USD	20,840	227.908,25		0,91	0,91
GENERAL MILLS IN -	2.998,00	USD	38,540	91.043,20		0,36	0,36
HILLSHIRE BRANDS CO/THE -	680,00	USD	28,990	15.533,21		0,06	0,06
HORMEL FOODS CORPORATION -	3.992,00	USD	30,420	95.687,21		0,38	0,38
I.B.M. -	1.558,00	USD	195,580	240.102,15		0,96	0,96
INTEL CORP -	8.780,00	USD	26,650	184.372,39		0,74	0,74
JOHNSON & JOHNSON -	2.336,00	USD	67,560	124.355,97		0,50	0,50
JOHNSON CONTROLS -	3.522,00	USD	27,710	76.900,65		0,31	0,31
JPMORGAN CHASE & CO -	3.945,00	USD	35,730	111.066,78		0,44	0,44
KELLOGG CO. -	1.654,00	USD	49,330	64.291,09		0,26	0,26
KIMBERLEY-CLARK CORP -	845,00	USD	83,770	55.776,26		0,22	0,22
KRAFT FOODS INC. "A"	4.314,00	USD	38,620	131.279,39		0,52	0,53
LEGG MASON INC. -	824,00	USD	26,370	17.121,49		0,07	0,07
LIFE TECHNOLOGIES CORP -	194,00	USD	44,990	6.877,36		0,03	0,03
MARRIOTT INTERNATIONAL -	1.296,00	USD	39,200	40.030,89		0,16	0,16
MATTEL INC -	2.174,00	USD	32,440	55.570,53		0,22	0,22
MC DONALD'S CORP -	2.641,00	USD	88,530	184.231,13		0,74	0,74
MCGRAW-HILL INC. -	1.504,00	USD	45,000	53.329,13		0,21	0,21
MCKESSON CORP -	1.866,00	USD	93,750	137.843,75		0,55	0,55
MEDTRONIC INC -	3.365,00	USD	38,730	102.692,03		0,41	0,41
MERCK & CO -	3.327,00	USD	41,750	109.449,41		0,44	0,44
MICROSOFT CORP -	6.958,00	USD	30,590	167.713,51		0,67	0,67
MORGAN STANLEY -	2.954,00	USD	14,590	33.960,18		0,14	0,14
MOTOROLA SOLUTIONS INC -	2.040,00	USD	48,110	77.333,86		0,31	0,31
NORDSTROM -	499,00	USD	49,690	19.537,71		0,08	0,08
NORTHERN TRUST CORPORATION -	1.008,00	USD	46,020	36.552,01		0,15	0,15
NYSE GROUP INC -	583,00	USD	25,580	11.750,96		0,05	0,05
ORACLE CORP -	5.309,00	USD	29,700	124.243,40		0,50	0,50
PEPSICO -	2.266,00	USD	70,660	126.164,65		0,50	0,50

PRAXAIR -	1.342,00	USD	108,730	114.975,70		0,46	0,46
PROGRESSIVE CORP OH -	7.570,00	USD	20,830	124.247,97		0,50	0,50
PROLOGIS TRUST -	4.759,00	USD	33,230	124.609,23		0,50	0,50
QUEST DIAGNOSTICS INC -	572,00	USD	59,900	26.997,71		0,11	0,11
ROCKWELL AUTOMATION CORP -	1.716,00	USD	66,060	89.322,32		0,36	0,36
STARBUCKS CORP -	1.546,00	USD	53,320	64.953,68		0,26	0,26
SYMANTEC CORPORATION -	2.792,00	USD	14,610	32.141,77		0,13	0,13
TARGET CORP -	534,00	USD	58,190	24.484,64		0,10	0,10
TERADATA CORP -	460,00	USD	72,010	26.100,86		0,10	0,10
TEXAS INSTRUMENTS -	2.975,00	USD	28,690	67.254,55		0,27	0,27
TIME WARNER INC -	5.822,00	USD	38,500	176.618,86		0,71	0,71
TJX COMPANIES INC. -	4.685,00	USD	42,930	158.480,06		0,63	0,63
UNITED PARCEL SERVICE "B"	2.941,00	USD	78,760	182.517,66		0,73	0,73
UNUM GROUP -	7.552,00	USD	19,130	113.836,39		0,46	0,46
VERIZON COMMUNICATIONS INC -	7.396,00	USD	44,440	258.985,30		1,04	1,04
VMWARE INC CLASS A -	265,00	USD	91,040	19.010,01		0,08	0,08
WALT DISNEY -	4.070,00	USD	48,500	155.539,36		0,62	0,62
WELLS FARGO COMPANY -	7.136,00	USD	33,440	188.029,19		0,75	0,75
WEYERHAEUSER COMPANY -	3.952,00	USD	22,360	69.629,44		0,28	0,28
XEROX CORPORATION -	1.086,00	USD	7,870	6.734,55		0,03	0,03
3M CO -	1.990,00	USD	89,600	140.496,41		0,56	0,56
Total shares				25.034.264,55		100,00	100,06
TOTAL SECURITIES PORTFOLIO				25.034.264,55		100,00	100,06
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP AUD	-481,02	AUD	1,000	-388,53			0,00
KBC GROUP CAD	6.138,09	CAD	1,000	4.744,42			0,02
KBC GROUP CHF	-1.396,01	CHF	1,000	-1.162,23			-0,01
KBC GROUP EURO	-26.120,43	EUR	1,000	-26.120,43			-0,10
KBC GROUP GBP	625,22	GBP	1,000	772,74			0,00
KBC GROUP HKD	18.155,56	HKD	1,000	1.844,36			0,01
KBC GROUP JPY	900.639,00	JPY	1,000	8.894,32			0,04
KBC GROUP NOK	27.341,49	NOK	1,000	3.624,37			0,01
KBC GROUP SEK	-18.792,11	SEK	1,000	-2.145,34			-0,01
KBC GROUP SGD	209,22	SGD	1,000	130,14			0,00
KBC GROUP USD	16.185,20	USD	1,000	12.753,29			0,05
Total demand accounts				2.947,11			0,01
TOTAL CASH AT BANK AND IN HAND				2.947,11			0,01
OTHER RECEIVABLES AND PAYABLES							
Receivables							
<u>Belgium</u>							
KBC GROUP EUR RECEIVABLE	23.783,95	EUR	1,000	23.783,95			0,10
KBC GROUP SEK RECEIVABLE	18.744,54	SEK	1,000	2.139,91			0,01
KBC GROUP WHT TO BE RECOVERED EUR	2.547,84	EUR	1,000	2.547,84			0,01
Total receivables				28.471,70			0,11
Payables							
<u>Belgium</u>							
KBC GROUP CAD PAYABLE	-4.869,81	CAD	1,000	-3.764,10			-0,02
KBC GROUP EUR PAYABLE	-33.398,84	EUR	1,000	-33.398,84			-0,13
KBC GROUP HKD PAYABLE	-18.155,56	HKD	1,000	-1.844,36			-0,01

KBC GROUP JPY PAYABLE	-899.894,00	JPY	1,000	-8.886,96			-0,04
KBC GROUP NOK PAYABLE	-27.308,20	NOK	1,000	-3.619,95			-0,01
KBC GROUP USD PAYABLE	-6.755,15	USD	1,000	-5.322,79			-0,02
Payables				-56.837,00			-0,23
TOTAL RECEIVABLES AND PAYABLES				-28.365,30			-0,11
OTHER							
Interest receivable		EUR		27.152,92			0,11
Expenses payable		EUR		-17.652,47			-0,07
Expenses to be carried forward		EUR		1.690,03			0,01
TOTAL OTHER				11.190,48			0,05
TOTAL NET ASSETS				25.020.036,84			100,00

Geographic breakdown (as a % of securities portfolio)

	30/06/2011	31/12/2011	30/06/2012
Australia	2,94	2,35	2,17
Austria	0,76	0,57	0,64
Belgium	2,19	1,55	1,96
Bermuda	0,00	0,28	0,19
Canada	2,34	3,08	2,85
Switzerland	3,60	2,24	2,25
Germany	21,38	14,29	14,80
Denmark	0,43	0,19	0,22
Spain	3,52	5,70	5,07
Finland	2,09	1,82	1,73
France	19,41	15,44	17,04
U.K.	7,57	5,67	5,00
Greece	0,00	0,07	0,13
Hong Kong	0,29	0,64	0,62
Ireland	1,57	0,37	0,33
Israel	0,00	0,12	0,13
Italy	3,99	3,90	3,80
Japan	4,76	5,23	4,82
Netherlands	5,96	4,87	5,07
Norway	0,00	0,74	0,57
Portugal	0,51	0,40	0,17
Singapore	0,00	0,19	0,18
Sweden	0,75	0,54	0,60
U.S.A.	15,94	29,75	29,66
Total	100,00	100,00	100,00

Sector breakdown (as a % of securities portfolio)

	30/06/2011	31/12/2011	30/06/2012
Cyclicals	22,16	25,27	24,33
Consum(cycl)	15,54	14,76	15,30
Cons.goods	9,97	11,56	11,30
Pharma	8,85	8,69	8,88
Financials	22,08	18,04	18,23
Technology	9,16	9,15	9,20
Telecomm.	4,63	4,53	4,24
Utilities	6,03	6,39	6,96
Real est.	1,58	1,61	1,56
Total	100,00	100,00	100,00

Currency breakdown (as a % of net assets)

	30/06/2011	31/12/2011	30/06/2012
AUD	2,94	2,39	2,17
CAD	2,34	3,14	2,86
CHF	3,59	2,30	2,25
DKK	0,43	0,26	0,22
EUR	60,38	48,41	50,64
GBP	7,55	5,72	5,01
HKD	0,29	0,65	0,62
ILS	0,00	0,12	0,13
JPY	4,74	5,29	4,83
NOK	0,00	0,75	0,57
SEK	0,74	0,55	0,60
SGD	0,00	0,25	0,18
USD	17,00	30,17	29,92
Total	100,00	100,00	100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC EQUITY FUND SRI EQUITY (IN THE CURRENCY OF THE SUB-FUND)

	1st half of year	Year
Purchases	16.890.587,51	16.890.587,51
Sales	183.656,52	183.656,52
Total 1	17.074.244,02	17.074.244,02
Subscriptions	25.763.273,41	25.763.273,41
Redemptions	18.635.962,36	18.635.962,36
Total 2	44.399.235,77	44.399.235,77
Monthly average of total assets	15.628.720,58	15.628.720,58
Turnover rate	-174,84 %	-174,84 %

	1st half of year	Year
Purchases	16.890.587,51	16.890.587,51
Sales	183.656,52	183.656,52
Total 1	17.074.244,02	17.074.244,02
Subscriptions	25.763.273,41	25.763.273,41
Redemptions	18.635.962,36	18.635.962,36
Total 2	44.399.235,77	44.399.235,77
Monthly average of total assets	15.623.208,55	15.623.208,55
Corrected turnover rate	-174,90 %	-174,90 %

The table above shows the capital volume of portfolio transactions. This volume (adjusted to take account of total subscriptions and redemptions) is also compared to the average net assets at the beginning and end of the period.

A figure close to 0% implies that the transactions relating to the securities or transactions relating to the assets (excluding deposits and cash) in a given period only involve subscriptions and redemptions.

A negative percentage shows that subscriptions and redemptions entailed few, if any, transactions in the portfolio.

Active asset management may result in high turnover rates (monthly percentage >50%).

The detailed list of transactions is available for consultation free of charge at the registered office of the Bevek or fund at Havenlaan 2, 1080 Brussels.

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

Nil

2.4.4 CHANGES OF THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND THE NET ASSET VALUE

Classic Shares

Change in number of shares in circulation: Nil

Amounts received and paid by the UCI: Nil

Net asset value: Nil

Institutional Shares

Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2011 - 06	8.544,00	0,00	309,00	0,00	8.235,00	0,00	8.235,00
2012 - 06	14.218,00	0,00	22.453,00	0,00	0,00	0,00	0,00

Period	Amounts received and paid by the UCI (in the currency of the class)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2011 - 06	8.544.000,00	0,00	304.099,26	0,00
2012 - 06	12.760.593,91	0,00	18.688.304,29	0,00

Period	Net asset value End of period (in the currency of the class)		
Year	Of the class	Of one share	
		Capitalization	Distribution
2011 - 06	7.938.971,68	964,05	N/A
2012 - 06	N/A	N/A	N/A

Institutional B Shares

Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2012 - 06	27.631,00		0,00		27.631,00		27.631,00

Period	Amounts received and paid by the UCI (in the currency of the class)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2012 - 06	24.684.279,43		0,00	

Period	Net asset value End of period (in the currency of the class)		
Year	Of the class	Of one share	
		Capitalization	Distribution
2012 - 06	25.016.295,24	905,37	

2.4.5 PERFORMANCE FIGURES

Institutional B Shares

The cumulative returns are shown where they relate to a period of at least one year.

Institutional Shares

The cumulative returns are shown where they relate to a period of at least one year.

Classic Shares

The cumulative returns are shown where they relate to a period of at least one year.

2.4.6 COSTS

Total expense ratio (TER): *

Classic Shares Distribution: Not applicable

Classic Shares Capitalization: Not applicable

Institutional B Shares Capitalization: Not applicable

Institutional Shares Distribution: Not applicable

Institutional Shares Capitalization: Not applicable

Percentage calculated at the end of the financial year: 31 December

* The following costs have not been included in the TER:

- Transaction charges
- Interest payments on loans taken out
- Payments in respect of financial derivatives
- Fees and charges paid directly by the investor
- Any soft commissions

SOFT COMMISSIONS

Not applicable.

FEE-SHARING AGREEMENTS AND REBATES:

The management company may share its fee with the distributor, and institutional and/or professional parties.

In principle, the percentage share amounts to between 35% and 60% if the distributor is an entity of KBC Group NV or to between 35% and 70% if the distributor is not an entity of KBC Group NV. However, in a small number of cases, the distributor's fee is less than 35%. Investors may, on request, obtain more information on these cases.

If the management company invests the assets of the undertaking for collective investment in units of undertakings for collective investment that are not managed by an entity of KBC Group NV, and receives a fee for doing so, it will pay this fee to the undertaking for collective investment.

Fee-sharing does not affect the amount of the management fee paid by the sub-fund to the management company. This management fee is subject to the limitations laid down in the articles of association. The limitations may only be amended after approval by the general meeting of shareholders.

The management company has concluded a distribution agreement with the distributor in order to facilitate the wider distribution of the sub-fund's units by using multiple distribution channels.

It is in the interests of the holders of units, the sub-fund and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund to be maximised in this way. In this respect, there is therefore no question of any conflict of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: 1.45% per annum (0.1% of which for the sustainability screening referred to in the prospectus) calculated on the basis of the average total net assets of the sub-fund, excluding those assets invested in investment undertakings managed by a financial institution of the KBC group.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the average total net assets of the sub-fund.

Auditor's fee: 1 700 EUR per year. This fee is not including VAT and will be increased at the end of the 3-year mandate.

The custody fee is calculated on the value of the securities held in custody by the custodian on the final banking day of the preceding calendar year, except on those assets invested in investment undertakings managed by a financial institution of the KBC group. The custody fee is paid at the beginning of the calendar year.

Social, ethical and environmental aspects:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

Exercising voting rights

If necessary, relevant and in the interest of the shareholders, the management company will exercise the voting rights attached to the shares in the Bevek's portfolio.

The management company will adhere to the following criteria when determining how it stands relative to the items on the agenda that are put to the vote:

- Shareholder value may not be adversely affected.
- Corporate governance rules, especially with regard to the rights of minority shareholders, must be respected.
- The minimum standards with regard to sustainable business and corporate social responsibility must be met.

The list of companies for which voting rights are exercised is available at the registered office of the Bevek.

TABLE OF CONTENTS

- 2. Information on KBC Equity Fund Japan
 - 2.1. Management report
 - 2.1.1. Launch date and subscription price
 - 2.1.2. Stock exchange listing
 - 2.1.3. Aim and distinctive features of the investment policy
 - 2.1.4. Financial portfolio management
 - 2.1.5. Distributors
 - 2.1.6. Index and benchmark
 - 2.1.7. Policy conducted during the financial year
 - 2.1.8. Future policy
 - 2.1.9. Synthetic risk and reward indicator (SRRI)
 - 2.2. Balance sheet
 - 2.3. Profit and loss account
 - 2.4. Composition of the assets and key figures
 - 2.4.1. Composition of the assets
 - 2.4.2. Change in the composition of the assets
 - 2.4.3. Value of commitments in respect of financial derivatives positions
 - 2.4.4. Evolution of the number of subscriptions, repayments and the net asset value
 - 2.4.5. Return figures
 - 2.4.6. Expenses
 - 2.4.7. Notes to the financial statements and other data

2 INFORMATION ON KBC EQUITY FUND JAPAN

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Classic Shares :

Launch date: 17 April 1991

Initial subscription price: 75000 JPY

Currency: JPY

Institutional B Shares :

Launch date: 24 November 2011

Initial subscription price: 26483 JPY

Currency: JPY

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

The main objective of this sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. To this end, the assets are invested, either directly or indirectly via correlated financial instruments, primarily in shares.

SUB-FUND'S INVESTMENT POLICY:

PERMITTED ASSET CLASSES:

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the sub-fund's object.

The sub-fund shall invest no more than 10% of its assets in units of other undertakings for collective investment.

RESTRICTIONS OF THE INVESTMENT POLICY:

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

PERMITTED DERIVATIVES TRANSACTIONS:

Derivates may be used either for hedging purposes or to achieve investment objectives.

Changes will be made to the investments at regular intervals to comply with the sub-fund's investment strategy. **In addition, listed and unlisted derivates may be used to achieve the objectives:** these may be forward contracts, options or swaps on securities, indices, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions. **Such derivatives may also be used to hedge the assets against exchange-rate fluctuations.** Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions.

STRATEGY SELECTED

At least 75% of the assets are invested in shares of Japanese companies.

RISK CONCENTRATION

Japanese shares.

LENDING FINANCIAL INSTRUMENTS:

The sub-fund may lend financial instruments within the limits set by law and regulations.

This lending does not affect the sub-fund's risk profile since:

- it takes place within the framework of a securities lending system managed by a principal. In addition, the sub-fund has a relationship only with the principal of the securities lending system which acts as counterparty and to which title of the loaned securities is transferred. The choice of principal is subject to strict selection criteria. The return of securities similar to the securities that have been lent is guaranteed by the principal.
- through a margin management system, the sub-fund is always guaranteed financial security, the actual value of which always exceeds the actual value of the securities that have been lent, in case the principal does not return similar securities.

The return of securities similar to the securities that have been lent can be requested at any time, which means that the lending of securities does not affect the management of the sub-fund's assets. By lending securities, the sub-fund can generate an additional return. The principal pays a fee to the management company. After deducting the fee for the margin management and clearing services of KBC Bank, most of this fee is paid to the sub-fund.

The relationship with the counterparty or counterparties is governed by standard international agreements.

More information is provided on the terms and conditions governing securities lending in the annual or half-yearly report for the sub-fund.

VOLATILITY OF THE NET ASSET VALUE:

The volatility of the net asset value may be high due to the composition of the portfolio.

GENERAL STRATEGY FOR HEDGING THE EXCHANGE RATE RISK:

In order to protect its assets against exchange rate fluctuations and within the limitations laid down in the articles of association, the sub-fund may perform transactions relating to the sale of forward currency contracts, as well as the sale of call options and the purchase of put options on currencies. The transactions in question may relate solely to contracts traded on a regulated market that operates regularly, is recognised and is open to the public or that are traded with a recognised, prime financial institution specialising in such transactions and dealing in the over-the-counter (OTC) market in options. With the same objective, the sub-fund may also sell currencies forward or exchange them in private transactions with prime financial institutions specialising in such transactions. The hedging objective of the aforementioned transactions suggests that there is a direct link between these transactions and the assets to be hedged, which implies that the transactions carried out in a particular currency may in principle not exceed, in terms of volume, either the valuation value of all the assets in the same currency or the holding period of those assets.

SOCIAL, ETHICAL AND ENVIRONMENTAL ASPECTS:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

THE EUROPEAN SAVINGS DIRECTIVE AND TAX ON DEBT CLAIM RETURNS OBTAINED THROUGH THE REDEMPTION OF OWN UNITS OR IN THE EVENT OF FULL OR PARTIAL DISTRIBUTION OF EQUITY CAPITAL.

The following information is of a general character and is not intended to cover all aspects of an investment in a UCITS. In certain cases entirely different rules might even apply. Moreover, both tax law and the interpretation of it can change. Investors who wish to have more information about the tax implications – in both Belgium and abroad – of acquiring, holding and transferring units should seek the advice of their usual financial and tax advisers.

This UCITS shall invest a maximum of 15% of its assets directly or indirectly in debt instruments as intended by the European Savings Directive.

A. European Savings Directive (Directive 2003/48/EC)

The European Savings Directive has been implemented in Belgium through:

- The Law of 17 May 2004 transposing into Belgian law Directive 2003/48/EC of 3 June 2003 of the Council of the European Union on taxation of savings income in the form of interest payments and amending Income Tax Code 1992 on withholding tax;
- The Royal Decree of 27 September 2009 implementing Article 338bis § 2 of Income Tax Code 1992;
- The Royal Decree of 27 September 2009 concerning the entry into effect of Article 338bis § 2, paragraphs one to three, of Income Tax Code 1992;

Since this UCITS invests a maximum of 15% of its assets directly or indirectly in debt claims as intended by the European Savings Directive, the income of this UCITS does not fall within the scope of this directive.

B. Tax on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital (Article 19bis Income Tax Code 1992).

The income from this UCITS is not subject to the tax on debt instrument returns as intended by Article 19bis, Income Tax Code 1992.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company has delegated the intellectual management, to KBC Fund Management Limited, Joshua Dawson House, Dawson Street , Dublin 2, IRELAND..

2.1.5 DISTRIBUTORS

KBC Asset Management S.A., 5, Place de la Gare, L-1616 Luxembourg.

2.1.6 INDEX AND BENCHMARK

See 'Sub-fund's investment policy'.

2.1.7 POLICY PERSUED DURING THE FINANCIAL YEAR

KBC Equity Fund Japan invests in a diverse selection of Japanese companies. The fund increased in value in the first half of 2012, but underperforming its MSCI Japan Benchmark.

The first six months of the year were quite turbulent for equity markets. The changing situation in Europe was the primary concern for investors over the period, however there was also negative news concerns with regard to growth in China. Throughout the first quarter, the situation in Europe continued to evolve. Towards the beginning of the year, there was positive news from Greece as the country secured acceptance of their debt swap offer. The ECB continued to extend liquidity to European banks through the LTRO. In Russia, despite some unrest, Putin won the Russian presidential election. Markets were largely strong over this period, with both emerging and developed markets rising and with Emerging Asia outperforming.

Moving into the second quarter, the situation in Europe worsened. In May, French socialist, Francois Hollande won the French presidential election. Following parliamentary elections in Greece, it was not possible to form a government. Anti-austerity parties gained seats in this election, causing growing fears that the country would not remain in the euro. A second election was called for mid-June with the uncertainty continuing in the meantime. At this stage, concern spread to the situation in Spain, with growth disappointing further and banks coming under more pressure. Despite initially stating that the country did not need a bailout, by the end of June, Spain had requested assistance from Europe and the IMF. In mid May, the second Greek election took place, with the New Democracy winning narrowly and forming a government. Throughout this period of uncertainty, markets were very weak, with most regions reversing most of the gains achieved in Q1. On the final day of the quarter, EU leaders agreed that Europe would support troubled banks directly, without the need for local governments to add to their debt levels. This saw a significant rally on the final day of the first half.

While the volatility globally continued, Asian investors were also concerned about weakening growth in China. Growth was slower than most expected, with the official growth target being lowered to 7.5%. Most domestic activity metrics were weak – industrial production, investment and retail sales. On the positive side, inflation continued to fall, leaving room for policy makers to make changes if needed. While there was some slowdown in employment growth, there was no mass unemployment as was seen in 2008/2009. Following this slowdown, Chinese authorities began to take steps to boost growth. Initially the focus was on increasing investment, with particular focus on water and other environmental areas, utilities, railways and social housing. However at the beginning of June, the People's Bank of China took the decision to lower lending and deposit rates by 25bps. They also took steps to liberalise the interest rate regime, seen as a significant positive.

In Japan the year started out brightly with markets growing strongly during the first quarter. This rally was primarily driven by foreign investors who were constant net buyers for the quarter, betting on a more aggressive stance from Japan authorities on in their efforts to weaken the Yen. April brought about the end of the Q1 rally as Japan markets fell almost 6% on the back of weaker than expected figures in the US and mounting concerns over Europe. The end of April saw the Bank Of Japan announce a series of monetary easing. Markets were disappointed with the announcement as many investors had been hoping for more aggressive measures. May brought about even further declines in Japanese equities as concerns over Europe continued to mount and fears of a slowing economy in China. The credit rating agency Fitch cut its rating on Japan Yen debt by one notch and foreign debt by two notches to A+. June brought about a much needed rebound, the Topix reached a new low since 1983. This rebound was brought about by the unexpected rate cut in China and positive political results in the Greece and Japan. Prime Minister Noda managed to find a compromise with the opposition parties on the increase of VAT from 5% to 10% by 2015, this law was passed by the lower house and must now be approved by the upper house.

So overall, the markets were very volatile during the first half of 2012 and while some concerns eased towards the end of the period, the volatility is likely to continue going forward.

In terms of sector performance the top performing sectors were Financials, Consumer Discretionary and Consumer Staples all of which posted double digit returns for the period, with financials up over 17%. The worst performing sectors included Energy Utilities and Materials all posting negative returns over the first half of 2012. In terms of stock performance there Gree, Dena other on-line social gaming fell sharply when the regulator ruled that of its sales methods were illegal. Japan Tobacco announced its plans to acquire Gryson NV of Belgium. Elpida one of the world's largest DRAM makers went bankrupt.

2.1.8 FUTURE POLICY

Globally, while recent moves by policy makers have been positive, we still expect turbulence in markets going forward. Europe has clearly made some steps forward, however the problems are not yet resolved and the growth outlook continues to be a concern. Budgetary cuts to control spending across the region have negative implications on demand in the context of international trade. This is a concern for Asia, where it is driven by both domestic and international factors.

We do continue to believe however, that the global economic picture is stronger than currently perceived. Falling inflation (triggered by another significant drop in the oil price) and very accommodating monetary policies: the first rate cut in China, ECB likely to cut further, and the Fed announced continuation of "Operation Twist" and additional measures if needed, should jump start the global economy in the coming months. Our stance on the Euro crisis remains unchanged: all actions needed to safeguard the union will be taken because the costs and political risks of a break-up are immense.

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

Classic Shares: 6 on a scale of 1 (lowest risk) to 7 (highest risk).

Institutional B Shares: 6 on a scale of 1 (lowest risk) to 7 (highest risk).

The value of a share can decrease or increase and the investor may not get back the amount invested.

In accordance with Commission Regulation (EU) No. 583/2010, a synthetic risk and reward indicator has been calculated. This indicator provides a quantitative measure of the sub-fund's potential return and the risk involved, calculated in the currency in which the sub-fund is denominated. It is given as a figure between 1 and 7. The higher the figure, the greater the potential return, but also the more difficult it is to predict this return. Losses are possible too. The lowest figure does not mean that the investment is entirely free of risk. However, it does indicate that, compared with the higher figures, this product will generally provide a lower, but more predictable return.

The synthetic risk and reward indicator is assessed regularly and can therefore go up or down based on data from the past. Data from the past is not always a reliable indicator of future risk and return.

The most recent indicator can be found under the 'Risk and reward profile' heading in the 'Key Investor Information' document.

2.2 BALANCE SHEET

Balance sheet layout	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
TOTAL NET ASSETS	788.915.016,00	1.105.118.488,00
II. Securities, money market instruments, UCIs and derivatives		
A. Bonds and other debt instruments		
a) Bonds	4.322.354,00	
a) Collateral received in the form of bonds	22.842.074,00	73.838.313,00
C. Shares and similar instruments		
a) Shares	778.984.226,00	1.104.056.818,00
Of which securities lent	21.065.023,00	68.952.070,00
F. Derivative financial instruments		
j) Foreign exchange		
Futures and forward contracts (+/-)	-72.020,00	
m) Financial indices		
Futures and forward contracts (+/-)	348.000,00	
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable	2.392,00	31.339,00
B. Payables		
a) Accounts payable (-)	-2.453.468,00	-1.922.389,00
c) Borrowings (-)		-6.786.313,00
d) Collateral (-)	-22.842.074,00	-73.838.313,00
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	5.751.636,00	7.249.997,00
VI. Accruals and deferrals		
A. Expense to be carried forward	397.153,00	692.472,00
B. Accrued income	2.040.684,00	2.401.191,00
C. Accrued expense (-)	-405.941,00	-604.627,00
TOTAL SHAREHOLDERS' EQUITY	788.915.016,00	1.105.118.488,00
A. Capital	739.608.586,00	1.216.518.038,00
B. Income equalization	-775.312,00	1.050.288,00
D. Result for the period	50.081.742,00	-112.449.838,00

Off-balance-sheet headings

I	Collateral (+/-)		
I.A	Collateral (+/-)		
I.A.A	Securities/market instruments	22.842.074,00	73.838.313,00
III	Notional amounts of futures and forward contracts		
III.A	Purchased futures and forward contracts	8.914.000,00	
IX	Financial instruments lent	21.065.023,00	68.952.070,43

2.3 PROFIT AND LOSS ACCOUNT

Income Statement	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
I. Net gains(losses) on investments		
A. Bonds and other debt instruments		
a) Bonds	-470.766,00	
C. Shares and similar instruments		
a) Shares	42.731.389,00	-119.590.622,00
F. Derivative financial instruments		
l) Financial indices		
Futures and forward contracts	668.000,00	6.146.981,00
H. Foreign exchange positions and transactions		
a) Derivative financial instruments		
Futures and forward contracts	-204.474,00	
b) Other foreign exchange positions and transactions	156.973,00	-88.371,00
II. Investment income and expenses		
A. Dividends	13.656.367,00	12.255.883,00
B. Interests		
a) Securities and money market instruments	1.279.473,00	473.179,00
b) Cash at bank and in hand and deposits	480,00	-1,00
C. Interest on borrowings (-)	-14.091,00	-33.302,00
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-861.430,00	-1.370.689,00
B. Financial expenses (-)	-6.356,00	-125.630,00
C. Custodian's fee (-)	-345.345,00	-568.220,00
D. Manager's fee (-)		
a) Financial management		
Classic Shares	-5.459.457,00	-8.142.437,00
b) Administration and accounting management	-413.351,00	-542.943,00
E. Administrative expenses (-)	-6.331,00	-2.024,00
F. Formation and organisation expenses (-)	-66.534,00	-47.061,00
H. Services and sundry goods (-)	-195.564,00	-110.017,00
J. Taxes		
Classic Shares	-320.586,00	-506.152,00
K. Other expenses (-)	-46.655,00	-198.412,00
Income and expenditure for the period		
Subtotal II + III + IV	7.200.620,00	1.082.174,00
V. Profit (loss) on ordinary activities before tax	50.081.742,00	-112.449.838,00
VII. Result for the period	50.081.742,00	-112.449.838,00

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC EQUITY FUND JAPAN

Name	Quantity on 30/06/2012	Currency	Price in currency	Evaluation (in the currency of the sub-fund)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
Bonds							
Corporate bonds							
<u>Ireland</u>							
D-STAR FINANCE PLC SUB 14/05/13	67.000,00	EUR	63,710	4.322.354,00		0,55	0,55
Total bonds				4.322.354,00		0,55	0,55
Shares							
Exchange-listed shares							
<u>Japan</u>							
AEON CO LTD -	9.000,00	JPY	992,000	8.928.000,00		1,14	1,13
AICA KOGYO COMPANY -	700,00	JPY	1.196,000	837.200,00		0,11	0,11
AICHI STEEL CORP -	2.000,00	JPY	320,000	640.000,00		0,08	0,08
AISIN SEIKI CO -	2.500,00	JPY	2.631,000	6.577.500,00		0,84	0,83
AJINOMOTO -	9.000,00	JPY	1.107,000	9.963.000,00		1,27	1,26
ALL NIPPON AIRWAYS -	10.000,00	JPY	226,000	2.260.000,00		0,29	0,29
ALPINE ELECTRONICS INC -	1.451,00	JPY	945,000	1.371.195,00		0,18	0,17
ALPS ELECTRIC CO -	7.500,00	JPY	557,000	4.177.500,00		0,53	0,53
AMANO CORPORATION -	1.200,00	JPY	676,000	811.200,00		0,10	0,10
AOKI HOLDINGS INC -	300,00	JPY	1.671,000	501.300,00		0,06	0,06
AOYAMA TRADING -	1.100,00	JPY	1.629,000	1.791.900,00		0,23	0,23
AOZORA BANK LTD -	17.000,00	JPY	189,000	3.213.000,00		0,41	0,41
ASAHI GLASS -	7.000,00	JPY	533,000	3.731.000,00		0,48	0,47
ASAHI KASEI CORP -	15.000,00	JPY	430,000	6.450.000,00		0,82	0,82
AUTOBACS SEVEN -	200,00	JPY	3.905,000	781.000,00		0,10	0,10
AWA BANK LTD/THE -	2.000,00	JPY	507,000	1.014.000,00		0,13	0,13
BANK OF NAGOYA LTD/THE -	2.000,00	JPY	245,000	490.000,00		0,06	0,06
BML INC -	500,00	JPY	1.988,000	994.000,00		0,13	0,13
BRIDGESTONE CORP -	200,00	JPY	1.815,000	363.000,00		0,05	0,05
CALSONIC KANSEI CORP -	8.000,00	JPY	430,000	3.440.000,00		0,44	0,44
CANON INC -	5.400,00	JPY	3.165,000	17.091.000,00		2,18	2,17
CENTRAL JAPAN RAILWAY -	18,00	JPY	627.000,000	11.286.000,00		1,44	1,43
CHUGOKU BANK LTD/THE -	2.000,00	JPY	1.036,000	2.072.000,00		0,26	0,26
COCA-COLA CENTRAL JAPAN CO LTD -	500,00	JPY	1.037,000	518.500,00		0,07	0,07
COCA-COLA WEST COMPANY LTD -	1.700,00	JPY	1.389,000	2.361.300,00		0,30	0,30
COMSYS HOLDINGS CORP -	600,00	JPY	934,000	560.400,00		0,07	0,07
COSMO OIL CO LTD -	1.000,00	JPY	202,000	202.000,00		0,03	0,03
DAI NIPPON PRINTNG -	9.000,00	JPY	621,000	5.589.000,00		0,71	0,71
DAICEL CORPORATION LTD -	1.000,00	JPY	487,000	487.000,00		0,06	0,06
DAIEI INC -	750,00	JPY	251,000	188.250,00		0,02	0,02
DAIHATSU MOTOR CO LTD -	3.000,00	JPY	1.387,000	4.161.000,00		0,53	0,53
DAIICHI SANKYO COMPANY LTD -	6.700,00	JPY	1.339,000	8.971.300,00		1,15	1,14
DAIICHIKOSHO CO LTD -	500,00	JPY	1.601,000	800.500,00		0,10	0,10
DAIKYO INC -	20.000,00	JPY	208,000	4.160.000,00		0,53	0,53
DAITO TRUST CONSTRUCTION -	1.000,00	JPY	7.550,000	7.550.000,00		0,96	0,96

DAIWA HOUSE -	9,000,00	JPY	1,127,000	10,143,000,00		1,29	1,29
DAIWA SECURITIES GROUP INC -	11,000,00	JPY	297,000	3,267,000,00		0,42	0,41
DCM JAPAN HOLDINGS CO LTD -	2,200,00	JPY	565,000	1,243,000,00		0,16	0,16
DENA CO LTD -	1,741,00	JPY	2,087,000	3,633,467,00		0,46	0,46
DYDO DRINCO INC -	200,00	JPY	3,470,000	694,000,00		0,09	0,09
EACCESS LTD -	152,00	JPY	15,530,000	2,360,560,00		0,30	0,30
ELECTRIC POWER DEV. -	600,00	JPY	2,089,000	1,253,400,00		0,16	0,16
FANUC CORP -	400,00	JPY	12,950,000	5,180,000,00		0,66	0,66
FIELDS CORP -	2,00	JPY	138,200,000	276,400,00		0,04	0,04
FUJI OIL CO LTD -	300,00	JPY	1,041,000	312,300,00		0,04	0,04
FUJI PHOTO FILM -	6,100,00	JPY	1,498,000	9,137,800,00		1,17	1,16
FUJITELEVISION NETWORK -	9,00	JPY	136,600,000	1,229,400,00		0,16	0,16
FUJITSU LTD -	1,000,00	JPY	379,000	379,000,00		0,05	0,05
FUKUYAMA TRANSPORTING CO LTD -	7,000,00	JPY	433,000	3,031,000,00		0,39	0,38
GEO CORP -	6,00	JPY	88,600,000	531,600,00		0,07	0,07
GLORY LTD -	300,00	JPY	1,656,000	496,800,00		0,06	0,06
GREEINC -	1,200,00	JPY	1,581,000	1,897,200,00		0,24	0,24
HEIWA CORPORATION -	1,200,00	JPY	1,490,000	1,788,000,00		0,23	0,23
HINO MOTORS LTD -	12,000,00	JPY	572,000	6,864,000,00		0,88	0,87
HIS CO LTD -	400,00	JPY	2,832,000	1,132,800,00		0,15	0,14
HITACHI -	34,000,00	JPY	487,000	16,558,000,00		2,11	2,10
HOKUETSU KISHU PAPER CO LTD -	3,500,00	JPY	427,000	1,494,500,00		0,19	0,19
HOKURIKU ELECTRIC POWER CO -	2,300,00	JPY	1,238,000	2,847,400,00		0,36	0,36
HONDA MOTOR CO -	6,100,00	JPY	2,749,000	16,768,900,00		2,14	2,13
HOSIDEN CORP -	900,00	JPY	504,000	453,600,00		0,06	0,06
HOUSE FOODS CORP. -	600,00	JPY	1,353,000	811,800,00		0,10	0,10
IDEMITSU KOSAN CO LTD -	600,00	JPY	7,100,000	4,260,000,00		0,54	0,54
IT HOLDINGS CORP -	1,000,00	JPY	948,000	948,000,00		0,12	0,12
ITOCHU CORP -	14,800,00	JPY	832,000	12,313,600,00		1,57	1,56
IZUMI CO LTD -	700,00	JPY	1,594,000	1,115,800,00		0,14	0,14
J-OIL MILLS INC -	2,000,00	JPY	240,000	480,000,00		0,06	0,06
JAPAN AIRPORT TERMINAL CO LTD -	400,00	JPY	968,000	387,200,00		0,05	0,05
JAPAN PETROLEUM EXPLORATION CO -	800,00	JPY	3,020,000	2,416,000,00		0,31	0,31
JAPAN SECURITIES FINANCE CO LTD -	900,00	JPY	405,000	364,500,00		0,05	0,05
JAPAN TOBACCO -	3,600,00	JPY	2,361,000	8,499,600,00		1,09	1,08
JUROKU BANK LTD -	7,000,00	JPY	258,000	1,806,000,00		0,23	0,23
JX HOLDINGS INC -	11,549,00	JPY	408,000	4,711,992,00		0,60	0,60
KAKEN PHARMACEUTICAL CO LTD -	1,000,00	JPY	1,118,000	1,118,000,00		0,14	0,14
KAMIGUMI CO -	3,000,00	JPY	633,000	1,899,000,00		0,24	0,24
KANDENKO CO LTD -	3,000,00	JPY	376,000	1,128,000,00		0,14	0,14
KANEKA CORP -	1,000,00	JPY	439,000	439,000,00		0,06	0,06
KAO CORP -	3,900,00	JPY	2,194,000	8,556,600,00		1,09	1,09
KAYABA INDUSTRY CO LTD -	3,000,00	JPY	355,000	1,065,000,00		0,14	0,14
KDDI CORPORATION -	21,00	JPY	513,000,000	10,773,000,00		1,38	1,37
KEWPIE CORP -	1,000,00	JPY	1,210,000	1,210,000,00		0,15	0,15
KISSEI PHARMS. -	500,00	JPY	1,420,000	710,000,00		0,09	0,09
KOKUYO CO LTD -	500,00	JPY	593,000	296,500,00		0,04	0,04
KOMATSU -	1,600,00	JPY	1,878,000	3,004,800,00		0,38	0,38
KONAMI KOGYO -	200,00	JPY	1,792,000	358,400,00		0,05	0,05
KONICA MINOLTA HOLDINGS INC -	3,500,00	JPY	623,000	2,180,500,00		0,28	0,28
KOSE CORP -	500,00	JPY	1,885,000	942,500,00		0,12	0,12
KS HOLDINGS CORP -	1,700,00	JPY	2,324,000	3,950,800,00		0,50	0,50
KURABO INDUSTRIES LTD -	3,000,00	JPY	139,000	417,000,00		0,05	0,05
KYOCERA -	800,00	JPY	6,830,000	5,464,000,00		0,70	0,69
KYORIN HOLDINGS INC -	1,000,00	JPY	1,678,000	1,678,000,00		0,21	0,21
KYUSHU ELECTRIC POWER COMPANY,INC. -	400,00	JPY	945,000	378,000,00		0,05	0,05
LION CORP -	2,000,00	JPY	437,000	874,000,00		0,11	0,11
MAEDA CORP -	17,000,00	JPY	368,000	6,256,000,00		0,80	0,79

MAEDA ROAD CONSTRN -	1.000,00	JPY	998,000	998.000,00		0,13	0,13
MARUBENI CORP -	20.000,00	JPY	526,000	10.520.000,00		1,34	1,33
MAZDA MOTOR CORP. -	52.000,00	JPY	107,000	5.564.000,00		0,71	0,71
MILLEA HOLDINGS INC -	6.900,00	JPY	1.986,000	13.703.400,00		1,75	1,74
MITSUBISHI CORP -	10.500,00	JPY	1.596,000	16.758.000,00		2,14	2,12
MITSUBISHI ELECTRIC -	1.000,00	JPY	660,000	660.000,00		0,08	0,08
MITSUBISHI MATER.CORP -	32.000,00	JPY	229,000	7.328.000,00		0,94	0,93
MITSUBISHI UFJ FINANCIAL GROUP -	69.100,00	JPY	378,000	26.119.800,00		3,33	3,31
MITSUBISHI UFJ LEASE & FINANCE -	120,00	JPY	3.300,000	396.000,00		0,05	0,05
MIYOSHI & CO -	13.000,00	JPY	1.174,000	15.262.000,00		1,95	1,94
MIYOSHI CHEMICAL INC -	33.000,00	JPY	198,000	6.534.000,00		0,83	0,83
MIYOSHI SUMITOMO INSUR GROUP -	2.416,00	JPY	1.383,000	3.341.328,00		0,43	0,42
MIYOSHI CO LTD -	100,00	JPY	2.114,000	211.400,00		0,03	0,03
MIZUHO FINANCIAL GROUP INC. -	47.500,00	JPY	134,000	6.365.000,00		0,81	0,81
MORINAGA MILK INDUSTRY CO LTD -	2.000,00	JPY	305,000	610.000,00		0,08	0,08
NAKAYAMA STEEL WORKS LTD -	3.000,00	JPY	53,000	159.000,00		0,02	0,02
NAMCO BANDAI HOLDING INC -	6.500,00	JPY	1.087,000	7.065.500,00		0,90	0,90
NAMURA SHIPBUILDING CO LTD -	1.000,00	JPY	261,000	261.000,00		0,03	0,03
NEC ELECTRONICS CORP -	300,00	JPY	306,000	91.800,00		0,01	0,01
NET ONE SYSTEMS CO LTD -	4.200,00	JPY	1.057,000	4.439.400,00		0,57	0,56
NICHICON CORP -	400,00	JPY	769,000	307.600,00		0,04	0,04
NICHII GAKKAN COMPANY -	1.600,00	JPY	738,000	1.180.800,00		0,15	0,15
NICHIREI CORP -	1.000,00	JPY	391,000	391.000,00		0,05	0,05
NIPPO CORP -	2.000,00	JPY	882,000	1.764.000,00		0,23	0,22
NIPPON EXPRESS CO LTD -	3.000,00	JPY	328,000	984.000,00		0,13	0,13
NIPPON MEAT PACKERS -	1.000,00	JPY	1.053,000	1.053.000,00		0,13	0,13
NIPPON PAPER GROUP -	3.900,00	JPY	1.264,000	4.929.600,00		0,63	0,63
NIPPON SHINYAKU CO LTD -	1.000,00	JPY	1.000,000	1.000.000,00		0,13	0,13
NIPPON SHOKUBAI CO LTD -	4.000,00	JPY	959,000	3.836.000,00		0,49	0,49
NIPPON SODA CO, LTD. -	4.000,00	JPY	318,000	1.272.000,00		0,16	0,16
NIPPON STEEL CORP -	3.000,00	JPY	179,000	537.000,00		0,07	0,07
NIPPON TEL & TEL -	3.988,00	JPY	3.700,000	14.755.600,00		1,88	1,87
NIPPON TELE NETWORK -	40,00	JPY	12.080,000	483.200,00		0,06	0,06
NIPPON YUSEN KK -	22.000,00	JPY	209,000	4.598.000,00		0,59	0,58
NISSAN MOTOR -	19.700,00	JPY	748,000	14.735.600,00		1,88	1,87
NISSHIN OILIO GROUP LTD/THE -	2.000,00	JPY	336,000	672.000,00		0,09	0,09
NKSJ HOLDINGS INC -	2.275,00	JPY	1.684,000	3.831.100,00		0,49	0,49
NOMURA HOLDINGS INC -	600,00	JPY	294,000	176.400,00		0,02	0,02
NOMURA REAL ESTATE HOLD INC -	3.100,00	JPY	1.447,000	4.485.700,00		0,57	0,57
NTN CORP -	2.000,00	JPY	248,000	496.000,00		0,06	0,06
NTT DATA CORPORATION -	10,00	JPY	243.300,000	2.433.000,00		0,31	0,31
NTT DOCOMO, INC. -	11,00	JPY	132.700,000	1.459.700,00		0,19	0,19
OILES CORP -	300,00	JPY	1.629,000	488.700,00		0,06	0,06
OJI PAPER CO -	17.000,00	JPY	305,000	5.185.000,00		0,66	0,66
OKUMURA CORP -	4.000,00	JPY	287,000	1.148.000,00		0,15	0,15
OLYMPUS CORP -	600,00	JPY	1.288,000	772.800,00		0,10	0,10
ONO PHARMACEUTICAL CO LTD -	100,00	JPY	4.995,000	499.500,00		0,06	0,06
ORIX (ORIENT LEASING) -	1.410,00	JPY	7.370,000	10.391.700,00		1,33	1,32
OSAKA GAS -	24.000,00	JPY	334,000	8.016.000,00		1,02	1,02
OSAKA STEEL CO LTD -	2.600,00	JPY	1.437,000	3.736.200,00		0,48	0,47
OTSUKA HOLDINGS CO LTD -	4.500,00	JPY	2.443,000	10.993.500,00		1,40	1,39
PANASONIC CORPORATION -	20.200,00	JPY	643,000	12.988.600,00		1,66	1,65
PARAMOUNT BED CO LTC -	400,00	JPY	2.451,000	980.400,00		0,13	0,12
PLENUS CO LTD -	600,00	JPY	1.530,000	918.000,00		0,12	0,12
RESONA HOLDINGS INC -	4.400,00	JPY	327,000	1.438.800,00		0,18	0,18
RICOH CO -	11.000,00	JPY	666,000	7.326.000,00		0,94	0,93
ROHM CORP. -	1.400,00	JPY	3.045,000	4.263.000,00		0,54	0,54
ROUND ONE CORP -	2.300,00	JPY	424,000	975.200,00		0,12	0,12

RYODEN TRADING CO LTD -	1.000,00	JPY	481,000	481.000,00		0,06	0,06
SAIZERIYA CO LTD -	400,00	JPY	1.262,000	504.800,00		0,06	0,06
SAKAI CHEMICAL INDUSTRY CO LTD -	1.000,00	JPY	267,000	267.000,00		0,03	0,03
SANKEN ELECTRIC CO LTD -	1.000,00	JPY	311,000	311.000,00		0,04	0,04
SANKI ENGINEERING CO LTD -	1.000,00	JPY	435,000	435.000,00		0,06	0,06
SANYO SPECIAL STEEL CO LTD -	4.000,00	JPY	343,000	1.372.000,00		0,18	0,17
SAPPORO HOKUYO HOLDINGS INC -	1.500,00	JPY	246,000	369.000,00		0,05	0,05
SAPPORO HOLDINGS LTD -	7.000,00	JPY	256,000	1.792.000,00		0,23	0,23
SEIKO EPSON CORP -	3.200,00	JPY	801,000	2.563.200,00		0,33	0,33
SEINO HOLDINGS CO LTD -	2.000,00	JPY	532,000	1.064.000,00		0,14	0,14
SEKISUI HOUSE LTD -	5.000,00	JPY	748,000	3.740.000,00		0,48	0,47
SEVEN & I HOLDINGS CO LTD -	400,00	JPY	2.397,000	958.800,00		0,12	0,12
SHIKOKU ELECTRIC POWER CO INC -	3.000,00	JPY	1.693,000	5.079.000,00		0,65	0,64
SHINKO ELECTRIC IND -	2.500,00	JPY	628,000	1.570.000,00		0,20	0,20
SHINSEI BANK LTD -	47.000,00	JPY	96,000	4.512.000,00		0,58	0,57
SHIONOGI & CO -	8.400,00	JPY	1.080,000	9.072.000,00		1,16	1,15
SHOWA SANGYO CO LTD -	2.000,00	JPY	259,000	518.000,00		0,07	0,07
SKY PREFECT JSAT HOLD INC -	26,00	JPY	35.800,000	930.800,00		0,12	0,12
SOFTBANK CORP -	1.400,00	JPY	2.953,000	4.134.200,00		0,53	0,52
SOJITZ CORPORATION -	25.600,00	JPY	131,000	3.353.600,00		0,43	0,43
SONY CORP -	1.278,00	JPY	1.123,000	1.435.194,00		0,18	0,18
SUMISHO COMPUTER SYSTEMS CORP -	900,00	JPY	1.155,000	1.039.500,00		0,13	0,13
SUMITOMO BAKELITE CO -	1.000,00	JPY	371,000	371.000,00		0,05	0,05
SUMITOMO CHEMICAL CO. -	12.000,00	JPY	243,000	2.916.000,00		0,37	0,37
SUMITOMO CORP -	11.300,00	JPY	1.108,000	12.520.400,00		1,60	1,59
SUMITOMO METAL MINING -	1.000,00	JPY	891,000	891.000,00		0,11	0,11
SUMITOMO MITSUI FINANCIAL GROUP INC -	8.100,00	JPY	2.612,000	21.157.200,00		2,70	2,68
SUMITOMO RUBBER IND. -	3.800,00	JPY	1.030,000	3.914.000,00		0,50	0,50
SUMITOMO WAREHOUSES LTD -	3.000,00	JPY	379,000	1.137.000,00		0,15	0,14
SUZUKEN CO LTD -	1.100,00	JPY	2.685,000	2.953.500,00		0,38	0,37
TAKASAGO THERM.ENG. -	960,00	JPY	619,000	594.240,00		0,08	0,08
TAKEDA PHARMACEUTICAL CO LTD -	1.400,00	JPY	3.615,000	5.061.000,00		0,65	0,64
TANABE SEIYAKU CO LTD -	2.300,00	JPY	1.145,000	2.633.500,00		0,34	0,33
THE HACHIJUNI BANK LTD -	5.000,00	JPY	413,000	2.065.000,00		0,26	0,26
TODA CORP -	3.000,00	JPY	248,000	744.000,00		0,10	0,09
TOEI -	1.000,00	JPY	378,000	378.000,00		0,05	0,05
TOHO HOLDINGS CO LTD -	200,00	JPY	1.613,000	322.600,00		0,04	0,04
TOHOKU ELECTRIC POWER -	1.600,00	JPY	799,000	1.278.400,00		0,16	0,16
TOKAI RUBBER INDUSTRIES INC -	900,00	JPY	869,000	782.100,00		0,10	0,10
TOKYO BROADC. SYSTEM -	1.000,00	JPY	977,000	977.000,00		0,13	0,12
TOKYO GAS CO. LTD -	20.000,00	JPY	407,000	8.140.000,00		1,04	1,03
TOKYO OHKA KOGYO CO LTD -	1.200,00	JPY	1.762,000	2.114.400,00		0,27	0,27
TOKYO TATEMONO CO LTD -	21.000,00	JPY	297,000	6.237.000,00		0,80	0,79
TONENGENERAL SEKIYU KK -	1.000,00	JPY	707,000	707.000,00		0,09	0,09
TOPPAN PRINTING -	1.000,00	JPY	530,000	530.000,00		0,07	0,07
TOPY INDUSTRIES LTD -	1.000,00	JPY	226,000	226.000,00		0,03	0,03
TOSHIBA CORP -	6.000,00	JPY	300,000	1.800.000,00		0,23	0,23
TOSHIBAT TEC CORP -	2.000,00	JPY	299,000	598.000,00		0,08	0,08
TOYO SEIKAN -	3.000,00	JPY	959,000	2.877.000,00		0,37	0,37
TOYOTA INDUSTRIES CORP. -	2.600,00	JPY	2.262,000	5.881.200,00		0,75	0,75
TOYOTA MOTOR_CREDIT -	9.300,00	JPY	3.190,000	29.667.000,00		3,80	3,76
TOYOTA TSUSHO CORPORATION -	5.000,00	JPY	1.511,000	7.555.000,00		0,96	0,96
TSUMURA & CO -	1.500,00	JPY	2.106,000	3.159.000,00		0,40	0,40
TV ASAHI CORP -	6,00	JPY	119.300,000	715.800,00		0,09	0,09
UNIPRES CORP -	200,00	JPY	2.063,000	412.600,00		0,05	0,05
UNY CO -	4.800,00	JPY	871,000	4.180.800,00		0,53	0,53
WEST JAPAN RAILWAY -	3.300,00	JPY	3.280,000	10.824.000,00		1,38	1,37
YAMADA DENKI -	1.660,00	JPY	4.055,000	6.731.300,00		0,86	0,85

YOKOGAWA ELECTRIC -	6.500,00	JPY	818,000	5.317.000,00		0,68	0,67
YOKOHAMA RUBBER CO LTD -	8.000,00	JPY	597,000	4.776.000,00		0,61	0,61
77 BANK LTD -	1.000,00	JPY	327,000	327.000,00		0,04	0,04
Total shares				778.984.226,00		99,41	98,74
Options and futures							
Exchange-listed futures							
<u>Japan</u>							
TOKYO PRICE INDEX SEP 12	6,00	JPY	769,000	4.614.000,00		0,59	0,59
Suspense accounts (futures)							
<u>Japan</u>							
TOKYO PRICE INDEX SEP 12	-4.266.000,00	JPY	1,000	-4.266.000,00		-0,54	-0,54
Total options and futures				348.000,00		0,04	0,04
Forward contracts		JPY		-72.020,00			-0,01
TOTAL SECURITIES PORTFOLIO				783.582.560,00		100,00	99,32
COLLATERAL RECEIVED							
<u>Belgium</u>							
KBC GROUP COLLATERAL EUR	225.578,43	EUR	1,000	22.842.074,00			2,90
TOTAL RECEIVED COLLATERAL				22.842.074,00			2,90
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP EURO	3.302,43	EUR	1,000	334.404,00			0,04
KBC GROUP JPY	5.599.333,00	JPY	1,000	5.599.333,00			0,71
KBC GROUP USD	597,88	USD	1,000	47.704,00			0,01
Total demand accounts				5.981.441,00			0,76
Managed futures accounts							
<u>Belgium</u>							
KBC GROUP JPY FUT REK	-229.804,67	JPY	1,000	-229.805,00			-0,03
Total managed futures accounts				-229.805,00			-0,03
TOTAL CASH AT BANK AND IN HAND				5.751.636,00			0,73
OTHER RECEIVABLES AND PAYABLES							
Receivables							
<u>Belgium</u>							
KBC GROUP JPY RECEIVABLE	2.392,00	JPY	1,000	2.392,00			
Total receivables				2.392,00			
Payables							
<u>Belgium</u>							
KBC GROUP COUNTERPART ENTRY COLLATERAL IN EUR	-225.578,43	EUR	1,000	-22.842.074,00			-2,90
KBC GROUP EUR PAYABLE	-8.999,26	EUR	1,000	-911.265,00			-0,12
KBC GROUP JPY PAYABLE	-1.542.203,00	JPY	1,000	-1.542.203,00			-0,20
Payables				-25.295.542,00			-3,21
TOTAL RECEIVABLES AND PAYABLES				-25.293.150,00			-3,21

OTHER						
Interest receivable		JPY		1.699.994,00		0,22
Accrued interest		JPY		340.690,00		0,04
Expenses payable		JPY		-405.941,00		-0,05
Expenses to be carried forward		JPY		397.153,00		0,05
TOTAL OTHER				2.031.896,00		0,26
TOTAL NET ASSETS				788.915.016,00		100,00

Geographic breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Belgium	0,00	0,00	0,01	-0,01
Ireland	0,00	0,00	0,54	0,55
Japan	100,00	100,00	99,45	99,46
Total	100,00	100,00	100,00	100,00

Sector breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Cyclicals	23,95	27,14	26,09	25,32
Consum(cycl)	24,77	27,67	27,66	27,67
Cons.goods	5,79	6,59	7,40	7,76
Pharma	5,57	6,05	6,41	6,65
Financials	14,13	13,21	13,53	14,17
Technology	13,27	10,34	9,52	9,12
Telecomm.	3,79	4,52	4,61	3,97
Utilities	5,26	3,86	3,91	3,44
Real est.	3,47	0,62	0,87	1,90
Total	100,00	100,00	100,00	100,00

Currency breakdown (as a % of net assets)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
EUR	0,02	-0,13	-0,91	-0,08
JPY	99,98	100,13	100,90	100,07
USD	0,00	0,00	0,01	0,01
Total	100,00	100,00	100,00	100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC EQUITY FUND JAPAN (IN THE CURRENCY OF THE SUB-FUND)

	1st half of year	Year
Purchases	279.041.877,37	279.041.877,37
Sales	422.229.405,26	422.229.405,26
Total 1	701.271.282,63	701.271.282,63
Subscriptions	25.433.007,00	25.433.007,00
Redemptions	172.183.386,00	172.183.386,00
Total 2	197.616.393,00	197.616.393,00
Monthly average of total assets	878.203.134,11	878.203.134,11
Turnover rate	57,35 %	57,35 %

	1st half of year	Year
Purchases	279.041.877,37	279.041.877,37
Sales	422.229.405,26	422.229.405,26
Total 1	701.271.282,63	701.271.282,63
Subscriptions	25.433.007,00	25.433.007,00
Redemptions	172.183.386,00	172.183.386,00
Total 2	197.616.393,00	197.616.393,00
Monthly average of total assets	869.990.481,64	869.990.481,64
Corrected turnover rate	57,89 %	57,89 %

The table above shows the capital volume of portfolio transactions. This volume (adjusted to take account of total subscriptions and redemptions) is also compared to the average net assets at the beginning and end of the period.

A figure close to 0% implies that the transactions relating to the securities or transactions relating to the assets (excluding deposits and cash) in a given period only involve subscriptions and redemptions.

A negative percentage shows that subscriptions and redemptions entailed few, if any, transactions in the portfolio.

Active asset management may result in high turnover rates (monthly percentage >50%).

The detailed list of transactions is available for consultation free of charge at the registered office of the Bevek or fund at Havenlaan 2, 1080 Brussels.

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

NAME	Currency	Value in currency	In the currency of the sub-fund	Lot-size	Transaction date
KBC COLLATERAL EUR	EUR	225.578,43	22.842.074,00	N/A	29.06.2012
TOPIX 09/12/2012	JPY	4.614.000,00	4.614.000,00	1.000,00	05.06.2012
KBC AK-VK JPY-EUR 121214-120615 99.523	JPY	4.300.000,00	4.300.000,00	N/A	15.06.2012

2.4.4 CHANGES OF THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND THE NET ASSET VALUE

Classic Shares

Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2010 - 06	1.279,87	639,14	10.353,17	2.857,00	45.173,47	6.715,14	51.888,60
2011 - 06	1.561,95	1.246,72	17.989,32	1.695,00	28.746,10	6.266,86	35.012,96
2012 - 06	896,64	300,00	6.210,79	2.194,72	23.431,95	4.372,14	27.804,09

Period	Amounts received and paid by the UCI (in the currency of the class)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2010 - 06	44.912.710,00	19.935.525,00	357.338.203,00	88.719.226,00
2011 - 06	51.032.680,00	35.765.074,00	567.040.030,00	48.734.412,00
2012 - 06	26.476.930,00	8.247.420,00	190.764.464,00	56.511.705,00

Period	Net asset value End of period (in the currency of the class)		
Year	Of the class	Of one share	
		Capitalization	Distribution
2010 - 06	1.641.915.125,00	32.096,00	28.598,00
2011 - 06	1.105.118.488,00	32.210,00	28.597,00
2012 - 06	788.915.016,00	28.910,00	25.502,00

Institutional B Shares

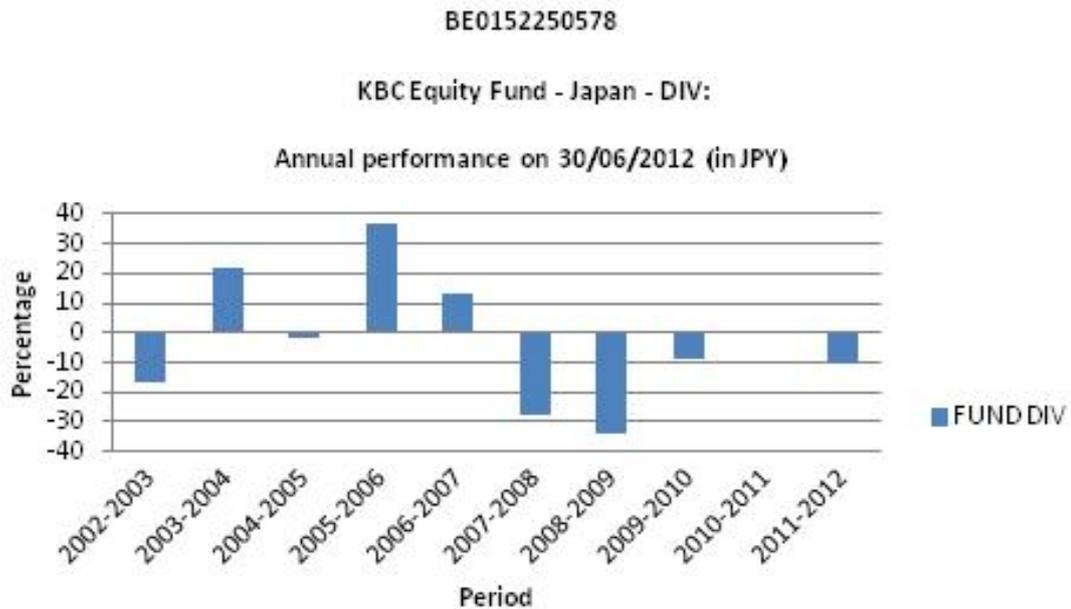
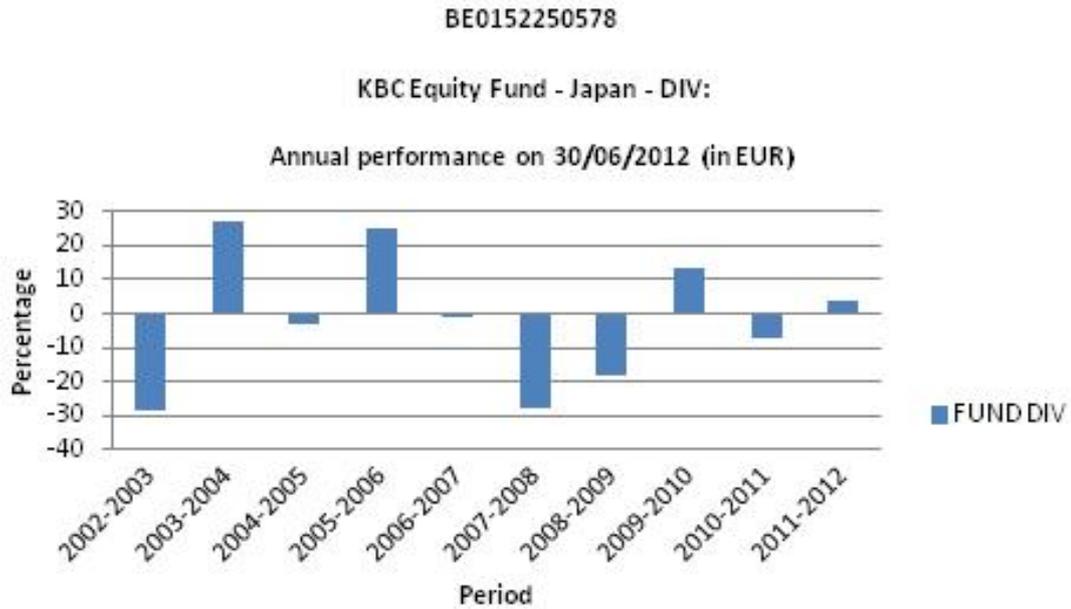
Change in number of shares in circulation: Nil

Amounts received and paid by the UCI: Nil

Net asset value: Nil

2.4.5 PERFORMANCE FIGURES

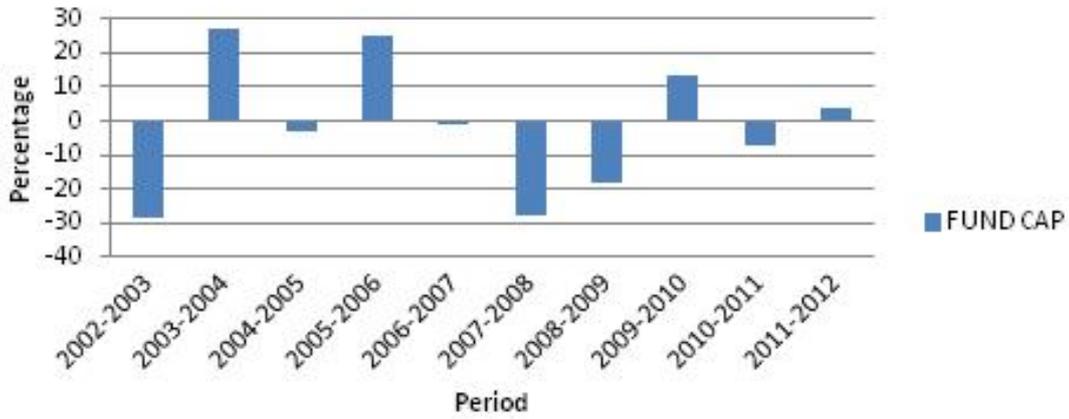
Classic Shares



BE0126163634

KBC Equity Fund - Japan - CAP:

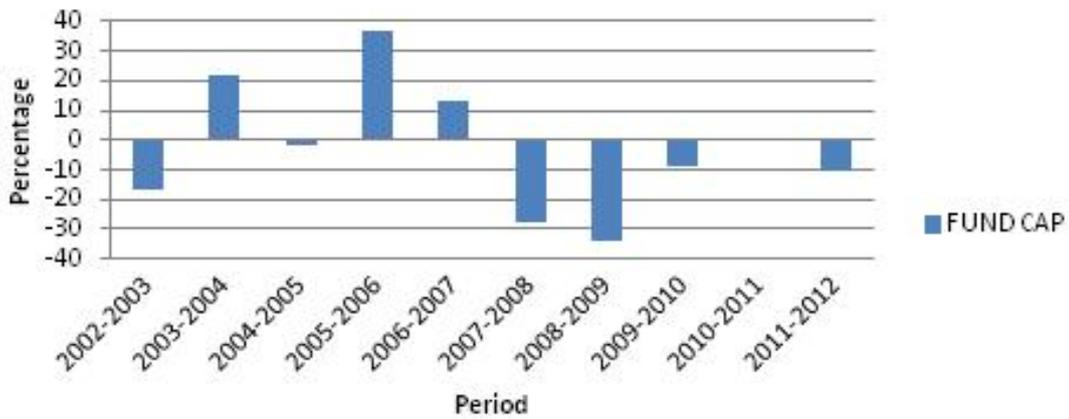
Annual performance on 30/06/2012 (in EUR)



BE0126163634

KBC Equity Fund - Japan - CAP:

Annual performance on 30/06/2012 (in JPY)



Cap Div	ISIN code	Cur-rency	1 Year		3 Years*		5 Years*		10 Years*		Since launch*	
			Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Launch Date	Share classes
CAP	BE0126163634	EUR	3.79%		3.05%		-8.41%		-3.44%		17/04/1991	-2.25%
CAP	BE0126163634	JPY	-10.25%		-6.45%		-17.11%		-4.94%		17/04/1991	-4.40%
DIV	BE0152250578	EUR	3.78%		3.02%		-8.43%		-3.45%		17/04/1991	-2.26%
DIV	BE0152250578	JPY	-10.25%		-6.47%		-17.13%		-4.95%		17/04/1991	-4.40%

Risk warning: Past performance is not a guide to future performance.

* Return on annual basis.

Institutional B Shares

The cumulative returns are shown where they relate to a period of at least one year.

Classic Shares

- The bar chart shows the performance for full financial years.
- The figures do not take account of any restructuring.
- Calculated in JPY and in EUR.
- The return is calculated as the change in the net asset value between two dates expressed as a percentage. In the case of units that pay dividends, the dividend is incorporated geometrically in the return.
- Calculation method for date D, where NAV stands for net asset value:

Capitalisation units (CAP)

Return on date D over a period of X years:

$$[\text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where $Y = D - X$

Return on date D since the start date S of the unit:

$$[\text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where $F = 1$ if the unit has existed for less than one year on date D

where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D

Distribution units (DIV)

Return on date D over a period of X years:

$$[C * \text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where $Y = D - X$

Return on date D since the start date S of the unit:

$$[C * \text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where $F = 1$ if the unit has existed for less than one year on date D

where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D

where C is a factor that is determined for all N dividends between the calculation date D and the reference date.

For dividend i on date Di with value Wi:

$$C_i = [W_i / \text{NIW}(D_i)] + 1$$

$i = 1 \dots N$

from which $C = C_0 * \dots * C_N$.

- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the n^{th} square root of 1 plus the total return of the unit.
- The return figures shown above do not take account of the fees and charges associated with the issue and redemption of units.

These are the performance figures for capitalisation and distribution shares.

2.4.6 COSTS

Total expense ratio (TER): *

Classic Shares Distribution: 1.566%
Classic Shares Capitalization: 1.566%
Institutional B Shares Capitalization: Not applicable

Percentage calculated at the end of the financial year: 31 December

* The following costs have not been included in the TER:

- Transaction charges
- Interest payments on loans taken out
- Payments in respect of financial derivatives
- Fees and charges paid directly by the investor
- Any soft commissions

SOFT COMMISSIONS

The management company or the appointed manager, as the case may be, is the recipient of soft commissions.

The recipient has laid down an internal policy as regards accepting soft commissions and avoiding possible conflicts of interest in this respect, and has put appropriate internal controls in place to ensure this policy is observed.

For more information, please see the 'General' section of the annual report.

	Commission gross in EUR paid during the period: 1-01-12 -	CSA Credits in EUR accrued during the period: 1-01-12 -	
Broker	30-06-12	30-06-12	Percentage
CITI	665	416	62.52%
MERRILL	3,153	1,970	62.50%
MORGAN STANLEY	841	514	61.15%
UBSWDR	753	471	62.52%

FEE-SHARING AGREEMENTS AND REBATES:

The management company may share its fee with the distributor, and institutional and/or professional parties.

In principle, the percentage share amounts to between 35% and 60% if the distributor is an entity of KBC Group NV or to between 35% and 70% if the distributor is not an entity of KBC Group NV. However, in a small number of cases, the distributor's fee is less than 35%. Investors may, on request, obtain more information on these cases.

If the management company invests the assets of the undertaking for collective investment in units of undertakings for collective investment that are not managed by an entity of KBC Group NV, and receives a fee for doing so, it will pay this fee to the undertaking for collective investment.

Fee-sharing does not affect the amount of the management fee paid by the sub-fund to the management company. This management fee is subject to the limitations laid down in the articles of association. The limitations may only be amended after approval by the general meeting of shareholders.

The management company has concluded a distribution agreement with the distributor in order to facilitate the wider distribution of the sub-fund's units by using multiple distribution channels.

It is in the interests of the holders of units, the sub-fund and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund to be maximised in this way. In this respect, there is therefore no question of any conflict of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: 1.25% per annum calculated on the basis of the average total net assets of the sub-fund, excluding those assets invested in investment undertakings managed by a financial institution of the KBC group.

KBC Fund Management Limited receives a fee from the management company of max. 1.25% calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the average total net assets of the sub-fund.

Auditor's fee: 1 700 EUR per year. This fee is not including VAT and will be increased at the end of the 3-year mandate.

The custody fee is calculated on the value of the securities held in custody by the custodian on the final banking day of the preceding calendar year, except on those assets invested in investment undertakings managed by a financial institution of the KBC group. The custody fee is paid at the beginning of the calendar year.

Social, ethical and environmental aspects:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

Exercising voting rights

If necessary, relevant and in the interest of the shareholders, the management company will exercise the voting rights attached to the shares in the Bevek's portfolio.

The management company will adhere to the following criteria when determining how it stands relative to the items on the agenda that are put to the vote:

- Shareholder value may not be adversely affected.
- Corporate governance rules, especially with regard to the rights of minority shareholders, must be respected.
- The minimum standards with regard to sustainable business and corporate social responsibility must be met.

The list of companies for which voting rights are exercised is available at the registered office of the Bevek.

Financial derivatives on financial indices

The following financial indices were used as the underlying for financial derivatives:

The **TOPIX Index** (Tokyo Stock Price Index) is a capitalisation-weighted index of all shares listed on the 'First Section' of the Tokyo Stock Exchange. The index was developed with a starting value of 100 on 4 January 1968.

Tokyo Stock Exchange holds all ownership rights with regard to the index. Tokyo Stock Exchange in no way underwrites, guarantees or collaborates in the issue and offering of shares of this institution for collective investment. Tokyo Stock Exchange disclaims any liability for the issue and offering of shares of this institution for collective investment.

The value and, if available for distribution, the composition of the aforementioned financial indices may be obtained from the branches providing the financial service.

Securities lending

In accordance with the Royal Decree of 7 March 2006 concerning securities lending, the undertaking for collective investment has taken out securities loans with a principal to whom the full title of the loaned securities was transferred, without recording this transfer of ownership in the accounts.

For the period from 1 January 2012 to 30 June 2012, the fee for securities lent comes to 624,025 JPY. KBC Asset Management NV receives 50% of the net fee received for securities lent.

The detailed list of securities lending transactions carried out can be obtained from the registered office of the collective investment undertaking at 2 Havenlaan, 1080 Brussels.

Overview of securities lent as at 30/06/2012

Name	Currency	Quantity	Price	Value in currency of the portfolio
ASAHI GLASS CY LTD	JPY	6.000	533,000	3.198.000
GREE INC	JPY	1.199	1.581,000	1.895.619
K'S HOLDINGS CORP	JPY	1.600	2.324,000	3.718.400
NIPPON PAPER GROUP INC	JPY	3.899	1.264,000	4.928.336
RICOH	JPY	10.998	666,000	7.324.668
Total				21.065.023

Details of collateral received for securities lent

Name	Currency	Nominal value	Currency fund	Value in Currency fund
BUNDESREPUB.DTL. 2011 2.25% 04/09/21	EUR	8.000	JPY	885.594,00
GERMANY 2009 2,25% 11/04/14	EUR	96.000	JPY	10.146.767,00
FRANCE 2001 3% 25/07/2012	EUR	34.000	JPY	4.402.083,00
FRANCE 2007 4,50% 12/07/2012	EUR	70.000	JPY	7.407.630,00
Total				22.842.074,00

For the valuation of the collateral received, indicative prices have been used in this detail list by the Collateral Management Division of KBC Bank.

TABLE OF CONTENTS

- 2. Information on KBC Equity Fund New Markets
 - 2.1. Management report
 - 2.1.1. Launch date and subscription price
 - 2.1.2. Stock exchange listing
 - 2.1.3. Aim and distinctive features of the investment policy
 - 2.1.4. Financial portfolio management
 - 2.1.5. Distributors
 - 2.1.6. Index and benchmark
 - 2.1.7. Policy conducted during the financial year
 - 2.1.8. Future policy
 - 2.1.9. Synthetic risk and reward indicator (SRRI)
 - 2.2. Balance sheet
 - 2.3. Profit and loss account
 - 2.4. Composition of the assets and key figures
 - 2.4.1. Composition of the assets
 - 2.4.2. Change in the composition of the assets
 - 2.4.3. Value of commitments in respect of financial derivatives positions
 - 2.4.4. Evolution of the number of subscriptions, repayments and the net asset value
 - 2.4.5. Return figures
 - 2.4.6. Expenses
 - 2.4.7. Notes to the financial statements and other data

2 INFORMATION ON KBC EQUITY FUND NEW MARKETS

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Classic Shares :

Launch date: 17 April 1991

Initial subscription price: 20000 BEF

Currency: EUR

Institutional B Shares :

Launch date: 24 November 2011

Initial subscription price: 1254.36 EUR

Currency: EUR

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

The main objective of this sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. To this end, the assets are invested, either directly or indirectly via correlated financial instruments, primarily in shares.

SUB-FUND'S INVESTMENT POLICY:

PERMITTED ASSET CLASSES:

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the sub-fund's object.

The sub-fund shall invest no more than 10% of its assets in units of other undertakings for collective investment.

RESTRICTIONS OF THE INVESTMENT POLICY:

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

PERMITTED DERIVATIVES TRANSACTIONS:

Derivates may be used either for hedging purposes or to achieve investment objectives.

Changes will be made to the investments at regular intervals to comply with the sub-fund's investment strategy. **In addition, listed and unlisted derivates may be used to achieve the objectives:** these may be forward contracts, options or swaps on securities, indices, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions. **Such derivatives may also be used to hedge the assets against exchange-rate fluctuations.** Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions.

STRATEGY SELECTED

At least 75% of the assets are invested in shares of companies in countries where conditions are such as to allow an accelerated economic growth in the short or medium term. More particularly, this involves countries in Asia, Latin America, Central Europe and Eastern Europe.

RISK CONCENTRATION

Emerging market shares.

LENDING FINANCIAL INSTRUMENTS:

The sub-fund may lend financial instruments within the limits set by law and regulations.

This lending does not affect the sub-fund's risk profile since:

- it takes place within the framework of a securities lending system managed by a principal. In addition, the sub-fund has a relationship only with the principal of the securities lending system which acts as counterparty and to which title of the loaned securities is transferred. The choice of principal is subject to strict selection criteria. The return of securities similar to the securities that have been lent is guaranteed by the principal.
- through a margin management system, the sub-fund is always guaranteed financial security, the actual value of which always exceeds the actual value of the securities that have been lent, in case the principal does not return similar securities.

The return of securities similar to the securities that have been lent can be requested at any time, which means that the lending of securities does not affect the management of the sub-fund's assets.

By lending securities, the sub-fund can generate an additional return. The principal pays a fee to the management company. After deducting the fee for the margin management and clearing services of KBC Bank, most of this fee is paid to the sub-fund.

The relationship with the counterparty or counterparties is governed by standard international agreements.

More information is provided on the terms and conditions governing securities lending in the annual or half-yearly report for the sub-fund.

VOLATILITY OF THE NET ASSET VALUE:

The volatility of the net asset value may be high due to the composition of the portfolio.

GENERAL STRATEGY FOR HEDGING THE EXCHANGE RATE RISK:

In order to protect its assets against exchange rate fluctuations and within the limitations laid down in the articles of association, the sub-fund may perform transactions relating to the sale of forward currency contracts, as well as the sale of call options and the purchase of put options on currencies. The transactions in question may relate solely to contracts traded on a regulated market that operates regularly, is recognised and is open to the public or that are traded with a recognised, prime financial institution specialising in such transactions and dealing in the over-the-counter (OTC) market in options. With the same objective, the sub-fund may also sell currencies forward or exchange them in private transactions with prime financial institutions specialising in such transactions. The hedging objective of the aforementioned transactions suggests that there is a direct link between these transactions and the assets to be hedged, which implies that the transactions carried out in a particular currency may in principle not exceed, in terms of volume, either the valuation value of all the assets in the same currency or the holding period of those assets.

SOCIAL, ETHICAL AND ENVIRONMENTAL ASPECTS:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

THE EUROPEAN SAVINGS DIRECTIVE AND TAX ON DEBT CLAIM RETURNS OBTAINED THROUGH THE REDEMPTION OF OWN UNITS OR IN THE EVENT OF FULL OR PARTIAL DISTRIBUTION OF EQUITY CAPITAL.

The following information is of a general character and is not intended to cover all aspects of an investment in a UCITS. In certain cases entirely different rules might even apply. Moreover, both tax law and the interpretation of it can change. Investors who wish to have more information about the tax implications – in both Belgium and abroad – of acquiring, holding and transferring units should seek the advice of their usual financial and tax advisers.

This UCITS shall invest a maximum of 15% of its assets directly or indirectly in debt instruments as intended by the European Savings Directive.

A. European Savings Directive (Directive 2003/48/EC)

The European Savings Directive has been implemented in Belgium through:

- The Law of 17 May 2004 transposing into Belgian law Directive 2003/48/EC of 3 June 2003 of the Council of the European Union on taxation of savings income in the form of interest payments and amending Income Tax Code 1992 on withholding tax;
- The Royal Decree of 27 September 2009 implementing Article 338bis § 2 of Income Tax Code 1992;
- The Royal Decree of 27 September 2009 concerning the entry into effect of Article 338bis § 2, paragraphs one to three, of Income Tax Code 1992;

Since this UCITS invests a maximum of 15% of its assets directly or indirectly in debt claims as intended by the European Savings Directive, the income of this UCITS does not fall within the scope of this directive.

B. Tax on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital (Article 19bis Income Tax Code 1992).

The income from this UCITS is not subject to the tax on debt instrument returns as intended by Article 19bis, Income Tax Code 1992.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company has delegated the intellectual management, to KBC Fund Management Limited, Joshua Dawson House, Dawson Street , Dublin 2, IRELAND..

2.1.5 DISTRIBUTORS

KBC Asset Management S.A., 5, Place de la Gare, L-1616 Luxembourg.

2.1.6 INDEX AND BENCHMARK

See 'Sub-fund's investment policy'.

2.1.7 POLICY PERSUED DURING THE FINANCIAL YEAR

Equity Fund New Markets invests in a diversified portfolio of equities from emerging markets, primarily the Far East, Latin America and Eastern Europe. These markets have potential for accelerated growth in the medium term; however, the investor must be aware that such markets are more volatile than traditional equity markets. Although it was a volatile six months for this fund, the performance was reasonable, with KBC Equity Fund New Markets ending the first half of 2012 up 6% in EUR terms.

Global emerging markets were heavily influenced by international issues in the first half of 2012. Throughout the quarter, the situation in Europe continued to evolve. At the beginning of the year, there was positive news from Greece as the country secured acceptance of their debt swap offer. The ECB continued to extend liquidity to European banks through the LTRO. In Russia, despite some unrest, Putin won the Russian presidential election. Markets were strong over this period, with global emerging markets outperforming significantly, particularly in January and February.

Moving into the second quarter, the situation in Europe worsened. In May, French socialist, Francois Hollande won the French presidential election. Following parliamentary elections in Greece, it was not possible to form a government. Anti-austerity parties gained seats in this election, causing growing fears that the country would not remain in the euro. A second election was called for mid-June with the uncertainty continuing in the meantime. At this stage, concern spread to the situation in Spain, with growth disappointing further and banks coming under more pressure. Despite initially stating that the country did not need a bailout, by the end of June, Spain had requested assistance from Europe and the IMF. In mid June, the second Greek election took place, with the New Democracy winning narrowly and forming a government. Throughout this period of uncertainty, markets were very weak globally, with most regions reversing most of the gains achieved in Q1. Global emerging markets underperformed their developed peers over this period of weakness. On the final day of the quarter, EU leaders agreed that Europe would support troubled banks directly, without the need for local governments to add to their debt levels, which caused a significant rally in markets. While in the second quarter Equity Fund New Markets reversed a lot of the gains from the first quarter, the fund maintained a positive overall performance for the full first half.

While the volatility globally continued, there was also concern about weakening growth in China, which is the top country position in this fund. Growth was slower than most expected, with the official growth target being lowered to 7.5%. Most domestic activity metrics were weak – industrial production, investment and retail sales. On the positive side, inflation continued to fall, leaving room for policy makers to make changes if needed. While there was some slowdown in employment growth, there was no mass unemployment as was seen in 2008/2009. Following this slowdown, Chinese authorities began to take steps to boost growth. Initially the focus was on increasing investment, with particular focus on water and other environmental areas, utilities, railways and social housing. However at the beginning of June, the People's Bank of China took the decision to lower lending and deposit rates by 25bps. They also took steps to liberalise the interest rate regime, seen as a significant positive.

The European segment of the fund performed well over the first half, rising in excess of 10% in EUR terms over the period. Looking at the region, the winner and best performing market was Turkey, which seemed to decouple from the overall risk-off/on changes in global sentiment. Turkey grows rapidly at level close to 4 %, has low indebtedness and steady to falling unemployment. Current account (C/A) deficit and its financing became the main challenge for the Central bank of Turkey (CBT), which fights speculative capital since the beginning of last year. Despite some scepticism towards such monetary policy, CBT managed to keep Turkish lira within relatively tight range (between 2.3 – 2.4 TRY per EUR) with strengthening trend. Last but not least, the fall in oil prices eased pressure on the energy trade deficit lowering the overall C/A deficit risk. The Turkish market increased by 31 % in euro terms, also thanks to the 8% appreciation of the currency. We started the year with a cautious approach towards Turkish assets given the risk of abrupt capital outflows in the case of deteriorating situation in Europe. However, lower commodity prices and successful monetary policy made us to change our view towards Turkey. From the second quarter on, we increased our exposure to Turkey with positive effects on the fund performance.

Russian stocks experienced a period of significant volatility. Investors were a bit wary of the political situation and mass protests in Russia, which eventually calmed down. Initially, Oil & Gas stocks were not performing as well as expected given the surge in the oil price to around 125 USD/barrel in the first quarter. The second quarter was nearly a mirror image of the first one. May was especially dreadful as the Russian market was under pressure from the escalation of the euro zone crisis. The Brent oil price plunged by almost 15 % to below 100 USD/barrel and the MICEX index reached almost two-year lows, levels not seen since the heavy selloff in May 2010. At the end of the first half of the year, the Russian stock market somewhat recovered as investors' risk appetite improved after many euro zone worries were partially resolved. MSCI Russia eventually recorded 4.4 % (in eur) increase in the first half of the year. Given high commodity prices and calming down of the political situation, Russian assets were preferred during the first quarter. Worsening oil fundamentals and easing tension concerning Iranian nuclear program in the second quarter led us to move some weight off Russian assets to Turkey which clearly benefited from lower commodity prices.

The Latin American portion of the fund was dominated by the large position in Brazil, which underperformed significantly against its Emerging Markets peers. Besides growth concerns on China and political turmoil in Europe, local elements also contributed to Brazil's poor performance over the first half of the year. Most domestic macroeconomic metrics were weak. Economic activity came in much slower than expected, resulting in GDP forecast being reduced to a paltry 2.1% in 2012. For Brazilian investors, who had become used to GDP growth above 4 percent over last 10 years, this negative review caused quite some concern. The problems however, have been recognised and tackled by the Brazilian Central Bank, proving to be quite proactive in its monetary response. Policymakers noted that uncertainty about the global economy, the deterioration in domestic growth, a slowdown in credit growth and weakness in local industrial production were expected to have a disinflationary impact on Brazilian economy. In a response to worsening economic conditions, the Brazilian Central Bank has been cutting the official interest rate Selic rate quite aggressively, bringing it down to an all-time historic low of 8.5% by the end of June. The Central Bank has not been alone in its stimulating efforts, as the government announced fiscal measures to support growth in local economy, addressing predominantly credit growth and consumption spending on locally produced durable goods. On the positive side, inflation has continued to fall, still leaving some room for policy makers to provide a monetary boost to the economy. Moreover, employment numbers remain very robust, with an unemployment rate at 5.8%. Real wage increases are still strong at 7.5% on a year on year basis.

2.1.8 FUTURE POLICY

Globally, while recent moves by policy makers have been positive, we still expect turbulence in markets going forward. Europe has clearly made some steps forward, however the problems are not yet resolved and the growth outlook continues to be a concern. Budgetary cuts to control spending across the region have negative implications on demand in the context of international trade. This is a concern for Asia, where growth is driven by both domestic and international factors.

With regard to emerging equity markets, valuations continue to be attractive. In Asia, in the near term, concerns will continue to exist regarding the situation in China and the chance of an economic hard landing. However, the steps taken by the PBOC in June show their willingness to support growth if needed. In Eastern Europe, we continue to be cognizant of instabilities in the system, more evident here due to its links to Western Europe. Therefore, we prefer countries with small structure imbalances and healthy financial system. These apply well to Turkey, Poland and to less extent to the Czech Republic. Hungarian market is less attractive due to the high political risks represented by controversial policy of PM Orban. Russia seems to fit the above conditions, even though it is slowing down. For Latin America, monetary easing is expected to continue in Brazil and as real interest rates reach new record low levels and employment trends are still strong, we would expect a pick-up in economic activity in the second half of 2012, especially as the year on year comparison base is getting more favourable.

In summary, despite the ongoing problems in Europe, with the ensuing impact on trade, emerging markets continue to have a relatively good growth outlook in a global context. Inflation is under control allowing room for policy makers to take actions as deemed appropriate. Valuations are also at attractive levels both relative to developed markets and relative to their own history. As a result we continue to be positive on the outlook for global emerging markets.

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

Classic Shares: 7 on a scale of 1 (lowest risk) to 7 (highest risk).

Institutional B Shares: 7 on a scale of 1 (lowest risk) to 7 (highest risk).

The value of a share can decrease or increase and the investor may not get back the amount invested.

In accordance with Commission Regulation (EU) No. 583/2010, a synthetic risk and reward indicator has been calculated. This indicator provides a quantitative measure of the sub-fund's potential return and the risk involved, calculated in the currency in which the sub-fund is denominated. It is given as a figure between 1 and 7. The higher the figure, the greater the potential return, but also the more difficult it is to predict this return. Losses are possible too. The lowest figure does not mean that the investment is entirely free of risk. However, it does indicate that, compared with the higher figures, this product will generally provide a lower, but more predictable return.

The synthetic risk and reward indicator is assessed regularly and can therefore go up or down based on data from the past. Data from the past is not always a reliable indicator of future risk and return.

The most recent indicator can be found under the 'Risk and reward profile' heading in the 'Key Investor Information' document.

2.2 BALANCE SHEET

Balance sheet layout	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
TOTAL NET ASSETS	69.110.010,64	88.409.941,65
II. Securities, money market instruments, UCIs and derivatives		
A. Bonds and other debt instruments		
a) Bonds	317.912,90	
a) Collateral received in the form of bonds	2.608.111,22	2.912.408,92
C. Shares and similar instruments		
a) Shares	63.747.701,59	82.604.223,22
Of which securities lent	2.418.848,43	2.619.112,54
D. Other securities	2.568,05	8.538,94
E. Open-end undertakings for collective investment	4.423.053,00	5.250.352,96
F. Derivative financial instruments		
j) Foreign exchange		
Futures and forward contracts (+/-)	-4.416,92	
m) Financial indices		
Futures and forward contracts (+/-)	7.182,18	
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable	24.485,50	867.554,70
B. Payables		
a) Accounts payable (-)	-183.790,44	-194.195,54
c) Borrowings (-)		-621.542,36
d) Collateral (-)	-2.608.111,22	-2.912.408,92
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	387.208,37	163.156,72
VI. Accruals and deferrals		
A. Expense to be carried forward	25.970,05	31.544,92
B. Accrued income	381.802,91	351.580,93
C. Accrued expense (-)	-19.666,55	-51.272,84
TOTAL SHAREHOLDERS' EQUITY	69.110.010,64	88.409.941,65
A. Capital	65.459.379,67	95.555.392,56
B. Income equalization	-39.475,32	-9.341,94
D. Result for the period	3.690.106,29	-7.136.108,97

Off-balance-sheet headings

I	Collateral (+/-)		
I.A	Collateral (+/-)		
I.A.A	Securities/market instruments	2.608.111,22	2.912.408,92
III	Notional amounts of futures and forward contracts		
III.A	Purchased futures and forward contracts	694.645,36	
IX	Financial instruments lent	2.418.848,43	2.619.112,54

2.3 PROFIT AND LOSS ACCOUNT

Income Statement	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
I. Net gains(losses) on investments		
A. Bonds and other debt instruments		
a) Bonds	-34.630,60	
C. Shares and similar instruments		
a) Shares	2.049.711,39	-2.677.711,18
D. Other securities	2.491,25	-2.839,03
E. Open-end undertakings for collective investment	220.989,11	-296.568,51
F. Derivative financial instruments		
l) Financial indices		
Futures and forward contracts	-7.261,39	
G. Receivables, deposits, cash at bank and in hand and payables	-0,01	-0,46
H. Foreign exchange positions and transactions		
a) Derivative financial instruments		
Futures and forward contracts	-6.509,77	
b) Other foreign exchange positions and transactions	1.013.861,56	-4.322.207,20
II. Investment income and expenses		
A. Dividends	1.107.237,66	1.003.407,70
B. Interests		
a) Securities and money market instruments	54.223,47	24.100,44
b) Cash at bank and in hand and deposits	2.139,69	1.281,22
C. Interest on borrowings (-)	-1.550,57	-723,52
III. Other income		
A. Income received to cover the acquisition and realization of assets, to discourage withdrawals and for delivery charges	76.863,77	

IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-163.953,19	-96.613,02
B. Financial expenses (-)	-445,42	-1.730,33
C. Custodian's fee (-)	-24.273,04	-26.731,90
D. Manager's fee (-)		
a) Financial management		
Classic Shares	-428.869,06	-626.967,55
Institutional B Shares	-111.105,02	
b) Administration and accounting management	-37.484,57	-42.761,09
E. Administrative expenses (-)	-266,46	-163,68
F. Formation and organisation expenses (-)	-4.164,71	-3.404,27
G. Remuneration, social security charges and pension	-5,91	-16,08
H. Services and sundry goods (-)	-7.872,47	-6.670,96
J. Taxes		
Classic Shares	1.865,17	-39.543,44
Institutional B Shares	599,60	
K. Other expenses (-)	-11.484,19	-20.246,11
Income and expenditure for the period		
Subtotal II + III + IV	451.454,75	163.217,41
V. Profit (loss) on ordinary activities before tax	3.690.106,29	-7.136.108,97
VII. Result for the period	3.690.106,29	-7.136.108,97

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC EQUITY FUND NEW MARKETS

Name	Quantity on 30/06/2012	Currency	Price in currency	Evaluation (in the currency of the sub-fund)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
Investment funds							
Open-end funds							
UCITS registered with the FSMA							
<u>Belgium</u>							
HORIZON ACCESS INDIA FD KAP	6.113,57	USD	918,170	4.423.053,00	3,95	6,46	6,40
Total investment funds				4.423.053,00		6,46	6,40
Bonds							
Corporate bonds							
<u>Ireland</u>							
D-STAR FINANCE PLC SUB 14/05/13	499.000,00	EUR	63,710	317.912,90		0,46	0,46
Total bonds				317.912,90		0,46	0,46
Shares							
Exchange-listed shares							
<u>Argentina</u>							
GRUPO FIN. GALICIA SA -	7,00	ARS	3,040	3,71			
IRSA 'B'	8,00	ARS	4,750	6,62			
MOLINOS RIO DE LE PLATA S.A. -	3,00	ARS	26,000	13,59			
MOLINOS RIO DE LE PLATA S.A. 'B'	12.650,00	ARS	23,000	50.680,21		0,07	0,07
<u>Brazil</u>							
ALL AMERICA LATINA LOGISTICA -	22.774,00	BRL	8,480	75.394,70		0,11	0,11
AMBEV-CIA DE BEBIDAS DAS AMERICAS CP 02/05/11	57,00	BRL	74,870	1.666,05		0,00	0,00
AMBEV-CIA DE BEBIDAS DAS AMERICAS PEF	19.286,00	BRL	77,300	582.005,78		0,85	0,84
BANCO BRADESCO S.A. PEF	50.986,00	BRL	29,940	595.948,01		0,87	0,86
BANCO DO BRASIL SA -	15.000,00	BRL	19,530	114.366,58		0,17	0,17
BANCO SANTANDER BRASIL SA/BRAZ -	19.653,00	USD	7,750	120.014,77		0,18	0,17
BM&F BOVESPA SA -	56.800,00	BRL	10,250	227.288,70		0,33	0,33
BR MALLS PARTICIPACOES SA -	14.300,00	BRL	23,000	128.401,33		0,19	0,19
BRADESPAR S.A. PEF	9.300,00	BRL	32,940	119.594,77		0,18	0,17
BRASIL TELECOM PARTICIPACOES S.A. PEF	22.349,00	BRL	8,250	71.980,97		0,11	0,10
BRASKEM SA -	3.500,00	USD	13,310	36.707,12		0,05	0,05
BRF - BRASIL FOODS SA -	18.100,00	BRL	30,390	214.740,97		0,31	0,31
CEMIG-CIA ENERGETICA DE MINAS GERAIS SP ADR	14.288,00	USD	18,420	207.379,21		0,30	0,30
CIA BRAS DISTRIB GRUPO PAO DE ACUCAR ADR	3.177,00	USD	39,990	100.108,92		0,15	0,15
CIA DE CONCESSOES RODOVIARIAS -	29.600,00	BRL	16,330	188.705,06		0,28	0,27
CIA ENERGETICA DE SP -	5.400,00	BRL	36,700	77.368,73		0,11	0,11
CIA HERING -	4.980,00	BRL	38,100	74.073,00		0,11	0,11
CIA PARANAENSE DE ENERGIA-COPEL SP ADR	3.011,00	USD	21,680	51.436,83		0,08	0,07
CIA SANEAMENTO BASICO -	1.715,00	USD	75,860	102.513,51		0,15	0,15
COMPANHIA BRASILEIRA DE MEIOS -	8.980,00	BRL	59,080	207.120,20		0,30	0,30
CPFL ENERGIA SA -	3.650,00	USD	24,990	71.872,59		0,11	0,10

CSN-CIA SIDERURGICA NACIONAL S.A. -	21.800,00	BRL	11,380	96.851,06		0,14	0,14
CVRD-CIA VALE DO RIO DOCE PRAF A	47.468,00	BRL	39,160	725.686,86		1,06	1,05
CYRELA BRAZIL REALTY SA -	9.800,00	BRL	14,800	56.623,07		0,08	0,08
DIAGNOSTICOS DA AMERICA -	11.700,00	BRL	13,210	60.338,47		0,09	0,09
ELETRORBRAS-CENTR ELETRICAS BRAS S.A. -	20.701,00	BRL	14,250	115.162,70		0,17	0,17
EMBRAER SA -	22.038,00	BRL	13,360	114.943,46		0,17	0,17
GERDAU SA -	3.579,00	USD	8,760	24.704,15		0,04	0,04
GERDAU SA PRAF	23.150,00	BRL	17,700	159.966,82		0,23	0,23
GOL LINHAS AEREAS ADR	6.808,00	USD	4,410	23.657,14		0,04	0,03
HRT PARTICIPACOES EM PETROLEO -	10.000,00	BRL	6,260	24.438,81		0,04	0,04
HYPERMARCAS SA -	8.900,00	BRL	11,870	41.242,63		0,06	0,06
ITAU UNIBANCO HOLDINGS SA PRAF PRAF	56.600,00	BRL	28,290	625.107,94		0,91	0,91
ITAU UNIBANCO HOLDINGS SA PRAF PRAF	2.349,00	USD	13,920	25.764,78		0,04	0,04
ITAUSA-INVESTIMENTOS ITAU SA -	69.668,00	BRL	8,500	231.184,07		0,34	0,34
JBS SA -	24.700,00	BRL	6,030	58.146,01		0,09	0,08
LOJAS AMERICANAS SA -PRAF-	18.040,00	BRL	13,250	93.316,42		0,14	0,14
LOJAS RENNEN SA -	4.300,00	BRL	56,350	94.594,96		0,14	0,14
METALURGICA GERDAU SA -	9.400,00	BRL	22,140	81.247,71		0,12	0,12
MMX MINERACAO E METALICOS SA -	14.000,00	BRL	5,850	31.973,45		0,05	0,05
MRV ENGENHARIA E PARTICIPACOES SA -	12.100,00	BRL	9,300	43.931,29		0,06	0,06
NATURA COSMETICOS SA -	5.700,00	BRL	47,000	104.587,16		0,15	0,15
OGX PETROLEO E GAS PARTICIPACO -	30.900,00	BRL	5,500	66.347,84		0,10	0,10
OI SA -	2.180,00	BRL	9,450	8.042,55		0,01	0,01
PDG REALTY SA EMPREENDIMENTOS -	34.900,00	BRL	3,510	47.823,15		0,07	0,07
PETROBRAS-PETROLEO BRASILEIRO S.A. -	68.529,00	BRL	18,900	505.640,48		0,74	0,73
PETROBRAS-PETROLEO BRASILEIRO S.A. ARD - ORD	5.204,00	USD	18,770	76.967,21		0,11	0,11
PETROBRAS-PETROLEO BRASILEIRO S.A. PRAF	104.085,00	BRL	18,250	741.577,69		1,08	1,07
REDECARD SA -	9.700,00	BRL	32,850	124.397,81		0,18	0,18
SOUZA CRUZ S.A. -	12.200,00	BRL	29,480	140.408,35		0,21	0,20
TAM SA ADR	3.404,00	USD	25,730	69.013,41		0,10	0,10
TELEF BRASIL PRAF	9.490,00	BRL	49,980	185.168,92		0,27	0,27
TIM PARTICIPACOES SA -	3.950,00	USD	27,460	85.467,65		0,13	0,12
TRACTEBEL ENERGIA SA -	6.400,00	BRL	37,150	92.820,61		0,14	0,13
ULTRAPAR PARTICIPACOES SA -	8.800,00	BRL	45,200	155.284,01		0,23	0,23
USIMINAS-USINAS SIDER. MINAS GERAIS PRAF	14.300,00	BRL	6,320	35.282,45		0,05	0,05
USINAS SIDERURGICAS DE MINAS GERAIS -	5.800,00	BRL	7,720	17.480,38		0,03	0,03
VALE SA -	32.200,00	BRL	40,130	504.464,57		0,74	0,73
VALE SA -	5.712,00	USD	19,850	89.341,42		0,13	0,13
<u>Cayman Islands</u>							
CHAODA MODERN AGRICULTURE HLDS -	636,00	HKD	1,100	71,07			
PARKSON RETAIL GROUP LTD -	83.000,00	HKD	6,860	57.841,48		0,08	0,08
SEMICONDUCTOR MANUFACTURING INTL CO -	849.000,00	HKD	0,255	21.993,03		0,03	0,03
SHIMAO PROPERTY HOLDINGS LTD -	23.552,00	HKD	11,840	28.328,05		0,04	0,04
TENCENT HOLDINGS -	22.900,00	HKD	226,000	525.752,25		0,77	0,76
XINAO GAS HOLDINGS LTD -	20.000,00	HKD	27,100	55.060,04		0,08	0,08
<u>Chile</u>							
BANCO SANTANDER CHILE ADR	4.085,00	USD	77,490	249.426,09		0,36	0,36
COMP. CERVEC. UNIDAS ADS	2.327,00	USD	62,360	114.342,23		0,17	0,17
ENDESA CHILE ADR	6.236,00	USD	51,030	250.747,05		0,37	0,36
ENERSIS SA SP ADR	16.217,00	USD	18,700	238.955,09		0,35	0,35
LAN AIRLINES SA -ADR	7.716,00	USD	26,100	158.685,37		0,23	0,23
SOC QUIMICA MINERA CHILE SA ADR "B"	4.926,00	USD	55,670	216.082,59		0,32	0,31
<u>China</u>							
AGILE PROPERTY HOLDINGS LTD -	44.000,00	HKD	9,930	44.385,30		0,07	0,06
AGRICULTURAL BANK OF CHINA -	505.000,00	HKD	3,090	158.521,10		0,23	0,23

ALIBABA.COM LTD -	48.000,00	HKD	13,440	65.535,67		0,10	0,10
ANHUI CONCH CEMENT CO LTD -	82.500,00	HKD	20,950	175.580,06		0,26	0,25
BANK OF CHINA LTD - H -	1.943.000,00	HKD	2,940	580.306,39		0,85	0,84
BANK OF COMMUNICATIONS LTD -	209.650,00	HKD	5,190	110.534,91		0,16	0,16
BBMG CORP -	51.500,00	HKD	5,370	28.094,33		0,04	0,04
CHINA BLUECHEMICAL LTD -	118.000,00	HKD	4,400	52.743,86		0,08	0,08
CHINA CITIC BANK CHINA CITIC BANK	800,00	HKD	3,950	321,01			
CHINA COAL ENERGY CO -	257.400,00	HKD	6,340	165.781,10		0,24	0,24
CHINA COMMUNICATIONS CONST-H -	153.253,00	HKD	6,770	105.398,61		0,15	0,15
CHINA CONSTRUCTION BANK -	1.415.042,00	HKD	5,290	760.435,22		1,11	1,10
CHINA GAS HOLDINGS LTD -	86.000,00	HKD	3,860	33.722,75		0,05	0,05
CHINA LIFE INSURANCE CO -	64.300,00	HKD	19,960	130.379,33		0,19	0,19
CHINA MERCHANTS BANK CO LTD -	117.173,00	HKD	14,460	172.120,68		0,25	0,25
CHINA PACIFIC INSURANCE GROUP -	53.600,00	HKD	24,900	135.581,79		0,20	0,20
CHINA RAILWAY CONSTRUCTION CORP -	273.000,00	HKD	6,410	177.769,76		0,26	0,26
CHINA SHENHUA ENERGY COMPANY LTD -	118.365,00	HKD	27,050	325.257,85		0,48	0,47
CHINA TELECOM CORP LTD -	461.873,00	HKD	3,370	158.121,05		0,23	0,23
DAPHNE INTERNATIONAL HOLDINGS -	26.000,00	HKD	7,820	20.654,63		0,03	0,03
DATANG INTER POWER GENERATION CO LTD -	600.000,00	HKD	3,040	185.294,30		0,27	0,27
DONGFENG MOTOR CORP -	124.000,00	HKD	11,900	149.901,46		0,22	0,22
DONGYUE GROUP -	127.000,00	HKD	3,590	46.316,46		0,07	0,07
EVERGRANDE REAL ESTATE GROUP -	197.000,00	HKD	3,930	78.649,51		0,12	0,11
FUJIAN ZIJIN MINING IND -	546.000,00	HKD	2,600	144.212,60		0,21	0,21
FUSHAN INTERNATIONAL ENERGY GROUP -	930.000,00	HKD	1,990	188.006,66		0,27	0,27
GOLDEN EAGLE RETAIL GROUP LTD -	18.000,00	HKD	15,740	28.781,57		0,04	0,04
GREAT WALL MOTOR CO LTD -	44.000,00	HKD	15,380	68.745,81		0,10	0,10
GUANGZHOU AUTOMOBILE GROUP CORP -	67.129,00	HKD	6,440	43.917,06		0,06	0,06
GUANGZHOU R&F PROPERTIES -	93.600,00	HKD	10,180	96.796,77		0,14	0,14
HUANENG POWER INTL "H"	152.000,00	HKD	5,820	89.867,73		0,13	0,13
IND & COMM BK OF CHINA -	1.627.919,00	HKD	4,290	709.459,00		1,04	1,03
JIANGXI COPPER COMPANY LTD. -H-	46.000,00	HKD	16,940	79.160,49		0,12	0,12
LONGFOR PROPERTIES CO LTD -	9.500,00	HKD	12,060	11.638,80		0,02	0,02
MINMETALS RESOURCES LTD -	76.000,00	HKD	3,230	24.937,52		0,04	0,04
PETROCHINA COMPANY LIMITID -	642.000,00	HKD	9,950	648.926,23		0,95	0,94
PICC PROPERTY & CASUALTY -H-	229.400,00	HKD	8,670	202.045,75		0,30	0,29
PING AN INSURANCE GROUP CO -	10.000,00	HKD	61,700	62.679,05		0,09	0,09
RENHE COMMERCIAL HOLDINGS CO LTD -	3.648.000,00	HKD	0,315	116.735,41		0,17	0,17
SHANDONG WEIGAO GP MEDICAL-H -	64.000,00	HKD	8,540	55.523,27		0,08	0,08
SHANGAI ELECTRIC GROUP CO LTD -	598.000,00	HKD	3,130	190.144,05		0,28	0,28
SINOPEC SHANGHAI PETROCHEM CO -	276.000,00	HKD	2,260	63.365,77		0,09	0,09
SINOPEC-CHINA PETROL & CHEM CORP. "A"	726.120,00	HKD	6,880	507.497,67		0,74	0,73
WUMART STORES INC -	41.000,00	HKD	15,680	65.308,11		0,10	0,09
YANZHOU COAL MINING CO LTD -	18.000,00	HKD	11,980	21.906,17		0,03	0,03
YINGDE GASES -	55.500,00	HKD	7,060	39.804,75		0,06	0,06
ZHAOJIN MINING INDUSTRY CO LTD -	37.500,00	HKD	10,100	38.476,00		0,06	0,06
<u>Colombia</u>							
BANCOLOMBIA SA -	7.013,00	USD	61,840	341.725,57		0,50	0,49
ECOPETROL SA -	9.203,00	USD	55,790	404.566,52		0,59	0,59
<u>Czech Republic</u>							
CEZ A.S. -	5.714,00	CZK	696,900	155.958,43		0,23	0,23
TELEFONICA CZECH REPUBLIC -	1.354,00	CZK	385,000	20.416,32		0,03	0,03
<u>Egypt</u>							
ORASCOM CONSTRUCTION INDUSTRIE -	5.643,00	USD	40,500	180.081,55		0,26	0,26
ORASCOM TELECOM HOLDING -GDR-	26.474,00	USD	2,500	52.151,13		0,08	0,08

<u>Hong Kong</u>							
BEIJING CAPITAL INTL.AIRPORT-H -	308.000,00	HKD	4,700	147.057,03		0,22	0,21
BELLE INTERNATIONAL HOLDINGS -	93.000,00	HKD	13,120	123.952,13		0,18	0,18
CHINA MERCHANTS HLDGS INTL -	128.000,00	HKD	23,450	304.922,90		0,45	0,44
CHINA MOBILE LTD. -	160.000,00	HKD	84,750	1.377.516,81		2,01	1,99
CHINA NATIONAL BUILDING MATERI -	110.000,00	HKD	8,290	92.636,99		0,14	0,13
CHINA OVERSEAS LAND & INVEST LTD -	134.764,00	HKD	17,980	246.150,54		0,36	0,36
CHINA RESOURCES LAND -	1.866,00	HKD	15,800	2.995,06		0,00	0,00
CHINA RESOURCES POWER HOLDINGS CO -	31,00	HKD	15,900	50,07			
CHINA UNICOM HONG KONG LTD -	146.480,00	HKD	9,760	145.233,02		0,21	0,21
CNOOC LTD -	578.578,00	HKD	15,400	905.148,54		1,32	1,31
COSCO PACIFIC -	22.000,00	HKD	10,500	23.466,55		0,03	0,03
GUANGDONG INVESTMENT -	310.000,00	HKD	5,580	175.724,82		0,26	0,25
HUABAO INTERNATIONAL HOLDINGS -	445.000,00	HKD	3,780	170.879,13		0,25	0,25
KINGBOARD CHEMICALS HOLDIGNS -	30.500,00	HKD	14,920	46.228,08		0,07	0,07
LENOVO GROUP LTD -	166.000,00	HKD	6,540	110.286,68		0,16	0,16
YUEXIU PROPERTY COMPANY LTD -	228.000,00	HKD	1,880	43.544,16		0,06	0,06
<u>Hungary</u>							
GEDEON RICHTER -	287,00	HUF	37.200,000	37.361,42		0,06	0,05
MAGYAR OLAJ-ES GAZIPARI RT. -	1.728,00	HUF	16.300,000	98.566,63		0,14	0,14
OTP BANK RT. -	2.806,00	HUF	3.570,000	35.055,36		0,05	0,05
<u>India</u>							
BNI TBK PT -	522.500,00	IDR	3.825,000	167.670,27		0,25	0,24
TAMBANG BATUBARA BUKIT ASAM TB -	141.000,00	IDR	14.650,000	173.298,60		0,25	0,25
<u>Indonesia</u>							
ANEKA TAMBANG TBK -	374.500,00	IDR	1.340,000	42.101,25		0,06	0,06
ASTRA AGRO LESTARI TBK PT -	34.000,00	IDR	20.050,000	57.191,52		0,08	0,08
CHAROEN POKHAND INDONESIA TBK -	216.998,00	IDR	3.425,000	62.352,61		0,09	0,09
INDO FOOD -	532.000,00	IDR	4.850,000	216.467,00		0,32	0,31
INDO TAMBANGRAYA MEGAH PT -	91.500,00	IDR	35.950,000	275.967,73		0,40	0,40
INDOCEMENT TUNGGAL PRAKARSA TB -	103.000,00	IDR	17.350,000	149.925,33		0,22	0,22
PERUSAHAAN GAS NEGARA PT -	424.000,00	IDR	3.525,000	125.390,11		0,18	0,18
PT ASTRA INTL REG	205.340,00	IDR	6.850,000	118.005,55		0,17	0,17
PT BANK CENTRAL ASIA TBK -	728.000,00	IDR	7.300,000	445.853,89		0,65	0,65
PT BANK MANDIRI -	326.500,00	IDR	7.200,000	197.221,38		0,29	0,29
PT BANK RAKYAT INDONESIA -	821.078,00	IDR	6.350,000	437.417,81		0,64	0,63
PT GUDANG GARAM FOREIGN	9.500,00	IDR	61.500,000	49.015,91		0,07	0,07
PT TELEKOMUNIKAS 'B' SCRIPLESS	287.979,00	IDR	8.150,000	196.905,00		0,29	0,29
PT UNITED TRACTORS -	166.000,00	IDR	21.350,000	297.333,80		0,43	0,43
SEMEN GRESIK FOREIGN	310.000,00	IDR	11.300,000	293.885,70		0,43	0,43
UNILEVER INDONESIA TBK PT -	43.000,00	IDR	22.900,000	82.611,83		0,12	0,12
<u>Malaysia</u>							
AIRASIA BHD -	161.200,00	MYR	3,570	142.803,54		0,21	0,21
ALLIANCE FINANCIAL GROUP BHD -	132.000,00	MYR	4,160	136.261,45		0,20	0,20
AMBANK HOLDINGS BERHAD -	109.033,00	MYR	6,290	170.182,28		0,25	0,25
BERJAYA SPORTS TOTO BHD -	163.900,00	MYR	4,300	174.885,23		0,26	0,25
BRITISH AMERICAN TOBACCO (MALAYSIA) -	20.500,00	MYR	56,000	284.870,59		0,42	0,41
BURSA MALAYSIA BHD -	77.500,00	MYR	6,180	118.849,10		0,17	0,17
DIGI.COM BHD -	349.400,00	MYR	4,250	368.483,09		0,54	0,53
GENTING BERHAD -	59.900,00	MYR	9,430	140.166,51		0,21	0,20
GENTING MALAYSIA BHD -	105.700,00	MYR	3,600	94.424,18		0,14	0,14
GENTING PLANTATIONS BERHAD -	50.500,00	MYR	9,300	116.541,35		0,17	0,17
HONG LEONG FINANCIAL GROUP BHD -	24.500,00	MYR	12,240	74.413,76		0,11	0,11
PETRONAS CHEMICALS GROUP BHD -	37.300,00	MYR	6,470	59.885,11		0,09	0,09
PETRONAS DAGANGAN BHD -	16.300,00	MYR	21,100	85.344,55		0,13	0,12

PETRONAS GAS BHD -	28.700,00	MYR	18,000	128.191,77		0,19	0,19
PUBLIC BANK BERHAD "FOREIGN"	15.000,00	MYR	13,780	51.291,60		0,08	0,07
SIME DARBY BERHAD -	214.322,00	MYR	9,890	525.979,45		0,77	0,76
TENAGA NASIONAL (BHD) -	95,00	MYR	6,740	158,89			
<u>Mexico</u>							
ALFA SA DE CV -	12.700,00	MXN	213,250	158.953,12		0,23	0,23
AMERICA MOVIL S.A. DE C.V. -L-	60,00	MXN	17,390	61,24			
AMERICA MOVIL S.A. DE C.V. ADR "L"	52.191,00	USD	26,060	1.071.702,36		1,57	1,55
CEMEX S.A. DE C.V. CPO	350.143,00	MXN	8,970	184.337,71		0,27	0,27
FEMSA -	57.700,00	MXN	119,030	403.096,04		0,59	0,58
GRUPO AEROPORTUARIO DEL PACIFICO SA -B-	42.900,00	MXN	52,790	132.918,44		0,19	0,19
GRUPO ELEKTRA S.A. DE C.V. CPO	2.550,00	MXN	540,080	80.830,37		0,12	0,12
GRUPO FINANC NORTE "O"	52.832,00	MXN	69,150	214.420,11		0,31	0,31
GRUPO MODELA "C"	26.600,00	MXN	117,960	184.158,89		0,27	0,27
GRUPO TELEvisa S.A. -CPO-	85.900,00	MXN	57,410	289.438,97		0,42	0,42
GRUPOMEXICO SA -B-	120.790,00	MXN	39,590	280.667,92		0,41	0,41
IND. PENOLES SA -CP-	3.700,00	MXN	574,470	124.751,38		0,18	0,18
WAL-MART DE MEXICO SA DE CV "V"	174.752,00	MXN	35,750	366.669,25		0,54	0,53
<u>Netherlands</u>							
X5 RETAIL GROUP NV -GDR-	2.128,00	USD	22,750	38.146,72		0,06	0,06
<u>Peru</u>							
CIA DE MINAS BUENAVENTURA SA -	5.172,00	USD	37,980	154.780,99		0,23	0,22
CREDICORP LTD. -	2.365,00	USD	125,890	234.599,20		0,34	0,34
SOUTHERN COPPER CORP (NYSE)	5.672,00	USD	31,510	140.827,93		0,21	0,20
<u>Philippines</u>							
ABOITIZ EQUITY VENTURES INC -	104.600,00	PHP	48,950	95.755,12		0,14	0,14
ABOITIZ POWER CORP -	77.000,00	PHP	34,150	49.176,66		0,07	0,07
AYALA LAND -	465.000,00	PHP	21,600	187.838,38		0,27	0,27
BANCO DE ORO UNIBANK INC -	208.813,00	PHP	63,400	247.585,05		0,36	0,36
INTERNATIONAL CONTAINER TERMIN -	18.600,00	PHP	73,500	25.566,89		0,04	0,04
MANILA ELECTRIC CY -	19.540,00	PHP	253,400	92.599,53		0,14	0,13
PHILIPPINE LONG DISTANCE TELEPHONE -	2,00	PHP	2.650,000	99,12			
UNIVERSAL ROBINA CORP -	46.400,00	PHP	62,950	54.624,99		0,08	0,08
<u>Poland</u>							
ASSECO POLAND SA -	11.069,00	PLN	48,800	127.542,31		0,19	0,19
BANK PEKAO SA -	3.082,00	PLN	151,500	110.248,16		0,16	0,16
BRE -	804,00	PLN	296,900	56.362,77		0,08	0,08
JASTRZEBSKA SPOLKA WEGLOWA -	1.258,00	PLN	100,000	29.703,44		0,04	0,04
KERNEL HOLDING SA -	2.660,00	PLN	60,950	38.280,84		0,06	0,06
KGHM POLSKA MIEDZ SA -	3.811,00	PLN	145,000	130.476,72		0,19	0,19
POLISH OIL & GAS -	41.357,00	PLN	4,150	40.525,02		0,06	0,06
POLSKA GRUPA ENERGETYCZNA SA -	5.509,00	PLN	19,440	25.286,87		0,04	0,04
POLSKI KONCERN NAFTOWY ORLEN SA -	14.788,00	PLN	37,410	130.624,07		0,19	0,19
POWOSZECHNA KASA OSZCZEDNOSCI BANK -	23.442,00	PLN	34,600	191.512,37		0,28	0,28
POWSZECHNY BANK KREDYTOWY SA -	3.302,00	PLN	334,000	260.405,18		0,38	0,38
TELEKOMUNIKACJA POLSKA SA -	8.931,00	PLN	15,570	32.833,32		0,05	0,05
<u>Russia</u>							
AFK SISTEMA -	5.442,00	USD	18,660	80.015,54		0,12	0,12
GAZPROM ADR NEW	73.973,00	USD	9,430	549.653,60		0,80	0,80
JSC MMC NORILSK NICKEL ADR NEW	8.620,00	USD	16,520	112.207,39		0,16	0,16
LUKOIL -	13.565,00	USD	55,750	595.893,74		0,87	0,86
MAGNIT OSJC -	8.627,00	USD	30,080	204.475,74		0,30	0,30
MECHEL OAO - ADR	2.089,00	USD	6,450	10.617,01		0,02	0,02
MOBILE TELESYSTEMS ADR	16.497,00	USD	17,200	223.582,38		0,33	0,32

NOVATEK OAO -	3.429,00	USD	106,000	286.402,96		0,42	0,41
OGK-5 OJSC -	2.216,00	USD	0,000	0,17			
RENFIN LTD -	968,00	USD	75,000	57.205,89		0,08	0,08
ROSNEFT OIL COMPANY -	70.227,00	USD	6,260	346.403,77		0,51	0,50
ROSTELECOM SPON ADR NEW	2.933,00	USD	21,930	50.682,13		0,07	0,07
SBERBANK OF RUSSIA ADR	70.253,00	USD	10,750	595.082,93		0,87	0,86
SEVERSTAL -	7.566,00	USD	11,730	69.930,80		0,10	0,10
SURGUTNEFTEGAZ OIL ADR NEW	28.912,00	USD	8,270	188.402,99		0,28	0,27
TATNEFT -	6.976,00	USD	33,550	184.417,93		0,27	0,27
TGK-5 REG S -	914,00	USD	0,000	0,07			
TMK OAO -	3.500,00	USD	12,000	33.094,32		0,05	0,05
URALKALI -	7.232,00	USD	38,280	218.139,59		0,32	0,32
VTB BANK OSJC-GDR-REG S/WI -	2.912,00	USD	3,530	8.099,72		0,01	0,01
<u>Singapore</u>							
MMI HOLDINGS LTD -	67.717,00	ZAR	18,000	117.439,64		0,17	0,17
<u>South Africa</u>							
ABSA GROUP LTD -	9.782,00	ZAR	141,200	133.078,18		0,19	0,19
AFRICAN BANK INVESTMENTS LIMITED -	39.210,00	ZAR	36,310	137.172,67		0,20	0,20
AFRICAN RAINBOW MINERALS GOLD LTD. -	5.172,00	ZAR	166,020	82.730,07		0,12	0,12
ANGLO AMERICAN PLATINUM LTD -	1.696,00	ZAR	484,790	79.218,02		0,12	0,12
ANGLOGOLD ASHANTI LTD -	10.527,00	ZAR	279,000	282.978,42		0,41	0,41
AVENG LTD -	23.039,00	ZAR	35,800	79.467,79		0,12	0,12
BIDVEST GROUP LTD -	11.056,00	ZAR	182,000	193.871,47		0,28	0,28
FIRSTRAND LTD. -	91.173,00	ZAR	26,390	231.819,58		0,34	0,34
GOLD FIELDS LTD -	18.929,00	ZAR	103,850	189.399,43		0,28	0,27
HARMONY S.AFR. REGD	10.485,00	ZAR	76,500	77.281,29		0,11	0,11
IMPALA PLATINUM HOLDINGS LTD. -	14.982,00	ZAR	135,250	195.232,25		0,29	0,28
MTN GROUP LTD. -	45.266,00	ZAR	140,920	614.595,31		0,90	0,89
NASPERS LTD N	10.514,00	ZAR	434,990	440.647,93		0,64	0,64
NORTHAM PLATINUM LTD -	13.177,00	ZAR	23,250	29.517,80		0,04	0,04
PRETORIA PORTLAND CEMENT CO LTD -	34.311,00	ZAR	26,750	88.430,41		0,13	0,13
REMGRO LIMITED /	18.570,00	ZAR	131,490	235.260,55		0,34	0,34
REUNERT LTD -	30.155,00	ZAR	68,000	197.566,24		0,29	0,29
SANLAM LIMITED -	59.058,00	ZAR	35,750	203.422,63		0,30	0,29
SASOL LTD -	14.209,00	ZAR	342,400	468.750,52		0,68	0,68
SHOPRITE HOLDINGS LTD -	14.716,00	ZAR	150,670	213.629,42		0,31	0,31
STANDARD BANK GROUP LTD -	32.812,00	ZAR	110,540	349.459,34		0,51	0,51
STEINHOFF INTL HOLD LTD -	44.569,00	ZAR	24,650	105.850,84		0,16	0,15
TIGER BRANDS LTD. -	6.718,00	ZAR	244,990	158.574,32		0,23	0,23
TRANS HEX GROUP LTD -	955,00	ZAR	3,150	289,84			
TRUWORTHS INTERNATIONAL LTD -	16.008,00	ZAR	89,520	138.070,74		0,20	0,20
WOOLWORTHS HOLDINGS LTD -	26.626,00	ZAR	50,240	128.884,31		0,19	0,19
<u>South Korea</u>							
AMORE PACIFIC CORP -	211,00	KRW	1.064.000,000	154.456,45		0,23	0,22
CJ CORP -	1.300,00	KRW	79.900,000	71.461,50		0,10	0,10
DAELIM INDUSTRIAL CO -	1.073,00	KRW	90.200,000	66.586,81		0,10	0,10
DAEWOO SECURITIES -	5,00	KRW	10.500,000	36,12			
DONGBU INSURANCE CO LTD -	2.860,00	KRW	41.950,000	82.542,95		0,12	0,12
DOOSAN HEAVY INDS & CONSTRUCTION CO -	1.844,00	KRW	57.500,000	72.947,55		0,11	0,11
DOOSAN INFRACORE CO LTD -	4.600,00	KRW	18.350,000	58.073,22		0,09	0,08
E-MART CO LTD -	400,00	KRW	250.000,000	68.798,98		0,10	0,10
GLOVISCO CO LTD -	1.522,00	KRW	217.500,000	227.748,69		0,33	0,33
HANA FINANCIAL GROUP INC -	3.671,00	KRW	36.200,000	91.427,10		0,13	0,13
HANKOOK TIRE CO LTD -	3.132,00	KRW	45.300,000	97.611,71		0,14	0,14
HUYNDAI ENGINEERING & CONSTRUCTION -	1.686,00	KRW	65.000,000	75.396,80		0,11	0,11
HYUNDAI DEPARTMENT STORE CO LTD -	1.284,00	KRW	142.000,000	125.439,80		0,18	0,18

HYUNDAI DEVELOPMENT CO -	3,00	KRW	24.150,000	49,84		
HYUNDAI HEAVY INDUSTRIES -	442,00	KRW	257.500,000	78.303,55	0,11	0,11
HYUNDAI HYSKO -	1.670,00	KRW	40.750,000	46.819,42	0,07	0,07
HYUNDAI MARINE & FIRE INSURANCE CO -	2.530,00	KRW	29.600,000	51.522,18	0,08	0,08
HYUNDAI MOBIS -	822,00	KRW	274.500,000	155.237,32	0,23	0,23
HYUNDAI MOTOR -	4.391,00	KRW	232.500,000	702.373,91	1,03	1,02
HYUNDAI SECURITIES -	29.080,00	KRW	8.490,000	169.857,24	0,25	0,25
KB FINANCIAL GROUP INC -	19.263,00	KRW	36.900,000	489.026,36	0,71	0,71
KIA MOTORS CORP. -	2.600,00	KRW	74.700,000	133.621,37	0,20	0,19
KOREA AIR -	7.469,00	KRW	50.300,000	258.471,36	0,38	0,37
KOREA ELECTRIC POWER (KEPCO) CORP -	9,00	KRW	25.650,000	158,82		
KOREA EXCHANGE BANK -	14.280,00	KRW	8.150,000	80.069,62	0,12	0,12
KOREA GAS CORP -	7.720,00	KRW	40.500,000	215.106,88	0,31	0,31
KOREA ZINC CO LTD -	241,00	KRW	385.000,000	63.835,13	0,09	0,09
KT CORPORATION -	12.540,00	KRW	30.350,000	261.841,34	0,38	0,38
KT&G CORPORATION -	2.985,00	KRW	81.200,000	166.756,33	0,24	0,24
LG CHEM LTD -	952,00	KRW	292.000,000	191.250,15	0,28	0,28
LG ENGINEERING & CONSTRUCTION CO -	1.378,00	KRW	76.300,000	72.336,21	0,11	0,11
LG PHILIPS LCD CO LTD -	3.930,00	KRW	21.350,000	57.726,13	0,08	0,08
LOTTE SHOPPING CO LTD -	661,00	KRW	311.500,000	141.658,12	0,21	0,21
MANDO CORP -	424,00	KRW	169.000,000	49.298,59	0,07	0,07
NHN CORP -	916,00	KRW	250.000,000	157.549,66	0,23	0,23
POSCO -	590,00	KRW	363.500,000	147.549,72	0,22	0,21
S-OIL CORP -	886,00	KRW	90.800,000	55.347,95	0,08	0,08
SAMSUNG CARD CO -	9.740,00	KRW	31.900,000	213.762,55	0,31	0,31
SAMSUNG ELECTRO MECHANICS CO. -	1.962,00	KRW	106.000,000	143.082,61	0,21	0,21
SAMSUNG ELECTRONICS -	3.251,00	KRW	1.201.000,000	2.686.222,32	3,92	3,89
SAMSUNG ELECTRONICS PREF	523,00	KRW	749.000,000	269.504,17	0,39	0,39
SAMSUNG ENGINEERING CO LTD -	2.173,00	KRW	179.500,000	268.352,81	0,39	0,39
SAMSUNG FIRE & MARINE INSURANCE CO -	894,00	KRW	226.000,000	139.004,20	0,20	0,20
SAMSUNG LIFE INSURANCE CO LTD -	1.008,00	KRW	93.100,000	64.564,26	0,09	0,09
SAMSUNG SDI CO LTD -	904,00	KRW	151.500,000	94.224,33	0,14	0,14
SHINHAN FINANCIAL GROUP CO LTD. -	14.586,00	KRW	39.700,000	398.390,24	0,58	0,58
SK CORP LTD -	2.100,00	KRW	132.500,000	191.433,15	0,28	0,28
SK ENERGY CO LTD -	1.776,00	KRW	138.000,000	168.618,03	0,25	0,24
SK HYNIX INC -	4.610,00	KRW	23.850,000	75.643,44	0,11	0,11
SK TELECOM CO LTD -	900,00	KRW	125.000,000	77.398,85	0,11	0,11
WOORI -	35.920,00	KRW	12.450,000	307.671,77	0,45	0,45
YUHAN CORPORATION -	1,00	KRW	133.500,000	91,85		
<u>Taiwan</u>						
ACER INC. -	50,00	TWD	30,800	40,61		
ADVANCED SEMICONDUCTOR -	117.042,00	TWD	24,450	75.455,02	0,11	0,11
ADVANTECH CO LTD -	81.100,00	TWD	98,600	210.845,97	0,31	0,31
ASUSTEK COMPUTER INC -	17.237,00	TWD	271,500	123.395,42	0,18	0,18
CHENG UEI PRECISION INDUSTRY -	62.000,00	TWD	58,900	96.288,52	0,14	0,14
CHICONY ELECTRONICS CO LTD -	125.000,00	TWD	54,800	180.616,79	0,26	0,26
CHINA MOTOR CORP -	97.000,00	TWD	27,000	69.056,26	0,10	0,10
CHINA PETROCHEMICAL DEVELOPMENT -	67.000,00	TWD	25,000	44.165,42	0,06	0,06
CHINA STEEL CORP -	553,00	TWD	28,000	408,27	0,00	0,00
COMPAL ELECTRONICS -	55.598,00	TWD	27,350	40.094,43	0,06	0,06
E-INK HOLDINGS INC -	112.000,00	TWD	32,750	96.715,67	0,14	0,14
FARGLORY LAND DEVELOPMENT CO LTD -	16.000,00	TWD	52,600	22.190,82	0,03	0,03
FIRST FINANCIAL HOLDING CO -	32,00	TWD	17,350	14,64		
FUBON FINANCIAL HOLDING CO -	535.420,00	TWD	29,800	420.705,70	0,61	0,61
HIGHWEALTH CONSTRUCTION CORP -	18.000,00	TWD	46,600	22.116,99	0,03	0,03
HIWIN TECHNOLOGIES CORP -	9.000,00	TWD	302,000	71.666,63	0,11	0,10
HON HAI PRECISION -	147.808,00	TWD	89,400	348.419,94	0,51	0,50

HOTAI MOTOR CO LTD -	8.000,00	TWD	193,000	40.711,29		0,06	0,06
HTC CORPORATION -	21.025,00	TWD	389,500	215.929,02		0,32	0,31
INNOLUX DISPLAY CORPORATION -	396.878,00	TWD	12,300	128.715,15		0,19	0,19
LARGAN PRECISION CO LTD -	3.000,00	TWD	618,000	48.885,19		0,07	0,07
LITE-ON TECHNOLOGY CORP -	91.310,00	TWD	37,300	89.803,80		0,13	0,13
PEGATRON CORP -	19.047,00	TWD	38,900	19.536,36		0,03	0,03
PHISON ELECTRONICS CORP -	23.000,00	TWD	240,000	145.548,13		0,21	0,21
PRESIDENT CHAIN STORE CORP -	26.000,00	TWD	158,500	108.660,11		0,16	0,16
PRESIDENT ENTERPRISES -	107.292,00	TWD	47,600	134.661,00		0,20	0,20
QUANTA COMPUTER INC -	55.000,00	TWD	79,400	115.146,50		0,17	0,17
RADIANT OPTO-ELECTRONICS CORP -	13.000,00	TWD	150,000	51.416,46		0,08	0,07
RICHTEK TECHNOLOGY CORP -	37.000,00	TWD	175,000	170.729,01		0,25	0,25
SHIN KONG FINANCIAL HOLDING CO -	551.000,00	TWD	8,580	124.654,06		0,18	0,18
SILICONWARE PRECISION IND. CO. -	119.000,00	TWD	31,200	97.896,94		0,14	0,14
SIMPLO TECHNOLOGY CO LTD -	28.000,00	TWD	203,500	150.241,53		0,22	0,22
TAISHIN_FINANCIAL HOLD CO -	837.000,00	TWD	11,400	251.592,59		0,37	0,36
TAIWAN CEMENT CORP -	14.596,00	TWD	35,350	13.604,76		0,02	0,02
TAIWAN SEMICONDUCTOR -	614.000,00	TWD	81,300	1.316.213,85		1,92	1,91
TATUNG CO LTD -	508.000,00	TWD	6,360	85.189,95		0,12	0,12
TPK HOLDING CO LTD -	5.183,00	TWD	374,000	51.111,70		0,08	0,07
TRIPOD TECHNOLOGY CORP -	24.000,00	TWD	84,000	53.156,71		0,08	0,08
TSRC CORP -	122.000,00	TWD	73,300	235.793,24		0,34	0,34
TUNG HO STEEL ENTERPRISE CORP -	89.000,00	TWD	29,000	68.054,30		0,10	0,10
UNITED MICRO ELECTRONICS -	412.000,00	TWD	12,900	140.137,53		0,21	0,20
WINSTRON CORPORATION -	67.760,00	TWD	36,500	65.212,94		0,10	0,09
YULON MOTOR CO LTD -	58.000,00	TWD	52,400	80.135,84		0,12	0,12
<u>Thailand</u>							
ADVANCED INFO SERVICE PUBLIC CO LTD LOCAL	60.100,00	THB	184,500	275.112,83		0,40	0,40
BANGKOK BANK PUBLIC FOREIGN	30.700,00	THB	207,000	157.669,87		0,23	0,23
BANK OF AYUDHYA PCL -	334.100,00	THB	29,500	244.533,57		0,36	0,35
CPSEVEN ELEVEN PCL FOREIGN	210.600,00	THB	35,500	185.492,65		0,27	0,27
KASIKORN BANK PLC FOR	60.700,00	THB	165,000	248.492,13		0,36	0,36
PTT CHEMICAL PLC -	45.800,00	THB	55,500	63.066,46		0,09	0,09
PTT EXPLORATION PRODUCTION (L)	33.540,00	THB	168,000	139.801,66		0,20	0,20
PTT PLC -LOC-	72,00	THB	323,000	577,00		0,00	0,00
SIAM COMM. BK. PUBL. CO. LOCAL	50.100,00	THB	147,000	182.723,77		0,27	0,26
<u>Turkey</u>							
AKBANK T.A.S. -	23.331,00	TRY	6,620	67.287,28		0,10	0,10
ANADOLU EFES BIRACILIK VE -	5.105,00	TRY	23,150	51.485,91		0,08	0,07
ARCELIK AS -	8.070,00	TRY	9,140	32.133,75		0,05	0,05
BIM BIRLESIK MAGAZALAR AS -	1.323,00	TRY	74,500	42.939,57		0,06	0,06
DOGAN SIRKETLER GRUBU HLDGS AS -	64.615,00	TRY	0,800	22.519,82		0,03	0,03
EMLAK KONUT GAYRIMENKUL YATIRI -	58.873,00	TRY	2,220	56.939,12		0,08	0,08
EREGLI DEMIR VE CELIK FABRIK -	32.065,00	TRY	2,010	28.078,18		0,04	0,04
HACI OMER SABANCI HOLDING S.A -	7.486,00	TRY	7,600	24.785,92		0,04	0,04
KOC HOLDING A.S. -	18.111,00	TRY	6,900	54.441,88		0,08	0,08
TAV HAVALIMANLARI HOLD -	8.660,00	TRY	9,720	36.671,26		0,05	0,05
TOFAS TURK OTOMOBIL FABRIKASI AS -	41.876,00	TRY	7,740	141.204,25		0,21	0,20
TURK HAVA YOLLARI AO -	35.311,00	TRY	3,180	48.919,13		0,07	0,07
TURK SISE VE CAM FABRIKALARI AS -	12.602,00	TRY	2,960	16.250,73		0,02	0,02
TURK TELEKOMUNIKASYON AS -	25.846,00	TRY	7,380	83.098,14		0,12	0,12
TURK TRAKTOR VE ZIRAAT MAKINELERI AS -	2.838,00	TRY	30,500	37.709,77		0,06	0,06
TURKCELL ILETISIM HIZMETERI A.S. -	15.368,00	TRY	9,160	61.327,39		0,09	0,09
TURKIYE GARANTI BANKASI A.S. -	110.999,00	TRY	7,100	343.335,76		0,50	0,50
TURKIYE HALK BANKASI -	30.767,00	TRY	14,150	189.663,26		0,28	0,27
TURKIYE IS BANKASI -	27.477,00	TRY	4,800	57.458,22		0,08	0,08

TURKIYE SINAI KALKINMA BANKASI AS -	33.781,00	TRY	1,840	27.078,96		0,04	0,04
<u>Zaire</u>							
GROWTHPOINT PROPERTIES LTD -	96.260,00	ZAR	23,000	213.313,42		0,31	0,31
Total shares				63.747.701,59		93,07	92,24
Options and futures							
Exchange-listed futures							
<u>Hong Kong</u>							
HANG SENG CHINA ENTERPR INDEX JUL 12	7,00	HKD	9.537,000	339.091,61		0,50	0,49
Suspense accounts (futures)							
<u>Hong Kong</u>							
HANG SENG CHINA ENTERPR INDEX JUL 12	-3.267.250,00	HKD	1,000	-331.909,43		-0,49	-0,48
Total options and futures				7.182,18		0,01	0,01
Warrants							
<u>Malaysia</u>							
IJM LAND BHD 11/09/13 CW13	13.100,00	MYR	0,790	2.568,05		0,00	0,00
Total Warrants				2.568,05		0,00	0,00
Forward contracts		EUR		-4.416,92			-0,01
TOTAL SECURITIES PORTFOLIO				68.494.000,80		100,00	99,11
COLLATERAL RECEIVED							
<u>Belgium</u>							
KBC GROUP COLLATERAL EUR	2.608.111,22	EUR	1,000	2.608.111,22			3,77
TOTAL RECEIVED COLLATERAL				2.608.111,22			3,77
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP CZK	37.446,84	CZK	1,000	1.466,61			0,00
KBC GROUP EURO	281.283,80	EUR	1,000	281.283,80			0,41
KBC GROUP GBP	331,10	GBP	1,000	409,22			0,00
KBC GROUP HKD	297.346,72	HKD	1,000	30.206,50			0,04
KBC GROUP HUF	227.958,62	HUF	1,000	797,73			0,00
KBC GROUP MXN	72.000,18	MXN	1,000	4.225,81			0,01
KBC GROUP NEW BULGAARSE LEVA	5.287,11	BGN	1,000	2.702,61			0,00
KBC GROUP PLN	6.165,88	PLN	1,000	1.455,87			0,00
KBC GROUP RON	28.163,67	RON	1,000	6.330,34			0,01
KBC GROUP SEK	30,31	SEK	1,000	3,46			
KBC GROUP SGD	0,05	SGD	1,000	0,03			
KBC GROUP THB	1.237,91	THB	1,000	30,71			
KBC GROUP TRY	7.259,10	TRY	1,000	3.162,46			0,01
KBC GROUP USD	13.558,37	USD	1,000	10.683,45			0,02
KBC GROUP ZAR	34.552,00	ZAR	1,000	3.329,03			0,01
Total demand accounts				346.087,63			0,50
Managed futures accounts							
<u>Belgium</u>							
KBC GROUP FUT. REK. HKD	404.784,36	HKD	1,000	41.120,74			0,06
Total managed futures accounts				41.120,74			0,06
TOTAL CASH AT BANK AND IN HAND				387.208,37			0,56

OTHER RECEIVABLES AND PAYABLES							
Receivables							
<u>Belgium</u>							
KBC GROUP EUR RECEIVABLE	24.485,50	EUR	1,000	24.485,50			0,04
Total receivables				24.485,50			0,04
Payables							
<u>Belgium</u>							
KBC GROUP COUNTERPART ENTRY COLLATERAL IN EUR	-2.608.111,22	EUR	1,000	-2.608.111,22			-3,77
KBC GROUP EUR PAYABLE	-183.790,44	EUR	1,000	-183.790,44			-0,27
Payables				-2.791.901,66			-4,04
TOTAL RECEIVABLES AND PAYABLES				-2.767.416,16			-4,00
OTHER							
Interest receivable		EUR		380.795,66			0,55
Accrued interest		EUR		1.007,25			0,00
Expenses payable		EUR		-19.666,55			-0,03
Expenses to be carried forward		EUR		25.970,05			0,04
TOTAL OTHER				388.106,41			0,56
TOTAL NET ASSETS				69.110.010,64			100,00

Geographic breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Argentina	0,08	0,08	0,11	0,07
Belgium	0,00	0,00	0,02	0,02
Bermuda	0,00	0,00	0,15	0,00
Brazil	15,27	15,54	15,13	13,36
Chile	1,59	1,63	1,68	1,79
China	9,39	9,65	10,52	10,65
Colombia	0,97	0,82	0,98	1,09
Czech Republic	0,45	0,40	0,49	0,26
Cayman Islands	1,28	1,32	1,06	1,01
Egypt	0,40	0,38	0,38	0,34
Hong Kong	6,35	6,29	5,51	5,82
Hungary	0,34	0,50	0,10	0,25
India	0,00	0,00	6,12	6,90
Indonesia	2,33	2,66	2,04	4,49
Ireland	0,00	0,00	0,55	0,46
Israel	0,80	0,00	0,00	0,00
South Korea	13,96	14,75	16,40	14,65
Mexico	4,63	4,57	4,69	5,10
Malaysia	2,84	3,24	2,99	3,91
Peru	0,87	0,53	0,70	0,77
Philippines	0,51	0,46	0,63	1,10
Poland	1,47	1,57	1,55	1,71
Russia	6,53	6,77	5,87	5,62
Thailand	1,61	1,76	1,54	2,19
Turkey	1,62	1,32	1,52	2,08
Taiwan	11,35	11,13	11,41	8,50
U.S.A.	7,47	7,24	0,00	0,00
British Virgin Islands	0,05	0,00	0,00	0,00
South Africa	7,56	7,07	7,55	7,55
Congo	0,28	0,32	0,31	0,31
Total	100,00	100,00	100,00	100,00

Sector breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Cyclicals	30,04	31,12	30,96	29,66
Consum(cycl)	7,13	8,04	8,96	8,74
Cons.goods	6,01	6,44	7,11	8,26
Pharma	0,26	0,34	0,56	0,63
Financials	35,89	33,43	24,00	24,81
Technology	8,27	8,68	13,63	13,92
Telecomm.	6,67	6,82	7,98	8,17
Utilities	3,78	3,29	4,22	3,61
Real est.	1,83	1,75	2,50	2,11
Unit trusts	0,12	0,09	0,09	0,08
Various	0,00	0,00	-0,01	0,01
Total	100,00	100,00	100,00	100,00

Currency breakdown (as a % of net assets)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
ARS	0,08	0,08	0,11	0,07
BRC	6,47	0,00	0,00	0,00
BRL	6,36	12,66	11,37	11,73
CZK	0,45	0,40	0,49	0,26
EUR	1,17	0,33	0,21	0,12
HKD	16,94	17,30	17,74	18,05
HUF	0,34	0,51	0,11	0,25
IDR	2,32	2,72	2,21	4,93
INR	0,00	0,00	5,93	6,43
KRW	13,89	14,71	16,35	14,60
MXN	3,08	3,05	3,28	3,53
MYR	2,83	3,26	2,98	3,89
PHP	0,50	0,50	0,63	1,10
PLN	1,48	1,57	1,56	1,71
RON	0,01	0,01	0,01	0,01
THB	1,61	1,85	1,53	2,18
TRY	1,15	1,14	1,53	2,08
TWD	11,30	11,40	11,37	8,48
USD	22,22	21,07	14,75	12,74
ZAR	7,80	7,44	7,84	7,84
Total	100,00	100,00	100,00	100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC EQUITY FUND NEW MARKETS (IN THE CURRENCY OF THE SUB-FUND)

	1st half of year	Year
Purchases	34.401.655,46	34.401.655,46
Sales	32.996.401,06	32.996.401,06
Total 1	67.398.056,52	67.398.056,52
Subscriptions	22.285.836,28	22.285.836,28
Redemptions	20.694.007,29	20.694.007,29
Total 2	42.979.843,57	42.979.843,57
Monthly average of total assets	77.194.244,36	77.194.244,36
Turnover rate	31,63 %	31,63 %

	1st half of year	Year
Purchases	34.401.655,46	34.401.655,46
Sales	32.996.401,06	32.996.401,06
Total 1	67.398.056,52	67.398.056,52
Subscriptions	22.285.836,28	22.285.836,28
Redemptions	20.694.007,29	20.694.007,29
Total 2	42.979.843,57	42.979.843,57
Monthly average of total assets	75.327.655,94	75.327.655,94
Corrected turnover rate	32,42 %	32,42 %

The table above shows the capital volume of portfolio transactions. This volume (adjusted to take account of total subscriptions and redemptions) is also compared to the average net assets at the beginning and end of the period.

A figure close to 0% implies that the transactions relating to the securities or transactions relating to the assets (excluding deposits and cash) in a given period only involve subscriptions and redemptions.

A negative percentage shows that subscriptions and redemptions entailed few, if any, transactions in the portfolio.

Active asset management may result in high turnover rates (monthly percentage >50%).

The detailed list of transactions is available for consultation free of charge at the registered office of the Bevek or fund at Havenlaan 2, 1080 Brussels.

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

NAME	Currency	Value in currency	In the currency of the sub-fund	Lot-size	Transaction date
KBC COLLATERAL EUR	EUR	2.608.111,22	2.608.111,22	N/A	29.06.2012
HANGSCHE 07/12/2012	HKD	3.337.949,99	339.091,61	50,00	26.06.2012
KBC AK-VK HKD-EUR 121214-120615 9.733874	HKD	3.500.000,00	355.553,75	N/A	15.06.2012

2.4.4 CHANGES OF THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND THE NET ASSET VALUE

Classic Shares

Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2010 - 06	10.781,73	13.655,39	8.567,38	3.438,00	47.809,71	14.744,39	62.554,09
2011 - 06	19.271,75	7.074,45	21.037,40	3.243,00	46.044,06	18.575,84	64.619,90
2012 - 06	4.024,83	1.331,86	18.075,81	8.647,83	31.993,09	11.259,87	43.252,95

Period	Amounts received and paid by the UCI (in the currency of the class)				
Year	Subscriptions		Redemptions		
	Capitalization	Distribution	Capitalization	Distribution	
2010 - 06	13.206.454,39	12.652.682,73	10.958.153,74	3.319.434,77	
2011 - 06	28.900.244,02	8.063.987,44	30.849.981,53	3.623.041,63	
2012 - 06	5.752.524,00	1.460.377,83	24.286.789,41	8.888.616,25	

Period	Net asset value End of period (in the currency of the class)			
Year	Of the class	Of one share		
		Capitalization	Distribution	
2010 - 06	82.241.908,76	1.395,96	1.051,35	
2011 - 06	88.409.941,65	1.473,11	1.108,01	
2012 - 06	57.135.160,20	1.413,48	1.058,07	

Institutional B Shares

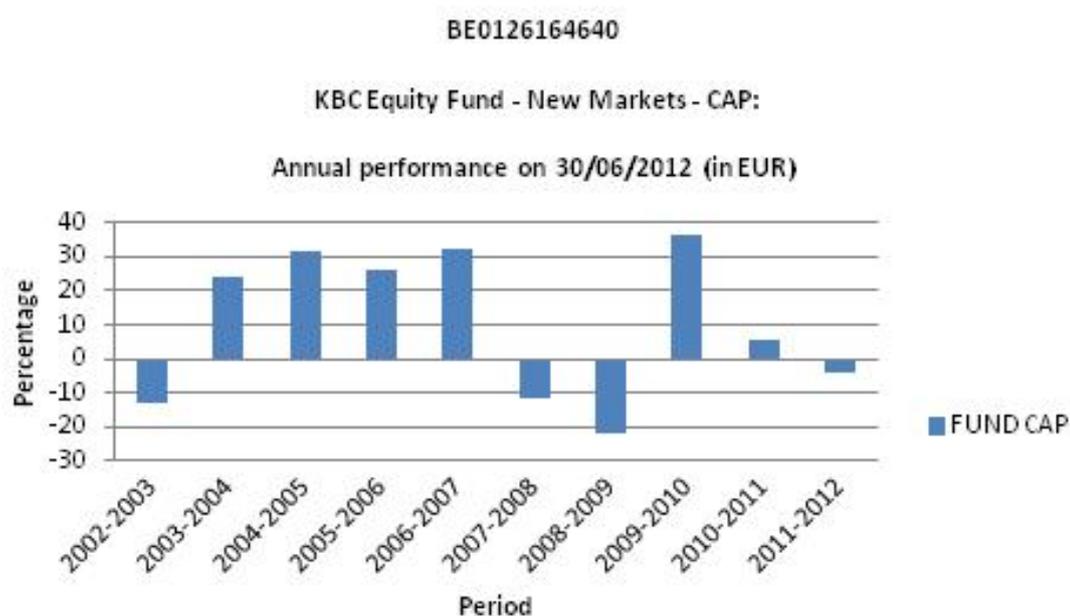
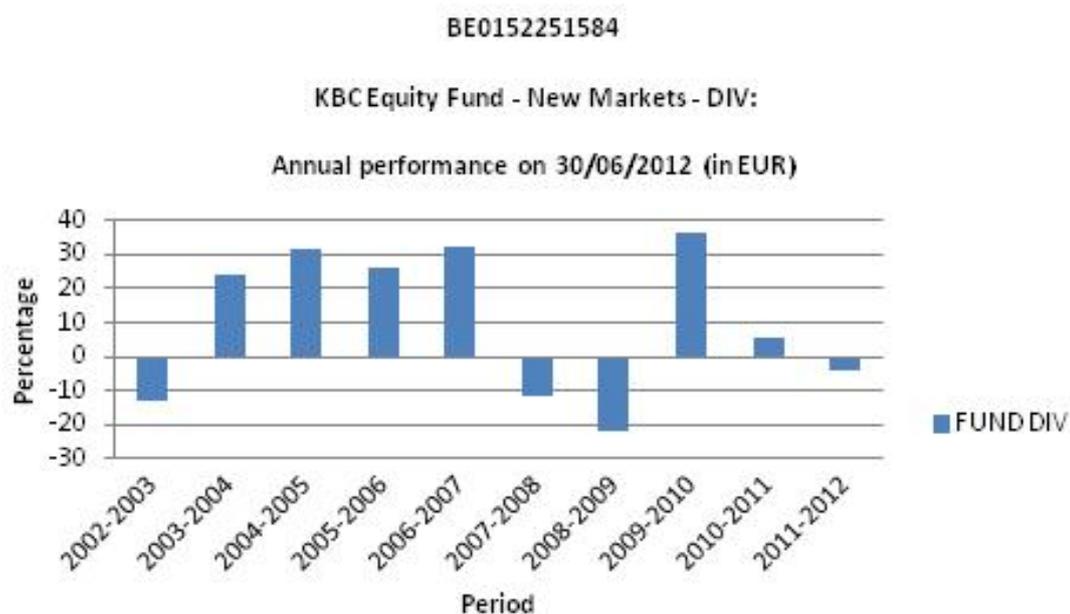
Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2012 - 06	18.052,00		9.581,00		8.471,00		8.471,00

Period	Amounts received and paid by the UCI (in the currency of the class)				
Year	Subscriptions		Redemptions		
	Capitalization	Distribution	Capitalization	Distribution	
2012 - 06	25.178.994,07		13.721.445,15		

Period	Net asset value End of period (in the currency of the class)			
Year	Of the class	Of one share		
		Capitalization	Distribution	
2012 - 06	11.974.850,44	1.413,63		

2.4.5 PERFORMANCE FIGURES

Classic Shares



Cap Div	ISIN code	Cur- rency	1 Year		3 Years*		5 Years*		10 Years*		Since launch*	
			Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Launch Date	Share classes
CAP	BE0126164640	EUR	-4.05%		11.47%		-0.79%		8.59%		17/04/1991	5.06%
DIV	BE0152251584	EUR	-4.04%		11.46%		-0.79%		8.57%		17/04/1991	5.05%

Risk warning: Past performance is not a guide to future performance.

* Return on annual basis.

Institutional B Shares

The cumulative returns are shown where they relate to a period of at least one year.

Classic Shares

- The bar chart shows the performance for full financial years.
- The figures do not take account of any restructuring.
- Calculated in EUR (ex BEF).
- The return is calculated as the change in the net asset value between two dates expressed as a percentage. In the case of units that pay dividends, the dividend is incorporated geometrically in the return.
- Calculation method for date D, where NAV stands for net asset value:

Capitalisation units (CAP)

Return on date D over a period of X years:

$$[\text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where $Y = D - X$

Return on date D since the start date S of the unit:

$$[\text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where $F = 1$ if the unit has existed for less than one year on date D

where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D

Distribution units (DIV)

Return on date D over a period of X years:

$$[C * \text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where $Y = D - X$

Return on date D since the start date S of the unit:

$$[C * \text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where $F = 1$ if the unit has existed for less than one year on date D

where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D

where C is a factor that is determined for all N dividends between the calculation date D and the reference date.

For dividend i on date Di with value Wi:

$$C_i = [W_i / \text{NIW}(D_i)] + 1$$

$i = 1 \dots N$

from which $C = C_0 * \dots * C_N$.

- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the n^{th} square root of 1 plus the total return of the unit.
- The return figures shown above do not take account of the fees and charges associated with the issue and redemption of units.

These are the performance figures for capitalisation and distribution shares.

2.4.6 COSTS

Total expense ratio (TER): *

Classic Shares Distribution: 1.895%
Classic Shares Capitalization: 1.895%
Institutional B Shares Capitalization: Not applicable

Percentage calculated at the end of the financial year: 31 December

* The following costs have not been included in the TER:

- Transaction charges
- Interest payments on loans taken out
- Payments in respect of financial derivatives
- Fees and charges paid directly by the investor
- Any soft commissions

SOFT COMMISSIONS

The management company or the appointed manager, as the case may be, is the recipient of soft commissions.

The recipient has laid down an internal policy as regards accepting soft commissions and avoiding possible conflicts of interest in this respect, and has put appropriate internal controls in place to ensure this policy is observed.

For more information, please see the 'General' section of the annual report.

	Commission gross in EUR paid during the period: 1-01-12 -	CSA Credits in EUR accrued during the period: 1-01-12 -	
Broker	30-06-12	30-06-12	Percentage
CITI	18,643	11,651	62.49%
CSFBSAS	5,100	2,747	53.86%
DEUTSCHE	179	52	29.03%
HSBC	420	105	25.00%
MORGAN STANLEY	3,117	1,714	54.99%
NOMURA	18,746	11,710	62.47%
UBSWDR	3,196	1,970	61.63%
WOOD	432	108	25.00%

FEE-SHARING AGREEMENTS AND REBATES:

The management company may share its fee with the distributor, and institutional and/or professional parties.

In principle, the percentage share amounts to between 35% and 60% if the distributor is an entity of KBC Group NV or to between 35% and 70% if the distributor is not an entity of KBC Group NV. However, in a small number of cases, the distributor's fee is less than 35%. Investors may, on request, obtain more information on these cases.

If the management company invests the assets of the undertaking for collective investment in units of undertakings for collective investment that are not managed by an entity of KBC Group NV, and receives a fee for doing so, it will pay this fee to the undertaking for collective investment.

Fee-sharing does not affect the amount of the management fee paid by the sub-fund to the management company. This management fee is subject to the limitations laid down in the articles of association. The limitations may only be amended after approval by the general meeting of shareholders.

The management company has concluded a distribution agreement with the distributor in order to facilitate the wider distribution of the sub-fund's units by using multiple distribution channels. It is in the interests of the holders of units, the sub-fund and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund to be maximised in this way. In this respect, there is therefore no question of any conflict of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: 1.5% per annum calculated on the basis of the average total net assets of the sub-fund, excluding those assets invested in investment undertakings managed by a financial institution of the KBC group.

KBC Fund Management Limited receives a fee from the management company of max. 1.5% calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the average total net assets of the sub-fund.

Auditor's fee: 1 700 EUR per year. This fee is not including VAT and will be increased at the end of the 3-year mandate.

The custody fee is calculated on the value of the securities held in custody by the custodian on the final banking day of the preceding calendar year, except on those assets invested in investment undertakings managed by a financial institution of the KBC group. The custody fee is paid at the beginning of the calendar year.

Social, ethical and environmental aspects:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

Exercising voting rights

If necessary, relevant and in the interest of the shareholders, the management company will exercise the voting rights attached to the shares in the Bevek's portfolio.

The management company will adhere to the following criteria when determining how it stands relative to the items on the agenda that are put to the vote:

- Shareholder value may not be adversely affected.
- Corporate governance rules, especially with regard to the rights of minority shareholders, must be respected.
- The minimum standards with regard to sustainable business and corporate social responsibility must be met.

The list of companies for which voting rights are exercised is available at the registered office of the Bevek.

Financial derivatives on financial indices

The following financial indices were used as the underlying for financial derivatives:

The **Hang Seng China Enterprises Index** is a capitalization-weighted index comprised of state-owned Chinese companies (H-Shares) listed on the Stock Exchange of Hong Kong. The base value of this index is 2000 as of January 3, 2000.

The Stock Exchange of Hong Kong has all proprietary rights with respect to the index. In no way the Stock Exchange of Hong Kong endorses, sponsors or is otherwise involved in the issue and offering the shares of this undertaking for collective investment. The Stock Exchange of Hong Kong disclaims any liability for the issue and offering of the shares of this undertaking for collective investment.

The value and, if available for distribution, the composition of the aforementioned financial indices may be obtained from the branches providing the financial service.

Name	Maximum management fee
Horizon-Access India Fund-Classic Shares	1,50
KBC Equity Fund-New Markets-Classic Shares	1,50
KBC Equity Fund-New Markets-Institutional B Shares	1,50

Securities lending

In accordance with the Royal Decree of 7 March 2006 concerning securities lending, the undertaking for collective investment has taken out securities loans with a principal to whom the full title of the loaned securities was transferred, without recording this transfer of ownership in the accounts.

For the period from 1 January 2012 to 30 June 2012, the fee for securities lent comes to 6,959.88 EUR. KBC Asset Management NV receives 50% of the net fee received for securities lent.

The detailed list of securities lending transactions carried out can be obtained from the registered office of the collective investment undertaking at 2 Havenlaan, 1080 Brussels.

Overview of securities lent as at 30/06/2012

Name	Currency	Quantity	Price	Value in currency of the portfolio
AGRICULTURAL BANK OF CHINA -H	HKD	260.000	3,090	81.614,82
ANGLO AMERICAN PLATINUM LTD	ZAR	1.581	484,790	73.846,52
ANHUI CONCH CEMENT CO LTD -H-	HKD	64.999	20,950	138.333,68
BANK OF COMMUNICATIONS CO -H-	HKD	77.078	5,190	40.638,25
BANK PEKAO SA	PLN	3.081	151,500	110.212,39
CHINA OVERS LAND INV	HKD	124.763	17,980	227.883,41
CHINA RAILWAY CONSTRUCTIO-H-	HKD	272.999	6,410	177.769,11
EVERGRANDE REAL ESTATE GROUP LTD	HKD	154.998	3,930	61.880,79
GREAT WALL MOTOR CO LTD -H-	HKD	25.000	15,380	39.060,12
GUANGZHOU R&F PROPERTIES COMP.LTD	HKD	26.400	10,180	27.301,65
JASTRZEBSKA SPOLKA WEGLOWA S	PLN	1.257	100,000	29.679,83
JIANGXI COPPER -H-	HKD	37.999	16,940	65.391,72
KGHM POLSKA MIEDZ SA	PLN	3.810	145,000	130.442,48
MAGYAR OLAJ-ES (BUD)	HUF	1.727	16.300,000	98.509,59
OTP BANK RT.	HUF	2.805	3.570,000	35.042,87
POLISH OIL & GAS	PLN	41.356	4,150	40.524,04
POLSKA GRUPA ENERGETYCZNA SA	PLN	5.508	19,440	25.282,28
POLSKI KONCERN NAFTO	PLN	14.787	37,410	130.615,24
POWSZECHNA KASA OSZC	PLN	23.441	34,600	191.504,20
POWSZECHNY ZAKLAD UBEZPIECZEN SA	PLN	3.301	334,000	260.326,31
STEINHOFF INTL HOLDINGS LTD	ZAR	44.568	24,650	105.848,46
TELEKOMUNIKACJA POLS	PLN	8.930	15,570	32.829,64
TIGER BRANDS LTD	ZAR	6.717	244,990	158.550,71
ZIJIN MINING GROUP CO -H-	HKD	513.999	2,600	135.760,32
			Total	2.418.848,43

Details of collateral received for securities lent

Name	Currency	Nominal value	Currency fund	Value in Currency fund
OESTERREICH 2007 4.3% 15/09/17	EUR	278.000	EUR	326.649,17
FLEMISH 2009 3,875% 20/07/2016	EUR	1.050.000	EUR	1.174.651,80
GERMANY 2009 2,25% 11/04/14	EUR	492.000	EUR	513.551,08
FRANCE 2001 3% 25/07/2012	EUR	45.000	EUR	57.537,86
OAT FRANCE 2005 3 1/2% 25/04/15	EUR	39.000	EUR	42.268,63
OAT FRANCE 2005 3% 25/10/15	EUR	198.000	EUR	215.456,08
FRANCE 2010 3,50% 25/04/2026	EUR	96.000	EUR	100.335,55
FRANCE 2007 4,50% 12/07/2012	EUR	170.000	EUR	177.661,05
			Total	2.608.111,22

For the valuation of the collateral received, indicative prices have been used in this detail list by the Collateral Management Division of KBC Bank.

TABLE OF CONTENTS

- 2. Information on KBC Equity Fund New Asia
 - 2.1. Management report
 - 2.1.1. Launch date and subscription price
 - 2.1.2. Stock exchange listing
 - 2.1.3. Aim and distinctive features of the investment policy
 - 2.1.4. Financial portfolio management
 - 2.1.5. Distributors
 - 2.1.6. Index and benchmark
 - 2.1.7. Policy conducted during the financial year
 - 2.1.8. Future policy
 - 2.1.9. Synthetic risk and reward indicator (SRRI)
 - 2.2. Balance sheet
 - 2.3. Profit and loss account
 - 2.4. Composition of the assets and key figures
 - 2.4.1. Composition of the assets
 - 2.4.2. Change in the composition of the assets
 - 2.4.3. Value of commitments in respect of financial derivatives positions
 - 2.4.4. Evolution of the number of subscriptions, repayments and the net asset value
 - 2.4.5. Return figures
 - 2.4.6. Expenses
 - 2.4.7. Notes to the financial statements and other data

2 INFORMATION ON KBC EQUITY FUND NEW ASIA

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Classic Shares :

Launch date: 28 January 1994

Initial subscription price: 20000 BEF

Currency: EUR

Institutional B Shares :

Launch date: 24 November 2011

Initial subscription price: 444.36 EUR

Currency: EUR

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

The main objective of this sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. To this end, the assets are invested, either directly or indirectly via correlated financial instruments, primarily in shares.

SUB-FUND'S INVESTMENT POLICY:

PERMITTED ASSET CLASSES:

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the sub-fund's object.

The sub-fund shall invest no more than 10% of its assets in units of other undertakings for collective investment.

RESTRICTIONS OF THE INVESTMENT POLICY:

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

PERMITTED DERIVATIVES TRANSACTIONS:

Derivates may be used either for hedging purposes or to achieve investment objectives.

Changes will be made to the investments at regular intervals to comply with the sub-fund's investment strategy. **In addition, listed and unlisted derivates may be used to achieve the objectives:** these may be forward contracts, options or swaps on securities, indices, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions. **Such derivatives may also be used to hedge the assets against exchange-rate fluctuations.** Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions.

STRATEGY SELECTED

At least 75% of the assets are invested in shares of companies in Asian countries where conditions are such as to allow on accelerated economic growth in the short or medium term.

RISK CONCENTRATION

Asian shares.

LENDING FINANCIAL INSTRUMENTS:

The sub-fund may lend financial instruments within the limits set by law and regulations.

This lending does not affect the sub-fund's risk profile since:

- it takes place within the framework of a securities lending system managed by a principal. In addition, the sub-fund has a relationship only with the principal of the securities lending system which acts as counterparty and to which title of the loaned securities is transferred. The choice of principal is subject to strict selection criteria. The return of securities similar to the securities that have been lent is guaranteed by the principal.
- through a margin management system, the sub-fund is always guaranteed financial security, the actual value of which always exceeds the actual value of the securities that have been lent, in case the principal does not return similar securities.

The return of securities similar to the securities that have been lent can be requested at any time, which means that the lending of securities does not affect the management of the sub-fund's assets. By lending securities, the sub-fund can generate an additional return. The principal pays a fee to the management company. After deducting the fee for the margin management and clearing services of KBC Bank, most of this fee is paid to the sub-fund.

The relationship with the counterparty or counterparties is governed by standard international agreements.

More information is provided on the terms and conditions governing securities lending in the annual or half-yearly report for the sub-fund.

VOLATILITY OF THE NET ASSET VALUE:

The volatility of the net asset value may be high due to the composition of the portfolio.

GENERAL STRATEGY FOR HEDGING THE EXCHANGE RATE RISK:

In order to protect its assets against exchange rate fluctuations and within the limitations laid down in the articles of association, the sub-fund may perform transactions relating to the sale of forward currency contracts, as well as the sale of call options and the purchase of put options on currencies. The transactions in question may relate solely to contracts traded on a regulated market that operates regularly, is recognised and is open to the public or that are traded with a recognised, prime financial institution specialising in such transactions and dealing in the over-the-counter (OTC) market in options. With the same objective, the sub-fund may also sell currencies forward or exchange them in private transactions with prime financial institutions specialising in such transactions. The hedging objective of the aforementioned transactions suggests that there is a direct link between these transactions and the assets to be hedged, which implies that the transactions carried out in a particular currency may in principle not exceed, in terms of volume, either the valuation value of all the assets in the same currency or the holding period of those assets.

SOCIAL, ETHICAL AND ENVIRONMENTAL ASPECTS:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

THE EUROPEAN SAVINGS DIRECTIVE AND TAX ON DEBT CLAIM RETURNS OBTAINED THROUGH THE REDEMPTION OF OWN UNITS OR IN THE EVENT OF FULL OR PARTIAL DISTRIBUTION OF EQUITY CAPITAL.

The following information is of a general character and is not intended to cover all aspects of an investment in a UCITS. In certain cases entirely different rules might even apply. Moreover, both tax law and the interpretation of it can change. Investors who wish to have more information about the tax implications – in both Belgium and abroad – of acquiring, holding and transferring units should seek the advice of their usual financial and tax advisers.

This UCITS shall invest a maximum of 15% of its assets directly or indirectly in debt instruments as intended by the European Savings Directive.

A. European Savings Directive (Directive 2003/48/EC)

The European Savings Directive has been implemented in Belgium through:

- The Law of 17 May 2004 transposing into Belgian law Directive 2003/48/EC of 3 June 2003 of the Council of the European Union on taxation of savings income in the form of interest payments and amending Income Tax Code 1992 on withholding tax;
- The Royal Decree of 27 September 2009 implementing Article 338bis § 2 of Income Tax Code 1992;
- The Royal Decree of 27 September 2009 concerning the entry into effect of Article 338bis § 2, paragraphs one to three, of Income Tax Code 1992;

Since this UCITS invests a maximum of 15% of its assets directly or indirectly in debt claims as intended by the European Savings Directive, the income of this UCITS does not fall within the scope of this directive.

B. Tax on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital (Article 19bis Income Tax Code 1992).

The income from this UCITS is not subject to the tax on debt instrument returns as intended by Article 19bis, Income Tax Code 1992.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company has delegated the intellectual management, to KBC Fund Management Limited, Joshua Dawson House, Dawson Street, Dublin 2, IRELAND..

2.1.5 DISTRIBUTORS

KBC Asset Management S.A., 5, Place de la Gare, L-1616 Luxembourg.

2.1.6 INDEX AND BENCHMARK

See 'Sub-fund's investment policy'.

2.1.7 POLICY PERSUED DURING THE FINANCIAL YEAR

KBC Equity Fund New Asia fund invests in emerging markets in Asia, that is, in the countries of China, Korea, Taiwan, India, Philippines, Malaysia, Thailand and Indonesia.

While this fund invests in emerging Asia, the main drivers of performance over the first half of 2012 came from outside the region. The changing situation in Europe was the primary concern for investors over the period, however there was also negative news concerns with regard to growth in China.

Throughout the quarter, the situation in Europe continued to evolve. Towards the beginning of the year, there was positive news from Greece as the country secured acceptance of their debt swap offer. The ECB continued to extend liquidity to European banks through the LTRO. In Russia, despite some unrest, Putin won the Russian presidential election. Markets were largely strong over this period, with both emerging and developed markets rising and with Emerging Asia outperforming.

Moving into the second quarter, the situation in Europe worsened. In May, French socialist, Francois Hollande won the French presidential election. Following parliamentary elections in Greece, it was not possible to form a government. Anti-austerity parties gained seats in this election, causing growing fears that the country would not remain in the euro. A second election was called for mid-May with the uncertainty continuing in the meantime. At this stage, concern spread to the situation in Spain, with growth disappointing further and banks coming under more pressure. Despite initially stating that the country did not need a bailout, by the end of June, Spain had requested assistance from Europe and the IMF. In mid May, the second Greek election took place, with the New Democracy winning narrowly and forming a government. Throughout this period of uncertainty, markets were very weak, with most regions reversing most of the gains achieved in Q1. On the final day of the quarter, EU leaders agreed that Europe would support troubled banks directly, without the need for local governments to add to their debt levels. This saw a significant rally on the final day of the first half.

While the volatility globally continued, Asian investors were also concerned about weakening growth in China. Growth was slower than most expected, with the official growth target being lowered to 7.5%. Most domestic activity metrics were weak – industrial production, investment and retail sales. On the positive side, inflation continued to fall, leaving room for policy makers to make changes if needed. While there was some slowdown in employment growth, there was no mass unemployment as was seen in 2008/2009. Following this slowdown, Chinese authorities began to take steps to boost growth. Initially the focus was on increasing investment, with particular focus on water and other environmental areas, utilities, railways and social housing. However at the beginning of June, the People's Bank of China took the decision to lower lending and deposit rates by 25bps. They also took steps to liberalise the interest rate regime, seen as a significant positive.

So overall, the markets were very volatile during the first half of 2012 and while some concerns eased towards the end of the period, the volatility is likely to continue going forward. Over the six month period, Equity Fund New Asia ended up in mid single digits. This was in the context of a very strong rise in Q1 and losing some of these gains in Q2.

At a country level within the fund, the best performing country was the Philippines which rose by 28.1% in euro terms over the first half. Thailand also saw strong gains. The worst performing country was Indonesia, the only country ending the period in negative territory, down 1.6%. In terms of sectors, the defensives outperformed with Utilities and Healthcare up 14.2% and 13.3% respectively. The worst performing sectors were Consumer Discretionary and Energy which were only up 0.2% and 1.9% respectively. However all sectors ended the sector with positive returns.

2.1.8 FUTURE POLICY

Globally, while recent moves by policy makers have been positive, we still expect turbulence in markets going forward. Europe has clearly made some steps forward, however the problems are not yet resolved and the growth outlook continues to be a concern. Budgetary cuts to control spending across the region have negative implications on demand in the context of international trade. This is a concern for Asia, where has is driven by both domestic and international factors.

With regard to emerging Asian equities, we continue to believe in the structural case for the Asian economic story. Despite the ongoing problems in Europe, with the ensuing impact on trade, Asian economies continue to have a relatively good growth outlook in a global context. Inflation is under control allowing room for policy makers to take actions as deemed appropriate. With regard to equity markets, valuations are attractive. In the near term, concerns will continue to exist regarding the situation in China and the chance of an economic hard landing. However, the steps taken by the PBOC in June show their willingness to support growth if needed.

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

Classic Shares: 6 on a scale of 1 (lowest risk) to 7 (highest risk).

Institutional B Shares: 6 on a scale of 1 (lowest risk) to 7 (highest risk).

The value of a share can decrease or increase and the investor may not get back the amount invested.

In accordance with Commission Regulation (EU) No. 583/2010, a synthetic risk and reward indicator has been calculated. This indicator provides a quantitative measure of the sub-fund's potential return and the risk involved, calculated in the currency in which the sub-fund is denominated. It is given as a figure between 1 and 7. The higher the figure, the greater the potential return, but also the more difficult it is to predict this return. Losses are possible too. The lowest figure does not mean that the investment is entirely free of risk. However, it does indicate that, compared with the higher figures, this product will generally provide a lower, but more predictable return.

The synthetic risk and reward indicator is assessed regularly and can therefore go up or down based on data from the past. Data from the past is not always a reliable indicator of future risk and return.

The most recent indicator can be found under the 'Risk and reward profile' heading in the 'Key Investor Information' document.

2.2 BALANCE SHEET

Balance sheet layout	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
TOTAL NET ASSETS	275.469.979,36	239.478.016,57
II. Securities, money market instruments, UCIs and derivatives		
A. Bonds and other debt instruments		
a) Bonds	843.520,40	
a) Collateral received in the form of bonds	25.047.945,13	20.729.722,06
C. Shares and similar instruments		
a) Shares	248.542.220,78	226.318.496,85
Of which securities lent	23.290.977,47	19.434.777,95
D. Other securities	30,19	79,18
E. Open-end undertakings for collective investment	22.699.432,68	12.119.276,59
F. Derivative financial instruments		
j) Foreign exchange		
Futures and forward contracts (+/-)	-10.109,00	
m) Financial indices		
Futures and forward contracts (+/-)	17.442,45	
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable	476.705,93	2.898.675,56
B. Payables		
a) Accounts payable (-)	-498.835,44	-403.350,90
c) Borrowings (-)	-185.288,02	-3.167.478,21
d) Collateral (-)	-25.047.945,13	-20.729.722,06
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	1.868.286,61	459.496,76
VI. Accruals and deferrals		
A. Expense to be carried forward	72.560,28	147.337,19
B. Accrued income	1.808.285,44	1.275.731,64
C. Accrued expense (-)	-164.272,94	-170.248,09
TOTAL SHAREHOLDERS' EQUITY	275.469.979,36	239.478.016,57
A. Capital	266.328.054,19	267.539.357,31
B. Income equalization	-139.915,27	138.084,45
D. Result for the period	9.281.840,44	-28.199.425,19

Off-balance-sheet headings

I	Collateral (+/-)		
I.A	Collateral (+/-)		
I.A.A	Securities/market instruments	25.047.945,13	20.729.722,06
III	Notional amounts of futures and forward contracts		
III.A	Purchased futures and forward contracts	1.737.789,27	
IX	Financial instruments lent	23.290.977,47	19.434.777,95

2.3 PROFIT AND LOSS ACCOUNT

Income Statement	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
I. Net gains(losses) on investments		
A. Bonds and other debt instruments		
a) Bonds	-91.885,60	
C. Shares and similar instruments		
a) Shares	1.459.535,37	-7.695.520,50
D. Other securities	8.655,01	-14.926,83
E. Open-end undertakings for collective investment	-495.592,71	-1.057.974,98
F. Derivative financial instruments		
I) Financial indices		
Futures and forward contracts	-20.155,95	
H. Foreign exchange positions and transactions		
a) Derivative financial instruments		
Futures and forward contracts	-16.133,74	
b) Other foreign exchange positions and transactions	6.937.519,46	-19.279.862,83
II. Investment income and expenses		
A. Dividends	3.752.822,29	2.990.439,24
B. Interests		
a) Securities and money market instruments	275.308,28	118.011,39
b) Cash at bank and in hand and deposits	4.790,93	10.009,27
C. Interest on borrowings (-)	-6.821,80	-5.186,57
III. Other income		
A. Income received to cover the acquisition and realization of assets, to discourage withdrawals and for delivery charges	413.025,19	

IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-719.969,03	-664.752,10
B. Financial expenses (-)	-1.616,82	-3.686,95
C. Custodian's fee (-)	-68.596,79	-120.555,23
D. Manager's fee (-)		
a) Financial management		
Classic Shares	-951.534,99	-2.126.128,81
Institutional B Shares	-900.893,73	
b) Administration and accounting management	-131.943,23	-128.431,01
E. Administrative expenses (-)	-499,40	20,38
F. Formation and organisation expenses (-)	-13.476,11	-11.755,75
G. Remuneration, social security charges and pension	-23,20	-52,75
H. Services and sundry goods (-)	-23.731,88	-24.986,77
J. Taxes		
Classic Shares	-47.251,30	-90.597,98
Institutional B Shares	-5.808,36	
K. Other expenses (-)	-73.881,45	-93.486,41
Income and expenditure for the period		
Subtotal II + III + IV	1.499.898,60	-151.140,05
V. Profit (loss) on ordinary activities before tax	9.281.840,44	-28.199.425,19
VII. Result for the period	9.281.840,44	-28.199.425,19

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC EQUITY FUND NEW ASIA

Name	Quantity on 30/06/2012	Currency	Price in currency	Evaluation (in the currency of the sub-fund)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
Investment funds							
Open-end funds							
UCITS registered with the FSMA							
<u>Belgium</u>							
HORIZON ACCESS INDIA FD KAP	31.375,29	USD	918,170	22.699.432,68	20,27	8,35	8,24
Total investment funds				22.699.432,68		8,34	8,24
Bonds							
Corporate bonds							
<u>Ireland</u>							
D-STAR FINANCE PLC SUB 14/05/13	1.324.000,00	EUR	63,710	843.520,40		0,31	0,31
Total bonds				843.520,40		0,31	0,31
Shares							
Exchange-listed shares							
<u>Cayman Islands</u>							
CHAODA MODERN AGRICULTURE HLDS -	3.202.078,00	HKD	1,100	357.817,69		0,13	0,13
NORSTAR FOUNDERS GROUP LTD -	5.008.000,00	HKD	0,000	0,00			
SEMICONDUCTOR MANUFACTURING INTL CO -	3.911.000,00	HKD	0,255	101.313,01		0,04	0,04
SHIMAO PROPERTY HOLDINGS LTD -	475.000,00	HKD	11,840	571.324,08		0,21	0,21
SOHO CHINA LTD -	210.000,00	HKD	5,900	125.866,03		0,05	0,05
TENCENT HOLDINGS -	125.900,00	HKD	226,000	2.890.489,45		1,06	1,05
XINAO GAS HOLDINGS LTD -	414.000,00	HKD	27,100	1.139.742,78		0,42	0,41
<u>China</u>							
AGILE PROPERTY HOLDINGS LTD -	508.000,00	HKD	9,930	512.448,44		0,19	0,19
AGRICULTURAL BANK OF CHINA -	2.789.000,00	HKD	3,090	875.475,93		0,32	0,32
ANGANG NEW STEEL CO LTD -	1.840,00	HKD	4,220	788,80			
ANHUI CONCH CEMENT CO LTD -	514.000,00	HKD	20,950	1.093.916,98		0,40	0,40
ANTA SPORTS PRODUCTS LTD -	534.000,00	HKD	4,680	253.877,57		0,09	0,09
BANK OF CHINA LTD - H -	11.902.300,00	HKD	2,940	3.554.802,21		1,31	1,29
CHINA BLUECHEMICAL LTD -	932.000,00	HKD	4,400	416.587,09		0,15	0,15
CHINA COAL ENERGY CO -	1.326.000,00	HKD	6,340	854.023,85		0,31	0,31
CHINA COMMUNICATIONS CONST-H -	1.477.000,00	HKD	6,770	1.015.795,73		0,37	0,37
CHINA COMMUNICATIONS SERVICES -	350.000,00	HKD	3,820	135.821,53		0,05	0,05
CHINA CONSTRUCTION BANK -	9.304.490,00	HKD	5,290	5.000.177,99		1,84	1,82
CHINA GAS HOLDINGS LTD -	662.000,00	HKD	3,860	259.586,74		0,10	0,09
CHINA LIFE INSURANCE CO -	433.000,00	HKD	19,960	877.982,08		0,32	0,32
CHINA LIFE INSURANCE CO -	227.000,00	TWD	27,800	166.394,20		0,06	0,06
CHINA MERCHANTS BANK CO LTD -	570.000,00	HKD	14,460	837.298,60		0,31	0,30
CHINA PACIFIC INSURANCE GROUP -	331.600,00	HKD	24,900	838.785,83		0,31	0,30
CHINA RAILWAY CONSTRUCTION CORP -	2.097.500,00	HKD	6,410	1.365.831,79		0,50	0,50
CHINA SHENHUA ENERGY COMPANY LTD -	682.000,00	HKD	27,050	1.874.083,18		0,69	0,68

CHINA SOUTHERN AIRLINES CO LTD -	892.000,00	HKD	3,400	308.092,40		0,11	0,11
CHINA TELECOM CORP LTD -	904.000,00	HKD	3,370	309.482,11		0,11	0,11
DAPHNE INTERNATIONAL HOLDINGS -	286.000,00	HKD	7,820	227.200,88		0,08	0,08
DATANG INTER POWER GENERATION CO LTD -	2.938.000,00	HKD	3,040	907.324,41		0,33	0,33
DONGFANG ELECTRIC CORP LTD -	415.000,00	HKD	15,680	661.045,53		0,24	0,24
DONGFENG MOTOR CORP -	934.000,00	HKD	11,900	1.129.096,49		0,42	0,41
DONGYUE GROUP -	835.000,00	HKD	3,590	304.521,63		0,11	0,11
EVERGRANDE REAL ESTATE GROUP -	1.482.000,00	HKD	3,930	591.667,85		0,22	0,22
FUJIAN ZIJIN MINING IND -	2.880.000,00	HKD	2,600	760.681,85		0,28	0,28
FUSHAN INTERNATIONAL ENERGY GROUP -	5.724.000,00	HKD	1,990	1.157.150,69		0,43	0,42
GOLDEN EAGLE RETAIL GROUP LTD -	424.000,00	HKD	15,740	677.965,83		0,25	0,25
GREAT WALL MOTOR CO LTD -	269.000,00	HKD	15,380	420.286,88		0,15	0,15
GUANGZHOU AUTOMOBILE GROUP CORP -	450.000,00	HKD	6,440	294.398,50		0,11	0,11
GUANGZHOU R&F PROPERTIES -	724.400,00	HKD	10,180	749.140,78		0,28	0,27
HUANENG POWER INTL "H"	1.552.000,00	HKD	5,820	917.596,86		0,34	0,33
IND & COMM BK OF CHINA -	9.435.545,00	HKD	4,290	4.112.079,49		1,51	1,49
JIANGSU EXPRESSWAY COMP LTD -	70.000,00	HKD	7,240	51.484,18		0,02	0,02
JIANGXI COPPER COMPANY LTD. -H-	303.000,00	HKD	16,940	521.426,68		0,19	0,19
LONGFOR PROPERTIES CO LTD -	178.000,00	HKD	12,060	218.074,32		0,08	0,08
MINMETALS RESOURCES LTD -	624.000,00	HKD	3,230	204.750,20		0,08	0,07
PETROCHINA COMPANY LIMITID -	3.666.000,00	HKD	9,950	3.705.550,70		1,36	1,35
PICC PROPERTY & CASUALTY -H-	1.543.799,00	HKD	8,670	1.359.712,44		0,50	0,49
PING AN INSURANCE GROUP CO -	62.000,00	HKD	61,700	388.610,09		0,14	0,14
RENHE COMMERCIAL HOLDINGS CO LTD -	17.610.000,00	HKD	0,315	563.517,14		0,21	0,21
SHANDONG WEIGAO GP MEDICAL-H -	800.000,00	HKD	8,540	694.040,92		0,26	0,25
SHANGAI ELECTRIC GROUP CO LTD -	2.490.000,00	HKD	3,130	791.736,93		0,29	0,29
SINOPEC SHANGHAI PETROCHEM CO -	684.000,00	HKD	2,260	157.036,92		0,06	0,06
SINOPEC-CHINA PETROL & CHEM CORP. "A"	4.606.000,00	HKD	6,880	3.219.212,09		1,18	1,17
WEICHAI POWER CO LTD -	54.000,00	HKD	30,550	167.587,72		0,06	0,06
WUMART STORES INC -	294.000,00	HKD	15,680	468.306,95		0,17	0,17
YANZHOU COAL MINING CO LTD -	310.000,00	HKD	11,980	377.273,00		0,14	0,14
YINGDE GASES -	421.000,00	HKD	7,060	301.942,34		0,11	0,11
ZHAOJIN MINING INDUSTRY CO LTD -	288.500,00	HKD	10,100	296.008,66		0,11	0,11
ZHEJIANG EXPRESSWAY CO. -	874.000,00	HKD	5,110	453.700,81		0,17	0,17
<u>Hong Kong</u>							
BEIJING CAPITAL INTL.AIRPORT-H -	648.000,00	HKD	4,700	309.392,71		0,11	0,11
BEIJING ENTERPRISES HOLD LTD -	68.000,00	HKD	46,500	321.217,42		0,12	0,12
BELLE INTERNATIONAL HOLDINGS -	533.000,00	HKD	13,120	710.392,33		0,26	0,26
CHIANE LONGYUAN POWER GROUP CORP -	177.000,00	HKD	5,050	90.803,35		0,03	0,03
CHINA EVERBRIGHT-IHD PAC LTD -	340.000,00	HKD	10,920	377.171,42		0,14	0,14
CHINA INSURANCE INTERNATIONAL -	338.800,00	HKD	12,540	431.596,74		0,16	0,16
CHINA MERCHANTS HLDGS INTL -	352.000,00	HKD	23,450	838.537,96		0,31	0,30
CHINA MOBILE LTD. -	1.204.000,00	HKD	84,750	10.365.814,01		3,81	3,76
CHINA NATIONAL BUILDING MATERI -	1.000.000,00	HKD	8,290	842.154,45		0,31	0,31
CHINA OVERSEAS LAND & INVEST LTD -	1.284.320,00	HKD	17,980	2.345.849,53		0,86	0,85
CHINA RESOURCES POWER HOLDINGS CO -	799,00	HKD	15,900	1.290,57			
CHINA UNICOM HONG KONG LTD -	885.844,00	HKD	9,760	878.302,83		0,32	0,32
CNOOC LTD -	4.457.000,00	HKD	15,400	6.972.693,47		2,56	2,53
COSCO PACIFIC -	410.000,00	HKD	10,500	437.331,11		0,16	0,16
ESPRIT HOLDINGS LTD. -	9,00	HKD	9,890	9,04			
GUANGDONG INVESTMENT -	1.384.000,00	HKD	5,580	784.526,30		0,29	0,29
HUABAO INTERNATIONAL HOLDINGS -	1.983.000,00	HKD	3,780	761.468,13		0,28	0,28
KINGBOARD CHEMICALS HOLDIGNS -	284.500,00	HKD	14,920	431.209,49		0,16	0,16
YUEXIU PROPERTY COMPANY LTD -	2.384.000,00	HKD	1,880	455.303,85		0,17	0,17
ZHUZHOU CSR TIMES ELECTRIC CO -	91.000,00	HKD	20,950	193.670,13		0,07	0,07

<u>India</u>							
BHARAT HEAVY ELECTRICALS LTD -	93.835,00	INR	232,450	307.828,76		0,11	0,11
BHARTI AIRTEL LTD -	54.668,00	INR	305,050	235.352,60		0,09	0,09
BNI TBK PT -	2.680.500,00	IDR	3.825,000	860.172,53		0,32	0,31
GAIL INDIA LTD -	88.358,00	INR	352,100	439.062,85		0,16	0,16
HINDUSTAN LEVER LTD. -	94.050,00	INR	454,500	603.264,09		0,22	0,22
HOUSING DEV. FIN. CORP. LTD. -	55.775,00	INR	653,200	514.162,67		0,19	0,19
ICICI BANK LTD. P.N.01/07/05	22.645,00	INR	899,500	287.467,19		0,11	0,10
INFOSYS LTD -	4.224,00	INR	2.509,200	149.580,15		0,06	0,05
OIL & NATURAL GAS CORP LTD -	130.488,00	INR	284,850	524.567,75		0,19	0,19
RELIANCE INDUSTRIES LTD SP GDR "144A"	23.345,00	USD	26,500	487.465,53		0,18	0,18
STERLITE INDUSTRIES INDIA LTD -	293.812,00	INR	102,700	425.848,15		0,16	0,16
SUN PHARMACEUTICAL INDS LTD -	85.817,00	INR	635,800	770.031,76		0,28	0,28
TAMBANG BATUBARA BUKIT ASAM TB -	659.500,00	IDR	14.650,000	810.570,41		0,30	0,29
TATA CONSULTANCY SVS LTD -	57.798,00	INR	1.277,450	1.042.009,09		0,38	0,38
<u>Indonesia</u>							
ANEKA TAMBANG TBK -	1.927.500,00	IDR	1.340,000	216.689,32		0,08	0,08
CHAROEN POKHAND INDONESIA TBK -	1.943.882,00	IDR	3.425,000	558.558,66		0,21	0,20
INDO FOOD -	2.822.500,00	IDR	4.850,000	1.148.455,07		0,42	0,42
INDO TAMBANGRAYA MEGAH PT -	434.000,00	IDR	35.950,000	1.308.961,71		0,48	0,48
INDOCEMENT TUNGGAL PRAKARSA TB -	831.500,00	IDR	17.350,000	1.210.319,56		0,45	0,44
PERUSAHAAN GAS NEGARA PT -	1.907.000,00	IDR	3.525,000	563.959,78		0,21	0,21
PT ASTRA INTL REG	1.323.560,00	IDR	6.850,000	760.628,38		0,28	0,28
PT BANK CENTRAL ASIA TBK -	3.840.500,00	IDR	7.300,000	2.352.062,99		0,86	0,85
PT BANK MANDIRI -	2.912.500,00	IDR	7.200,000	1.759.287,22		0,65	0,64
PT BANK RAKYAT INDONESIA -	5.145.000,00	IDR	6.350,000	2.740.926,71		1,01	1,00
PT GUDANG GARAM FOREIGN	61.000,00	IDR	61.500,000	314.733,72		0,12	0,11
PT TELEKOMUNIKAS 'B' SCRIPTLESS	1.770.500,00	IDR	8.150,000	1.210.575,44		0,45	0,44
PT UNITED TRACTORS -	358.515,00	IDR	21.350,000	642.160,41		0,24	0,23
SEMEN GRESIK FOREIGN	1.684.000,00	IDR	11.300,000	1.596.462,97		0,59	0,58
UNILEVER INDONESIA TBK PT -	170.000,00	IDR	22.900,000	326.604,92		0,12	0,12
VALE INDONESIA TBK -	1.016.000,00	IDR	2.675,000	228.011,01		0,08	0,08
<u>Malaysia</u>							
AIRASIA BHD -	1.181.300,00	MYR	3,570	1.046.487,75		0,39	0,38
ALLIANCE FINANCIAL GROUP BHD -	607.900,00	MYR	4,160	627.525,25		0,23	0,23
AMBANK HOLDINGS BERHAD -	236.400,00	MYR	6,290	368.980,87		0,14	0,13
BERJAYA SPORTS TOTO BHD -	313.200,00	MYR	4,300	334.191,92		0,12	0,12
BRITISH AMERICAN TOBACCO (MALAYSIA) -	41.100,00	MYR	56,000	571.130,80		0,21	0,21
BURSA MALAYSIA BHD -	129.100,00	MYR	6,180	197.979,60		0,07	0,07
DIGI.COM BHD -	2.256.200,00	MYR	4,250	2.379.426,29		0,87	0,86
GENTING BERHAD -	388.100,00	MYR	9,430	908.157,27		0,33	0,33
GENTING MALAYSIA BHD -	651.100,00	MYR	3,600	581.642,22		0,21	0,21
HONG LEONG FINANCIAL GROUP BHD -	94.400,00	MYR	12,240	286.720,76		0,11	0,10
IOI CORP BERHAD -	619.700,00	MYR	5,190	798.094,99		0,29	0,29
KUALA LUMPUR KEPONG BERHAD -	202.700,00	MYR	22,940	1.153.859,40		0,42	0,42
LAFARGE MALAYAN CEMENT BHD -	30.500,00	MYR	7,300	55.249,51		0,02	0,02
MAXIS COMMUNICATIONS BHD -	235.000,00	MYR	6,390	372.627,11		0,14	0,14
PARKSON HOLDINGS BHD -	309.000,00	MYR	4,580	351.179,93		0,13	0,13
PETRONAS CHEMICALS GROUP BHD -	314.900,00	MYR	6,470	505.571,60		0,19	0,18
PETRONAS DAGANGAN BHD -	92.000,00	MYR	21,100	481.699,30		0,18	0,18
PETRONAS GAS BHD -	287.100,00	MYR	18,000	1.282.364,33		0,47	0,47
PPB GROUP BHD -	21.900,00	MYR	15,980	86.841,36		0,03	0,03
PUBLIC BANK BERHAD -	82,00	MYR	13,760	279,99			
SIME DARBY BERHAD -	984.176,00	MYR	9,890	2.415.320,64		0,89	0,88

<u>Philippines</u>							
ABOITIZ EQUITY VENTURES INC -	599.200,00	PHP	48,950	548.532,21		0,20	0,20
ABOITIZ POWER CORP -	424.600,00	PHP	34,150	271.174,18		0,10	0,10
ALLIANCE GLOBAL GROUP INC -	679.800,00	PHP	11,540	146.711,65		0,05	0,05
AYALA CORP -	68.950,00	PHP	469,200	605.020,24		0,22	0,22
AYALA LAND -	1.999.000,00	PHP	21,600	807.503,06		0,30	0,29
BANCO DE ORO UNIBANK INC -	950.992,00	PHP	63,400	1.127.570,63		0,41	0,41
BANK OF THE PHILIPPINE ISLAND -	427.999,00	PHP	74,600	597.116,70		0,22	0,22
INTERNATIONAL CONTAINER TERMIN -	144.700,00	PHP	73,500	198.899,41		0,07	0,07
JOLLIBEE FOODS -	28.100,00	PHP	104,200	54.758,52		0,02	0,02
MANILA ELECTRIC CY -	9.490,00	PHP	253,400	44.972,85		0,02	0,02
METROP. BANK & TRUST -	307.000,00	PHP	92,500	531.077,30		0,20	0,19
PHILIPPINE LONG DISTANCE TELEPHONE -	7,00	PHP	2.650,000	346,91			
SM PRIME HOLDINGS -	1.237.500,00	PHP	13,020	301.324,07		0,11	0,11
UNIVERSAL ROBINA CORP -	205.200,00	PHP	62,950	241.574,30		0,09	0,09
<u>South Korea</u>							
AMORE PACIFIC CORP -	927,00	KRW	1.064.000,000	678.583,57		0,25	0,25
CELLTRION INC -	10.774,00	KRW	30.300,000	224.595,77		0,08	0,08
CJ CORP -	8.210,00	KRW	79.900,000	451.306,84		0,17	0,16
DAELIM INDUSTRIAL CO -	4.453,00	KRW	90.200,000	276.338,38		0,10	0,10
DGB FINANCIAL GROUP INC -	9.490,00	KRW	13.850,000	90.426,97		0,03	0,03
DONGBU INSURANCE CO LTD -	19.776,00	KRW	41.950,000	570.758,51		0,21	0,21
DONGKUK STEEL MILL CO LTD -	24.520,00	KRW	15.300,000	258.103,49		0,10	0,09
DOOSAN HEAVY INDS & CONSTRUCTION CO -	29.303,00	KRW	57.500,000	1.159.209,43		0,43	0,42
DOOSAN INFRACORE CO LTD -	25.700,00	KRW	18.350,000	324.452,53		0,12	0,12
E-MART CO LTD -	2.480,00	KRW	250.000,000	426.553,65		0,16	0,16
GLOVISCO CO LTD -	11.004,00	KRW	217.500,000	1.646.614,06		0,61	0,60
HANKOOK TIRE CO LTD -	16.810,00	KRW	45.300,000	523.899,39		0,19	0,19
HYUNDAI DEPARTMENT STORE CO LTD -	6.507,00	KRW	142.000,000	635.698,41		0,23	0,23
HYUNDAI HEAVY INDUSTRIES -	2.049,00	KRW	257.500,000	362.995,44		0,13	0,13
HYUNDAI HYSKO -	6.880,00	KRW	40.750,000	192.884,81		0,07	0,07
HYUNDAI MARINE & FIRE INSURANCE CO -	19.690,00	KRW	29.600,000	400.976,95		0,15	0,15
HYUNDAI MOBIS -	4.739,00	KRW	274.500,000	894.975,27		0,33	0,33
HYUNDAI MOTOR -	35.079,00	KRW	232.500,000	5.611.153,35		2,06	2,04
HYUNDAI SECURITIES -	92.570,00	KRW	8.490,000	540.704,43		0,20	0,20
KANGWON LAND INC -	6.200,00	KRW	24.350,000	103.865,81		0,04	0,04
KB FINANCIAL GROUP INC -	135.840,00	KRW	36.900,000	3.448.545,93		1,27	1,25
KIA MOTORS CORP. -	16.970,00	KRW	74.700,000	872.136,41		0,32	0,32
KOREA AIR -	25.867,00	KRW	50.300,000	895.150,43		0,33	0,33
KOREA EXCHANGE BANK -	119.290,00	KRW	8.150,000	668.872,94		0,25	0,24
KOREA GAS CORP -	44.220,00	KRW	40.500,000	1.232.127,75		0,45	0,45
KOREA ZINC CO LTD -	1.358,00	KRW	385.000,000	359.701,69		0,13	0,13
KT CORPORATION -	83.633,00	KRW	30.350,000	1.746.297,96		0,64	0,63
KT&G CORPORATION -	20.751,00	KRW	81.200,000	1.159.249,82		0,43	0,42
LG CHEM LTD -	5.697,00	KRW	292.000,000	1.144.487,48		0,42	0,42
LOTTE CONFECTIONERY CO LTD -	136,00	KRW	1.564.000,000	146.338,17		0,05	0,05
LOTTE SHOPPING CO LTD -	5.571,00	KRW	311.500,000	1.193.914,39		0,44	0,43
LS INDUSTRIAL SYSTEMS -	4.130,00	KRW	64.700,000	183.838,43		0,07	0,07
MANDO CORP -	2.230,00	KRW	169.000,000	259.282,70		0,10	0,09
NHN CORP -	14.599,00	KRW	250.000,000	2.510.990,64		0,92	0,91
POSCO -	5.798,00	KRW	363.500,000	1.449.988,65		0,53	0,53
S-OIL CORP -	15.150,00	KRW	90.800,000	946.412,48		0,35	0,34
SAMSUNG CARD CO -	35.900,00	KRW	31.900,000	787.892,76		0,29	0,29
SAMSUNG ELECTRONICS -	20.394,00	KRW	1.201.000,000	16.851.066,73		6,19	6,12
SAMSUNG ELECTRONICS PREF	1.568,00	KRW	749.000,000	807.997,19		0,30	0,29
SAMSUNG ENGINEERING CO LTD -	15.694,00	KRW	179.500,000	1.938.117,38		0,71	0,70

SAMSUNG FIRE & MARINE INSURANCE CO -	5.077,00	KRW	226.000,000	789.400,83		0,29	0,29
SAMSUNG LIFE INSURANCE CO LTD -	6.976,00	KRW	93.100,000	446.825,68		0,16	0,16
SHINHAN FINANCIAL GROUP CO LTD. -	128.009,00	KRW	39.700,000	3.496.334,60		1,29	1,27
SK CORP LTD -	16.263,00	KRW	132.500,000	1.482.513,02		0,55	0,54
SK ENERGY CO LTD -	10.343,00	KRW	138.000,000	981.991,18		0,36	0,36
SK HYNIX INC -	31.270,00	KRW	23.850,000	513.095,54		0,19	0,19
SK TELECOM CO LTD -	17.450,00	KRW	125.000,000	1.500.677,67		0,55	0,55
WOONGJIN COWAY CO LTD -	15.880,00	KRW	35.600,000	388.939,88		0,14	0,14
WOORI -	274.770,00	KRW	12.450,000	2.353.534,89		0,87	0,85
YUHAN CORPORATION -	2.128,00	KRW	133.500,000	195.449,64		0,07	0,07
<u>Taiwan</u>							
ACER INC. -	522,00	TWD	30,800	423,92			
ADVANCED SEMICONDUCTOR -	592.000,00	TWD	24,450	381.652,50		0,14	0,14
ADVANTECH CO LTD -	200.000,00	TWD	98,600	519.965,41		0,19	0,19
ASUSTEK COMPUTER INC -	113.958,00	TWD	271,500	815.797,17		0,30	0,30
CHENG UEI PRECISION INDUSTRY -	600.000,00	TWD	58,900	931.824,41		0,34	0,34
CHICONY ELECTRONICS CO LTD -	554.000,00	TWD	54,800	800.493,60		0,29	0,29
CHINA MOTOR CORP -	828.000,00	TWD	27,000	589.469,91		0,22	0,21
CHINA PETROCHEMICAL DEVELOPMENT -	532.700,00	TWD	25,000	351.148,04		0,13	0,13
CHINA STEEL CORP -	18.289,00	TWD	28,000	13.502,54		0,01	0,01
E-INK HOLDINGS INC -	360.000,00	TWD	32,750	310.871,81		0,11	0,11
FAR EASTONE TELECOMMUNICATIONS -	350.000,00	TWD	64,700	597.090,09		0,22	0,22
FORMOSA CHEM & FIBRE -	23.650,00	TWD	78,400	48.889,40		0,02	0,02
FORMOSA INTERNATIONAL HOTELS CORP -	28.000,00	TWD	317,000	234.037,17		0,09	0,09
FORMOSA PLASTICS -	602.260,00	TWD	79,800	1.267.227,10		0,47	0,46
FUBON FINANCIAL HOLDING CO -	3.606.000,00	TWD	29,800	2.833.410,68		1,04	1,03
HIWIN TECHNOLOGIES CORP -	68.680,00	TWD	302,000	546.896,03		0,20	0,20
HON HAI PRECISION -	1.027.761,00	TWD	89,400	2.422.686,35		0,89	0,88
HOTAI MOTOR CO LTD -	59.000,00	TWD	193,000	300.245,74		0,11	0,11
HTC CORPORATION -	145.867,00	TWD	389,500	1.498.069,81		0,55	0,54
INNOLUX DISPLAY CORPORATION -	3.049.000,00	TWD	12,300	988.849,22		0,36	0,36
KINSUS INTERCONNECT TECHNOLOGY -	151.000,00	TWD	81,400	324.092,43		0,12	0,12
LARGAN PRECISION CO LTD -	76.000,00	TWD	618,000	1.238.424,71		0,46	0,45
LITE-ON TECHNOLOGY CORP -	1.130.000,00	TWD	37,300	1.111.360,14		0,41	0,40
MSTAR SEMICONDUCTOR INC -	66.000,00	TWD	199,000	346.309,62		0,13	0,13
PEGATRON CORP -	271.000,00	TWD	38,900	277.962,64		0,10	0,10
PHISON ELECTRONICS CORP -	196.000,00	TWD	240,000	1.240.323,16		0,46	0,45
POU CHEN CORP. -	430.000,00	TWD	25,450	288.551,80		0,11	0,11
PRESIDENT CHAIN STORE CORP -	345.000,00	TWD	158,500	1.441.836,12		0,53	0,52
PRESIDENT ENTERPRISES -	648.963,00	TWD	47,600	814.506,26		0,30	0,30
RADIANT OPTO-ELECTRONICS CORP -	116.000,00	TWD	150,000	458.793,01		0,17	0,17
REALTEK SEMICONDUCTOR CORP. -	351.000,00	TWD	54,100	500.693,46		0,18	0,18
RICHTEK TECHNOLOGY CORP -	267.000,00	TWD	175,000	1.232.017,42		0,45	0,45
SHIN KONG FINANCIAL HOLDING CO -	2.067.000,00	TWD	8,580	467.622,40		0,17	0,17
SILICONWARE PRECISION IND. CO. -	583.000,00	TWD	31,200	479.612,72		0,18	0,17
SIMPLIO TECHNOLOGY CO LTD -	233.000,00	TWD	203,500	1.250.224,12		0,46	0,45
TAISHIN_FINANCIAL HOLD CO -	4.695.950,00	TWD	11,400	1.411.548,66		0,52	0,51
TAIWAN CEMENT CORP -	836.625,00	TWD	35,350	779.808,20		0,29	0,28
TAIWAN FERTILIZER CO LTD -	103.000,00	TWD	68,300	185.492,12		0,07	0,07
TAIWAN SEMICONDUCTOR -	4.726.587,00	TWD	81,300	10.132.246,37		3,72	3,68
TATUNG CO LTD -	2.267.000,00	TWD	6,360	380.168,54		0,14	0,14
TECO ELECTRIC AND MACHINERY CO -	865.000,00	TWD	19,300	440.190,79		0,16	0,16
TPK HOLDING CO LTD -	64.081,00	TWD	374,000	631.929,20		0,23	0,23
TRIPOD TECHNOLOGY CORP -	262.000,00	TWD	84,000	580.294,05		0,21	0,21
TSRC CORP -	419.000,00	TWD	73,300	809.814,48		0,30	0,29
U-MING MARINE TRANSPORT CORP -	305.000,00	TWD	47,500	381.997,91		0,14	0,14
UNITED MICRO ELECTRONICS -	3.321.000,00	TWD	12,900	1.129.603,75		0,42	0,41

WINSTRON CORPORATION -	1.083.110,00	TWD	36,500	1.042.396,56		0,38	0,38
YANG MING MARINE TRANSPORT COR -	1.051.000,00	TWD	13,350	369.957,23		0,14	0,13
YULON MOTOR CO LTD -	782.000,00	TWD	52,400	1.080.452,25		0,40	0,39
<u>Thailand</u>							
ADVANCED INFO SERVICE PUBLIC CO LTD LOCAL	402.400,00	THB	184,500	1.842.019,99		0,68	0,67
BANGKOK BANK PUBLIC LOCAL	260.700,00	THB	191,500	1.238.653,42		0,46	0,45
BANK OF AYUDHYA PCL -	1.749.952,00	THB	30,000	1.302.528,96		0,48	0,47
BANK OF AYUDHYA PCL -	420.648,00	THB	29,500	307.879,55		0,11	0,11
BEC WORLD PUBLIC CO. LTD. -	80.800,00	THB	50,500	101.237,81		0,04	0,04
CPSEVEN ELEVEN PCL FOREIGN	1.543.000,00	THB	35,500	1.359.046,37		0,50	0,49
KASIKORNBANK PLC FOR	147.600,00	THB	165,000	604.241,15		0,22	0,22
KASIKORNBANK PLC LOC	273.400,00	THB	162,000	1.098.888,23		0,40	0,40
PTT CHEMICAL PLC -	293.100,00	THB	55,500	403.597,81		0,15	0,15
PTT EXPLORATION PRODUCTION (L)	172.300,00	THB	168,000	718.182,07		0,26	0,26
SIAM CEMENT PUBLIC CO LTD FOREIGN	24.900,00	THB	362,000	223.639,19		0,08	0,08
SIAM COMM. BK. PUBL. CO. LOCAL	507.000,00	THB	147,000	1.849.120,83		0,68	0,67
THAI OIL PUBLIC CO LTD -FRGN-	191.200,00	THB	57,500	272.769,45		0,10	0,10
Total shares				248.542.220,78		91,35	90,23
Options and futures							
Exchange-listed futures							
<u>Hong Kong</u>							
HANG SENG CHINA ENTERPR INDEX JUL 12	17,00	HKD	9.537,000	823.508,20		0,30	0,30
Suspense accounts (futures)							
<u>Hong Kong</u>							
HANG SENG CHINA ENTERPR INDEX JUL 12	-7.934.750,00	HKD	1,000	-806.065,75		-0,30	-0,29
Total options and futures				17.442,45		0,01	0,01
Warrants							
<u>Malaysia</u>							
IJM CORP BHD 24/10/14	62,00	MYR	1,580	24,31			
IJM LAND BHD 11/09/13 CW13	30,00	MYR	0,790	5,88			
Total Warrants				30,19			
Forward contracts		EUR		-10.109,00			0,00
TOTAL SECURITIES PORTFOLIO				272.092.537,50		100,00	98,77
COLLATERAL RECEIVED							
<u>Belgium</u>							
KBC GROUP COLLATERAL EUR	25.047.945,13	EUR	1,000	25.047.945,13			9,10
TOTAL RECEIVED COLLATERAL				25.047.945,13			9,09
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP EURO	1.400.683,62	EUR	1,000	1.400.683,62			0,51
KBC GROUP GBP	825,01	GBP	1,000	1.019,66			
KBC GROUP HKD	1.203.304,83	HKD	1,000	122.239,87			0,04
KBC GROUP MYR	0,05	MYR	1,000	0,01			
KBC GROUP SEK	9.390,71	SEK	1,000	1.072,06			
KBC GROUP SGD	25.699,19	SGD	1,000	15.985,07			0,01
KBC GROUP THB	13.191.307,98	THB	1,000	327.286,32			0,12

KBC GROUP USD	-217.502,79	USD	1,000	-171.383,49			-0,06
Total demand accounts				1.696.903,12			0,62
Managed futures accounts							
<u>Belgium</u>							
KBC GROUP FUT. REK. HKD	-136.873,44	HKD	1,000	-13.904,53			-0,01
Total managed futures accounts				-13.904,53			-0,01
TOTAL CASH AT BANK AND IN HAND				1.682.998,59			0,61
OTHER RECEIVABLES AND PAYABLES							
Receivables							
<u>Belgium</u>							
KBC GROUP EUR RECEIVABLE	181.255,64	EUR	1,000	181.255,64			0,07
KBC GROUP TWD TE ONTVANGEN	11.205.129,50	TWD	1,000	295.450,29			0,11
Total receivables				476.705,93			0,17
Payables							
<u>Belgium</u>							
KBC GROUP COUNTERPART ENTRY COLLATERAL IN EUR	-25.047.945,13	EUR	1,000	-25.047.945,13			-9,09
KBC GROUP EUR PAYABLE	-498.835,44	EUR	1,000	-498.835,44			-0,18
Payables				-25.546.780,57			-9,27
TOTAL RECEIVABLES AND PAYABLES				-25.070.074,64			-9,10
OTHER							
Interest receivable		EUR		1.803.346,46			0,65
Accrued interest		EUR		4.938,98			0,00
Expenses payable		EUR		-164.272,94			-0,06
Expenses to be carried forward		EUR		72.560,28			0,03
TOTAL OTHER				1.716.572,78			0,62
TOTAL NET ASSETS				275.469.979,36			100,00

Geographic breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Belgium	0,04	-0,01	0,02	0,02
Bermuda	0,05	0,24	0,21	0,00
China	15,92	16,38	17,34	17,28
Cayman Islands	1,48	2,61	1,33	1,91
Hong Kong	23,40	10,49	9,61	10,27
India	10,12	12,25	11,23	11,09
Indonesia	2,61	4,23	4,39	6,19
Ireland	0,00	0,00	0,54	0,31
South Korea	18,68	25,61	27,41	24,31
Malaysia	3,40	5,14	5,15	5,44
Philippines	0,62	0,98	0,93	2,01
Singapore	6,35	0,00	0,00	0,00
Thailand	2,08	2,81	2,70	4,16
Taiwan	15,25	18,77	19,14	17,01
U.S.A.	0,00	0,50	0,00	0,00
Total	100,00	100,00	100,00	100,00

Sector breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Cyclicals	24,73	28,51	25,60	24,71
Consum(cycl)	9,00	10,59	12,09	10,11
Cons.goods	6,95	5,91	4,78	6,16
Pharma	0,76	0,85	1,12	1,14
Financials	24,41	23,61	23,14	23,25
Technology	18,31	19,73	20,65	21,13
Telecomm.	6,16	6,38	7,56	8,10
Utilities	3,04	2,37	2,57	2,82
Real est.	6,64	2,05	2,50	2,57
Various	0,00	0,00	-0,01	0,01
Total	100,00	100,00	100,00	100,00

Currency breakdown (as a % of net assets)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
CNY	3,69	0,00	0,00	0,00
EUR	0,78	-1,05	0,18	0,37
HKD	36,80	29,55	28,83	29,59
IDR	2,58	4,68	4,77	6,80
INR	9,82	11,76	10,50	10,22
KRW	18,53	25,63	27,26	24,15
MYR	3,38	5,14	5,12	5,41
PHP	0,62	0,99	0,93	2,00
SGD	6,31	0,01	0,01	0,01
THB	2,15	2,94	2,86	4,26
TWD	15,13	19,98	19,12	17,07
USD	0,21	0,37	0,42	0,12
Total	100,00	100,00	100,00	100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC EQUITY FUND NEW ASIA (IN THE CURRENCY OF THE SUB-FUND)

	1st half of year	Year
Purchases	223.526.420,82	223.526.420,82
Sales	134.189.536,90	134.189.536,90
Total 1	357.715.957,71	357.715.957,71
Subscriptions	159.228.472,50	159.228.472,50
Redemptions	67.206.265,19	67.206.265,19
Total 2	226.434.737,69	226.434.737,69
Monthly average of total assets	274.517.162,16	274.517.162,16
Turnover rate	47,82 %	47,82 %

	1st half of year	Year
Purchases	223.526.420,82	223.526.420,82
Sales	134.189.536,90	134.189.536,90
Total 1	357.715.957,71	357.715.957,71
Subscriptions	159.228.472,50	159.228.472,50
Redemptions	67.206.265,19	67.206.265,19
Total 2	226.434.737,69	226.434.737,69
Monthly average of total assets	265.552.561,89	265.552.561,89
Corrected turnover rate	49,44 %	49,44 %

The table above shows the capital volume of portfolio transactions. This volume (adjusted to take account of total subscriptions and redemptions) is also compared to the average net assets at the beginning and end of the period.

A figure close to 0% implies that the transactions relating to the securities or transactions relating to the assets (excluding deposits and cash) in a given period only involve subscriptions and redemptions.

A negative percentage shows that subscriptions and redemptions entailed few, if any, transactions in the portfolio.

Active asset management may result in high turnover rates (monthly percentage >50%).

The detailed list of transactions is available for consultation free of charge at the registered office of the Bevek or fund at Havenlaan 2, 1080 Brussels.

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

NAME	Currency	Value in currency	In the currency of the sub-fund	Lot-size	Transaction date
KBC COLLATERAL EUR	EUR	25.047.945,13	25.047.945,13	N/A	29.06.2012
HANGSCHE 07/12/2012	HKD	8.106.450,02	823.508,20	50,00	26.06.2012
KBC AK-VK HKD-EUR 121214-120615 9.74657	HKD	9.000.000,00	914.281,07	N/A	15.06.2012

2.4.4 CHANGES OF THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND THE NET ASSET VALUE

Classic Shares

Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2010 - 06	610.325,50	27.073,33	408.352,09	11.012,00	490.111,03	41.708,33	531.819,36
2011 - 06	537.849,55	25.971,72	605.791,88	20.615,78	422.168,71	47.064,27	469.232,98
2012 - 06	97.724,32	47.229,68	302.301,87	7.872,50	217.591,15	86.421,45	304.012,61

Period	Amounts received and paid by the UCI (in the currency of the class)					
Year	Subscriptions			Redemptions		
	Capitalization	Distribution		Capitalization	Distribution	
2010 - 06	279.027.051,29	9.241.749,68		190.398.907,19	4.009.881,55	
2011 - 06	288.036.260,91	10.699.570,27		321.325.029,99	8.434.374,79	
2012 - 06	48.090.377,30	18.654.962,48		139.702.628,94	2.942.240,69	

Period	Net asset value End of period (in the currency of the class)			
Year	Of the class		Of one share	
	Capitalization	Distribution	Capitalization	Distribution
2010 - 06	262.235.981,74		502,17	386,39
2011 - 06	239.478.016,57		522,60	400,56
2012 - 06	141.717.298,87		499,95	381,08

Institutional B Shares

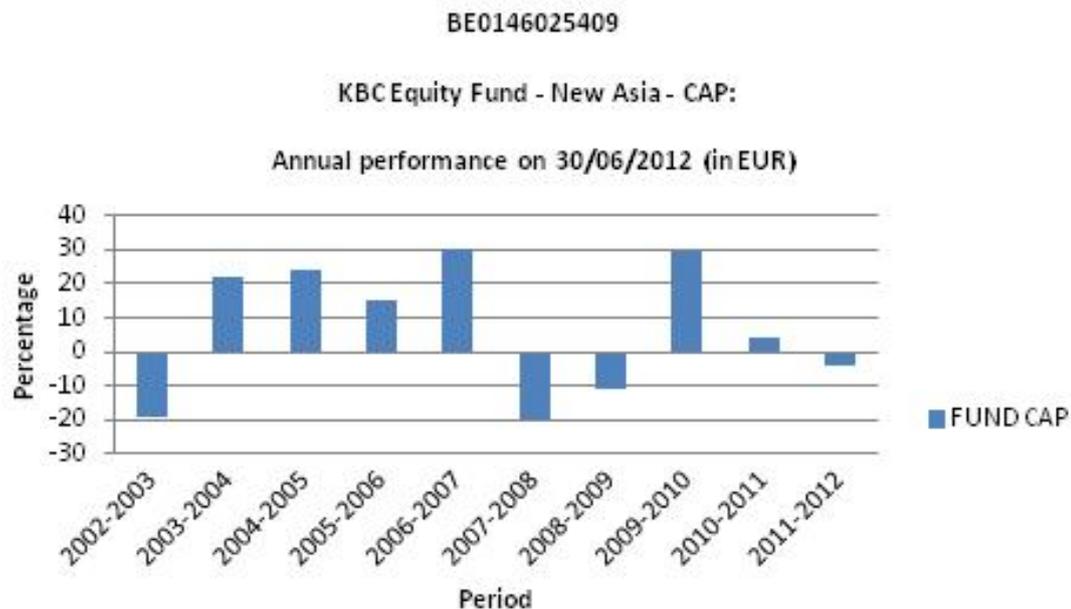
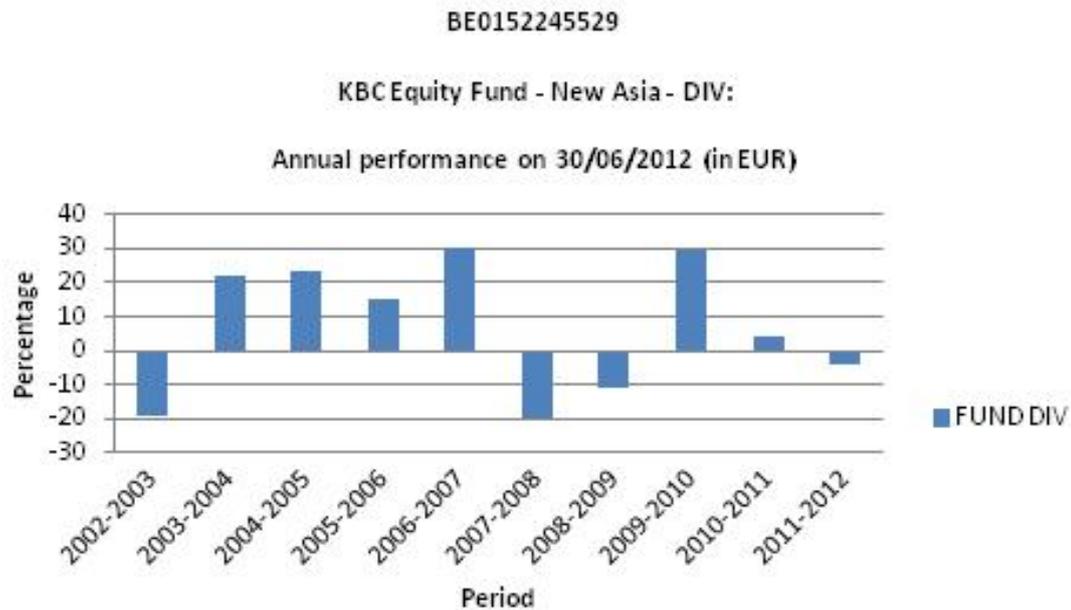
Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2012 - 06	393.606,00		126.199,00		267.407,00		267.407,00

Period	Amounts received and paid by the UCI (in the currency of the class)					
Year	Subscriptions			Redemptions		
	Capitalization	Distribution		Capitalization	Distribution	
2012 - 06	191.860.417,60			63.033.490,23		

Period	Net asset value End of period (in the currency of the class)			
Year	Of the class		Of one share	
	Capitalization	Distribution	Capitalization	Distribution
2012 - 06	133.752.680,49		500,18	

2.4.5 PERFORMANCE FIGURES

Classic Shares



Cap Div	ISIN code	Currency	1 Year		3 Years*		5 Years*		10 Years*		Since launch*	
			Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Launch Date	Share classes
CAP	BE0146025409	EUR	-4.33%		8.83%		-1.72%		5.35%		28/01/1994	0.05%
DIV	BE0152245529	EUR	-4.37%		8.81%		-1.72%		5.33%		28/01/1994	0.03%

Risk warning: Past performance is not a guide to future performance.

* Return on annual basis.

Institutional B Shares

The cumulative returns are shown where they relate to a period of at least one year.

Classic Shares

- The bar chart shows the performance for full financial years.
- The figures do not take account of any restructuring.
- Calculated in EUR (ex BEF).
- The return is calculated as the change in the net asset value between two dates expressed as a percentage. In the case of units that pay dividends, the dividend is incorporated geometrically in the return.
- Calculation method for date D, where NAV stands for net asset value:

Capitalisation units (CAP)

Return on date D over a period of X years:

$$[\text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where $Y = D - X$

Return on date D since the start date S of the unit:

$$[\text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where $F = 1$ if the unit has existed for less than one year on date D

where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D

Distribution units (DIV)

Return on date D over a period of X years:

$$[C * \text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where $Y = D - X$

Return on date D since the start date S of the unit:

$$[C * \text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where $F = 1$ if the unit has existed for less than one year on date D

where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D

where C is a factor that is determined for all N dividends between the calculation date D and the reference date.

For dividend i on date Di with value Wi:

$$C_i = [W_i / \text{NIW}(D_i)] + 1$$

$i = 1 \dots N$

from which $C = C_0 * \dots * C_N$.

- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the n^{th} square root of 1 plus the total return of the unit.
- The return figures shown above do not take account of the fees and charges associated with the issue and redemption of units.

These are the performance figures for capitalisation and distribution shares.

2.4.6 COSTS

Total expense ratio (TER): *

Classic Shares Distribution: 1.789%
Classic Shares Capitalization: 1.789%
Institutional B Shares Capitalization: Not applicable

Percentage calculated at the end of the financial year: 31 December

* The following costs have not been included in the TER:

- Transaction charges
- Interest payments on loans taken out
- Payments in respect of financial derivatives
- Fees and charges paid directly by the investor
- Any soft commissions

SOFT COMMISSIONS

The management company or the appointed manager, as the case may be, is the recipient of soft commissions.

The recipient has laid down an internal policy as regards accepting soft commissions and avoiding possible conflicts of interest in this respect, and has put appropriate internal controls in place to ensure this policy is observed.

For more information, please see the 'General' section of the annual report.

	Commission gross in EUR paid during the period: 1-01-12 -	CSA Credits in EUR accrued during the period: 1-01-12 -	
Broker	30-06-12	30-06-12	Percentage
CITI	137,787	86,117	62.50%
MERRILL	9,377	5,861	62.50%
MORGAN STANLEY	11,365	7,103	62.50%
NOMURA	71,524	44,498	62.21%
UBSWDR	36,683	22,927	62.50%

FEE-SHARING AGREEMENTS AND REBATES:

The management company may share its fee with the distributor, and institutional and/or professional parties.

In principle, the percentage share amounts to between 35% and 60% if the distributor is an entity of KBC Group NV or to between 35% and 70% if the distributor is not an entity of KBC Group NV. However, in a small number of cases, the distributor's fee is less than 35%. Investors may, on request, obtain more information on these cases.

If the management company invests the assets of the undertaking for collective investment in units of undertakings for collective investment that are not managed by an entity of KBC Group NV, and receives a fee for doing so, it will pay this fee to the undertaking for collective investment.

Fee-sharing does not affect the amount of the management fee paid by the sub-fund to the management company. This management fee is subject to the limitations laid down in the articles of association. The limitations may only be amended after approval by the general meeting of shareholders.

The management company has concluded a distribution agreement with the distributor in order to facilitate the wider distribution of the sub-fund's units by using multiple distribution channels.

It is in the interests of the holders of units, the sub-fund and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund to be maximised in this way. In this respect, there is therefore no question of any conflict of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: 1.5% per annum calculated on the basis of the average total net assets of the sub-fund, excluding those assets invested in investment undertakings managed by a financial institution of the KBC group.

KBC Fund Management Limited receives a fee from the management company of max. 1.5% calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the average total net assets of the sub-fund.

Auditor's fee: 1 700 EUR per year. This fee is not including VAT and will be increased at the end of the 3-year mandate.

The custody fee is calculated on the value of the securities held in custody by the custodian on the final banking day of the preceding calendar year, except on those assets invested in investment undertakings managed by a financial institution of the KBC group. The custody fee is paid at the beginning of the calendar year.

Social, ethical and environmental aspects:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

Exercising voting rights

If necessary, relevant and in the interest of the shareholders, the management company will exercise the voting rights attached to the shares in the Bevek's portfolio.

The management company will adhere to the following criteria when determining how it stands relative to the items on the agenda that are put to the vote:

- Shareholder value may not be adversely affected.
- Corporate governance rules, especially with regard to the rights of minority shareholders, must be respected.
- The minimum standards with regard to sustainable business and corporate social responsibility must be met.

The list of companies for which voting rights are exercised is available at the registered office of the Bevek.

Financial derivatives on financial indices

The following financial indices were used as the underlying for financial derivatives:

The **Hang Seng China Enterprises Index** is a capitalization-weighted index comprised of state-owned Chinese companies (H-Shares) listed on the Stock Exchange of Hong Kong. The base value of this index is 2000 as of January 3, 2000.

The Stock Exchange of Hong Kong has all proprietary rights with respect to the index. In no way the Stock Exchange of Hong Kong endorses, sponsors or is otherwise involved in the issue and offering of the shares of this undertaking for collective investment. The Stock Exchange of Hong Kong disclaims any liability for the issue and offering of the shares of this undertaking for collective investment.

The value and, if available for distribution, the composition of the aforementioned financial indices may be obtained from the branches providing the financial service.

Name	Maximum management fee
Horizon-Access India Fund-Classic Shares	1,50
KBC Equity Fund-New Asia-Classic Shares	1,50
KBC Equity Fund-New Asia-Institutional B Shares	1,50

Securities lending

In accordance with the Royal Decree of 7 March 2006 concerning securities lending, the undertaking for collective investment has taken out securities loans with a principal to whom the full title of the loaned securities was transferred, without recording this transfer of ownership in the accounts.

For the period from 1 January 2012 to 30 June 2012, the fee for securities lent comes to 147,637.05 EUR. KBC Asset Management NV receives 50% of the net fee received for securities lent.

The detailed list of securities lending transactions carried out can be obtained from the registered office of the collective investment undertaking at 2 Havenlaan, 1080 Brussels.

Overview of securities lent as at 30/06/2012

Name	Currency	Quantity	Price	Value in currency of the portfolio
ANGANG STEEL COMPANY LTD 'H'	HKD	1.839	4,220	788,37
ANHUI CONCH CEMENT CO LTD -H-	HKD	462.007	20,950	983.263,24
BEIJING ENTERPR.HOLD	HKD	35.179	46,500	166.178,05
BELLE INTERNATIONAL HOLDINGS LTD	HKD	46.550	13,120	62.042,71
CHINA COAL ENERGY COMPANY	HKD	1.235.999	6,340	796.057,79
CHINA COMMUNICATIONS SERVICES CORP	HKD	68.001	3,820	26.388,57
CHINA LIFE INSURANCE CO -H-	HKD	39.504	19,960	80.101,16
CHINA LONGYUAN POWER GR.COR LTD H	HKD	176.999	5,050	90.802,84
CHINA OVERS LAND INV	HKD	799.258	17,980	1.459.869,04
CHINA PETRO & CHEM -H-	HKD	4.470.151	6,880	3.124.264,91
CHINA RAILWAY CONSTRUCTIO-H-	HKD	1.973.582	6,410	1.285.139,95
CHINA RESOURCES POWER HOLD. CHIRES	HKD	798	15,900	1.288,95
CHINA SHENHUA ENERGY CO -H-	HKD	167.131	27,050	459.263,04
CHINA SOUTHERN AIRLINES CO -H-	HKD	140.000	3,400	48.355,31
CNOOC	HKD	1.562.472	15,400	2.444.388,22
DATANG INTL POWER GENERATION -H-	HKD	323.201	3,040	99.812,17
DONGFANG ELECTRICAL MACHINERY -H-	HKD	125.801	15,680	200.386,00
DOOSAN INFRACORE CO LTD	KRW	13.810	18.350,000	174.346,31
ESPRIT HOLDINGS LTD	HKD	8	9,890	8,04
EVERGRANDE REAL ESTATE GROUP LTD	HKD	1.481.999	3,930	591.667,45
GREAT WALL MOTOR CO LTD -H-	HKD	268.999	15,380	420.285,32
GUANGZHOU AUTOMOBILE GROUP -H-	HKD	8.000	6,440	5.233,75
GUANGZHOU R&F PROPERTIES COMP.LTD	HKD	491.600	10,180	508.389,85
INDUSTRIAL & COMMERC BNK OF CHINA	HKD	9.435.544	4,290	4.112.079,05
JIANGXI COPPER -H-	HKD	302.999	16,940	521.424,96
LG CHEM LTD	KRW	800	292.000,000	160.714,80
LONGFOR PROPERTIES CO LTD	HKD	28.500	12,060	34.916,39
PETROCHINA CO -H-	HKD	943.332	9,950	953.509,15
PICC PROPERTY & CASUALTY -H-	HKD	601.525	8,670	529.797,61
PING AN INSURANCE GROUP CO LTD	HKD	55.817	61,700	349.855,64
SHANDONG WEIGAO GP MEDICAL -H-	HKD	172.000	8,540	149.218,80
SINOPEC SHANGHAI PETROCH-H-	HKD	683.999	2,260	157.036,69
TENCENT HOLDINGS LTD	HKD	107.503	226,000	2.468.119,83
WEICHAJ POWER CO -H-	HKD	13.999	30,550	43.445,56
YANZHOU COAL MINING CO -H-	HKD	309.999	11,980	377.271,79
ZHAOJIN MINING INDUSTRY LTD	HKD	161.707	10,100	165.915,67
ZHUZHOU CSR TIMES ELECTRIC - H	HKD	38.001	20,950	80.875,37
ZIJIN MINING GROUP CO -H-	HKD	599.999	2,600	158.475,12
Total				23.290.977,47

Details of collateral received for securities lent

Name	Currency	Nominal value	Currency fund	Value in Currency fund
OESTERREICH 2009 3.40% 20/10/14	EUR	5.936.000	EUR	6.475.974,18
BUNDESREPUB.DTL. 2007 2 1/4% 15/04/13 INDXLK.	EUR	1.671.000	EUR	1.911.811,15
FRANCE 2001 3% 25/07/2012	EUR	2.544.000	EUR	3.252.806,74
OAT FRANCE 2003 4% 25/04/14	EUR	2.733.000	EUR	2.931.883,14
OAT FRANCE 2005 3% 25/10/15	EUR	7.026.000	EUR	7.645.426,21
FRANCE 2007 4,50% 12/07/2012	EUR	444.000	EUR	464.008,86
BTF FRANCE 2012 T-BILL 07/02/13	EUR	2.152.000	EUR	2.150.547,40
NETHERLANDS 2008 4% 15/07/2018	EUR	182.000	EUR	215.487,45
			Total	25.047.945,13

For the valuation of the collateral received, indicative prices have been used in this detail list by the Collateral Management Division of KBC Bank.

TABLE OF CONTENTS

- 2. Information on KBC Equity Fund Technology
 - 2.1. Management report
 - 2.1.1. Launch date and subscription price
 - 2.1.2. Stock exchange listing
 - 2.1.3. Aim and distinctive features of the investment policy
 - 2.1.4. Financial portfolio management
 - 2.1.5. Distributors
 - 2.1.6. Index and benchmark
 - 2.1.7. Policy conducted during the financial year
 - 2.1.8. Future policy
 - 2.1.9. Synthetic risk and reward indicator (SRRI)
 - 2.2. Balance sheet
 - 2.3. Profit and loss account
 - 2.4. Composition of the assets and key figures
 - 2.4.1. Composition of the assets
 - 2.4.2. Change in the composition of the assets
 - 2.4.3. Value of commitments in respect of financial derivatives positions
 - 2.4.4. Evolution of the number of subscriptions, repayments and the net asset value
 - 2.4.5. Return figures
 - 2.4.6. Expenses
 - 2.4.7. Notes to the financial statements and other data

2 INFORMATION ON KBC EQUITY FUND TECHNOLOGY

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Classic Shares :

Launch date: 27 June 1997

Initial subscription price: 1000 USD

Currency: USD

Institutional B Shares :

Launch date: 25 November 2011

Initial subscription price: 126.55 USD

Currency: USD

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

The main objective of this sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. To this end, the assets are invested, either directly or indirectly via correlated financial instruments, primarily in shares.

SUB-FUND'S INVESTMENT POLICY:

PERMITTED ASSET CLASSES:

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the sub-fund's object.

The sub-fund shall invest no more than 10% of its assets in units of other undertakings for collective investment.

RESTRICTIONS OF THE INVESTMENT POLICY:

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

PERMITTED DERIVATIVES TRANSACTIONS:

Derivates may be used either for hedging purposes or to achieve investment objectives.

Changes will be made to the investments at regular intervals to comply with the sub-fund's investment strategy. **In addition, listed and unlisted derivates may be used to achieve the objectives:** these may be forward contracts, options or swaps on securities, indices, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions. **Such derivatives may also be used to hedge the assets against exchange-rate fluctuations.** Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions.

STRATEGY SELECTED

At least 75% of the assets are invested in shares of companies in the technology sector where conditions are such as to ensure accelerated economic growth in the short or medium term.

RISK CONCENTRATION

Shares in the technology sector.

LENDING FINANCIAL INSTRUMENTS:

The sub-fund may lend financial instruments within the limits set by law and regulations.

This lending does not affect the sub-fund's risk profile since:

- it takes place within the framework of a securities lending system managed by a principal. In addition, the sub-fund has a relationship only with the principal of the securities lending system which acts as counterparty and to which title of the loaned securities is transferred. The choice of principal is subject to strict selection criteria. The return of securities similar to the securities that have been lent is guaranteed by the principal.
- through a margin management system, the sub-fund is always guaranteed financial security, the actual value of which always exceeds the actual value of the securities that have been lent, in case the principal does not return similar securities.

The return of securities similar to the securities that have been lent can be requested at any time, which means that the lending of securities does not affect the management of the sub-fund's assets. By lending securities, the sub-fund can generate an additional return. The principal pays a fee to the management company. After deducting the fee for the margin management and clearing services of KBC Bank, most of this fee is paid to the sub-fund.

The relationship with the counterparty or counterparties is governed by standard international agreements.

More information is provided on the terms and conditions governing securities lending in the annual or half-yearly report for the sub-fund.

VOLATILITY OF THE NET ASSET VALUE:

The volatility of the net asset value may be high due to the composition of the portfolio.

GENERAL STRATEGY FOR HEDGING THE EXCHANGE RATE RISK:

In order to protect its assets against exchange rate fluctuations and within the limitations laid down in the articles of association, the sub-fund may perform transactions relating to the sale of forward currency contracts, as well as the sale of call options and the purchase of put options on currencies. The transactions in question may relate solely to contracts traded on a regulated market that operates regularly, is recognised and is open to the public or that are traded with a recognised, prime financial institution specialising in such transactions and dealing in the over-the-counter (OTC) market in options. With the same objective, the sub-fund may also sell currencies forward or exchange them in private transactions with prime financial institutions specialising in such transactions. The hedging objective of the aforementioned transactions suggests that there is a direct link between these transactions and the assets to be hedged, which implies that the transactions carried out in a particular currency may in principle not exceed, in terms of volume, either the valuation value of all the assets in the same currency or the holding period of those assets.

SOCIAL, ETHICAL AND ENVIRONMENTAL ASPECTS:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

THE EUROPEAN SAVINGS DIRECTIVE AND TAX ON DEBT CLAIM RETURNS OBTAINED THROUGH THE REDEMPTION OF OWN UNITS OR IN THE EVENT OF FULL OR PARTIAL DISTRIBUTION OF EQUITY CAPITAL.

The following information is of a general character and is not intended to cover all aspects of an investment in a UCITS. In certain cases entirely different rules might even apply. Moreover, both tax law and the interpretation of it can change. Investors who wish to have more information about the tax implications – in both Belgium and abroad – of acquiring, holding and transferring units should seek the advice of their usual financial and tax advisers.

This UCITS shall invest a maximum of 15% of its assets directly or indirectly in debt instruments as intended by the European Savings Directive.

A. European Savings Directive (Directive 2003/48/EC)

The European Savings Directive has been implemented in Belgium through:

- The Law of 17 May 2004 transposing into Belgian law Directive 2003/48/EC of 3 June 2003 of the Council of the European Union on taxation of savings income in the form of interest payments and amending Income Tax Code 1992 on withholding tax;
- The Royal Decree of 27 September 2009 implementing Article 338bis § 2 of Income Tax Code 1992;
- The Royal Decree of 27 September 2009 concerning the entry into effect of Article 338bis § 2, paragraphs one to three, of Income Tax Code 1992;

Since this UCITS invests a maximum of 15% of its assets directly or indirectly in debt claims as intended by the European Savings Directive, the income of this UCITS does not fall within the scope of this directive.

B. Tax on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital (Article 19bis Income Tax Code 1992).

The income from this UCITS is not subject to the tax on debt instrument returns as intended by Article 19bis, Income Tax Code 1992.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

There is no delegation of the portfolio.

2.1.5 DISTRIBUTORS

KBC Asset Management S.A., 5, Place de la Gare, L-1616 Luxembourg.

2.1.6 INDEX AND BENCHMARK

See 'Sub-fund's investment policy'.

2.1.7 POLICY PERSUED DURING THE FINANCIAL YEAR

The equity markets started the year on a positive note. The robust earnings figures companies managed to turn in in 2011 generated the necessary optimism among investors. However, since the end of March uncertainty and fears have arisen again so that equity markets across the globe have lost most of the gains they had made.

European equity markets have continued to lag other international bourses sharply for more than two years now. The first half of this year was no different either, but the underperformance was relatively small. European stock markets were sabotaged by the budgetary and political uncertainty in the euro area. Greece yesterday, Spain today, and possibly Italy, France or Belgium tomorrow. Something was always perceived as threatening the continued existence of EMU and the euro. The euro area is wrestling with an existential crisis. It will take a lot more energy yet and considerable political courage to align its partners' macroeconomic, budgetary, fiscal and social policy.

The US market outperformed European markets by a long way. However, huge doubts remained about the sustainability of US growth despite three years of economic expansion. Investors are not convinced that the US economy can continue to grow under its own steam. Interest rates have been close to zero for three years now and cannot be lowered any further. Little can be expected by way of stimulation from the budget either, now that credit rating agencies and members of congress are demanding the accelerated restructuring of federal finances. Any slowdown in US growth will inevitably contaminate Europe too, thereby exacerbating the euro crisis. Needless to say, the uncertain phase the economy is currently going through is fuelling caution. All the same, weak growth does not equal a recession. It has not, for instance, prevented a spectacular rise in corporate earnings, which have now grown for ten quarters in a row, often actually by double digits. As a direct result, companies are holding ample amounts of cash, part of which can be used to invest in organic growth via, for instance, new IT investments.

There were major differences in the returns for the various sectors. Technology was among those that performed better.

The software sector – 45% of the fund and our most overweighted sub-sector – outperformed the broader technology sector. The technology sector is experiencing a number of structural changes at present, which will have consequences in both the long and the short term. The clearest trend comprises companies' increasing investments in data centres. These investments relate to 'cloud computing', in which applications are managed centrally. Users access these applications via the internet, but the programs themselves are no longer administered locally. Some companies are taking this a step further and are leasing the software from an external supplier. The software supplier ('SaaS' or 'software as a service') takes care of the operational management and maintenance of the application. As a result, cloud computing was a major stimulus for the software sector.

The semiconductor sector (18% of the fund) underperformed the broader technology sector. At the start of the year, we were rather positive about this sector. Stock levels among the main end-user customers were clearly bottoming out when the year began. Our overweighting was based on a recovery in end-user demand and possible renewing of stocks in the second half of the year, allowing the semiconductor manufacturers to grow considerably faster than their end-user customers in 2012. As the year progressed and more negative signals of weak end-user demand for consumer electronics and industrial infrastructure emerged, it became clear that our hypothesis was too optimistic and we reduced our position in the semiconductor sector to neutral.

The hardware sector (35%) significantly underperformed the broader technology sector. Weak demand for PCs logically resulted in disappointing quarterly figures for all PC manufacturers. Smartphones and tablets are the two leading growth segments, but these are both dominated by Samsung and Apple. Moreover, Apple was yet again the star performer among the major tech companies this year. Telecommunication equipment also had a weak start to 2012.

2.1.8 FUTURE POLICY

Over the past few weeks, there have been clear signs that end-user demand for IT expenditure is falling. In Europe in particular, business leaders appear to be taking a break in their investment programmes. Whether this will result in a catch-up movement in the second half of the year is as yet unclear. In any case, the current valuation seems to assume a sharp decline.

When selecting shares, we base our decision on three major developments that are generating strong structural growth. Mobility (or mobile internet) is fuelling the development and sale of smartphones and tablets. The digital living room is bringing lots of new applications into the home. Companies can use cloud computing (see above) to facilitate the outsourcing of application management. All of these factors are generating exponential growth in data traffic. This is leading to extra investment in the supporting IT infrastructure, such as storage systems, servers and network equipment. Uncertainty about the macroeconomic environment may temporarily cause a glitch, but the structural drivers of growth are very strong.

Since the sub-sectors best positioned to profit from these trends are the software and internet sectors, we continue to favour these sectors. The internet sector is a particular favourite of ours. It will continue to deliver the fastest revenue growth and highest margins in 2012.

We are neutral towards the semiconductor sector. Although we still believe that this sector's fundamentals will improve as the year progresses, the recovery will not be as robust as we originally thought. We believe the valuation is rather neutral at its current levels.

Our least favourite sub-sector is hardware. However, we also expect it to improve in the second half of the year. The launch of Windows 8 in combination with ultrabooks (really thin laptops) could stimulate demand for PCs. However, the advance of tablets and smartphones as an alternative to traditional PCs remains a threat in the long term. Besides Samsung (5% of the fund) and Apple (10% of the fund), we are avoiding consumer electronics in our portfolio. We see more opportunities in the corporate market, but our preference in that area is for software producers.

As regards our regional allocation, we have a clear preference for the US over Europe. Japanese companies are not profiting enough from the structural growth factors and their shares are too expensive. Asia is underweighted, too. Companies from this region are mainly production companies that manufacture consumer electronics (e.g., smartphones, PCs, printers) chiefly for US companies (e.g., Apple). These companies operate against very low margins in a fiercely competitive environment.

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

Classic Shares: 6 on a scale of 1 (lowest risk) to 7 (highest risk).

Institutional B Shares: 6 on a scale of 1 (lowest risk) to 7 (highest risk).

The value of a share can decrease or increase and the investor may not get back the amount invested.

In accordance with Commission Regulation (EU) No. 583/2010, a synthetic risk and reward indicator has been calculated. This indicator provides a quantitative measure of the sub-fund's potential return and the risk involved, calculated in the currency in which the sub-fund is denominated. It is given as a figure between 1 and 7. The higher the figure, the greater the potential return, but also the more difficult it is to predict this return. Losses are possible too. The lowest figure does not mean that the investment is entirely free of risk. However, it does indicate that, compared with the higher figures, this product will generally provide a lower, but more predictable return.

The synthetic risk and reward indicator is assessed regularly and can therefore go up or down based on data from the past. Data from the past is not always a reliable indicator of future risk and return.

The most recent indicator can be found under the 'Risk and reward profile' heading in the 'Key Investor Information' document.

2.2 BALANCE SHEET

Balance sheet layout	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
TOTAL NET ASSETS	317.807.507,39	179.233.753,88
II. Securities, money market instruments, UCIs and derivatives		
A. Bonds and other debt instruments		
a) Bonds		
a) Collateral received in the form of bonds	976.938,29	2.367.244,22
C. Shares and similar instruments		
a) Shares	315.723.741,97	177.049.637,64
Of which securities lent	896.745,91	2.113.295,44
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable	67.438,88	1.550.250,43
b) Tax assets	2.220,93	2.537,33
B. Payables		
a) Accounts payable (-)	-1.809.485,19	-1.460.124,79
c) Borrowings (-)	-513.795,01	-999.253,85
d) Collateral (-)	-976.938,29	-2.367.244,22
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	4.392.381,80	2.976.901,43
VI. Accruals and deferrals		
A. Expense to be carried forward	55.687,72	99.258,69
B. Accrued income	169.503,38	237.121,30
C. Accrued expense (-)	-280.187,09	-222.574,30
TOTAL SHAREHOLDERS' EQUITY	317.807.507,39	179.233.753,88
A. Capital	313.297.566,96	173.318.371,62
B. Income equalization	-189.341,46	293.918,16
D. Result for the period	4.699.281,89	5.621.464,10

Off-balance-sheet headings

I Collateral (+/-)		
I.A Collateral (+/-)		
I.A.A Securities/market instruments	976.938,29	2.367.244,22
IX Financial instruments lent	896.745,91	2.113.295,44

2.3 PROFIT AND LOSS ACCOUNT

Income Statement	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
I. Net gains(losses) on investments		
C. Shares and similar instruments		
a) Shares	7.057.902,71	5.424.406,27
E. Open-end undertakings for collective investment		66,84
H. Foreign exchange positions and transactions		
b) Other foreign exchange positions and transactions	-1.565.625,47	1.653.473,34
II. Investment income and expenses		
A. Dividends	1.368.468,95	1.010.961,16
B. Interests		
a) Securities and money market instruments	69.254,60	150.642,94
b) Cash at bank and in hand and deposits	8.605,41	3.462,48
C. Interest on borrowings (-)	-3.341,32	-3.161,14
III. Other income		
A. Income received to cover the acquisition and realization of assets, to discourage withdrawals and for delivery charges	579.751,65	
B. Other		153.392,74
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-492.328,26	-407.312,48
B. Financial expenses (-)	-1.823,25	-5.862,08
C. Custodian's fee (-)	-53.199,65	-84.484,23
D. Manager's fee (-)		
a) Financial management		
Classic Shares	-597.577,43	-1.576.890,38
Institutional B Shares	-1.326.732,05	
b) Administration and accounting management	-139.305,26	-107.432,25
F. Formation and organisation expenses (-)	-24.672,39	-398.486,38
G. Remuneration, social security charges and pension	-26,26	-36,77
H. Services and sundry goods (-)	-24.493,81	-9.664,99
J. Taxes		
Classic Shares	-31.658,96	-79.425,74
Institutional B Shares	-10.302,33	
K. Other expenses (-)	-113.614,99	-102.185,23
Income and expenditure for the period		
Subtotal II + III + IV	-792.995,35	-1.456.482,35
V. Profit (loss) on ordinary activities before tax	4.699.281,89	5.621.464,10
VII. Result for the period	4.699.281,89	5.621.464,10

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC EQUITY FUND TECHNOLOGY

Name	Quantity on 30/06/2012	Currency	Price in currency	Evaluation (in the currency of the sub-fund)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
Shares							
Exchange-listed shares							
<u>Argentina</u>							
MERCADOLIBRE INC -	7.500,00	USD	75,800	568.500,00		0,18	0,18
<u>Austria</u>							
AMS AG -	10.000,00	CHF	63,500	670.922,45		0,21	0,21
<u>Belgium</u>							
REALDOLMEN STRIP-VVPR	9,00	EUR	0,001	0,01			
<u>Bermuda</u>							
DIGITAL CHINA HOLDINGS LTD -	677.000,00	HKD	13,520	1.180.044,60		0,37	0,37
<u>Brazil</u>							
COMPANHIA BRASILEIRA DE MEIOS -	17.160,00	BRL	59,080	502.295,46		0,16	0,16
REDECARD SA -	23.900,00	BRL	32,850	388.986,71		0,12	0,12
<u>Cayman Islands</u>							
AAC TECHNOLOGY HOLDINGS_INC -	576.000,00	HKD	22,300	1.656.000,29		0,53	0,52
FOXCONN INTERNATIONAL HLDGS -	250.000,00	TWD	107,500	899.315,04		0,29	0,28
JU TENG INTERNATIONAL HOLDINGS LTD -	7.562,00	HKD	2,190	2.135,08		0,00	0,00
TENCENT HOLDINGS -	143.651,00	HKD	226,000	4.185.527,07		1,33	1,32
<u>China</u>							
ALIBABA.COM LTD -	820,00	HKD	13,440	1.420,84			
ZTE CORPORATION -	41.760,00	HKD	14,940	80.434,83		0,03	0,03
<u>France</u>							
ATOS SA -	22.375,00	EUR	47,120	1.338.024,82		0,42	0,42
GEMALTO NV -	10.000,00	EUR	56,590	718.183,69		0,23	0,23
TELECOM CITY -	94.000,00	GBP	8,030	1.183.960,03		0,38	0,37
<u>Germany</u>							
INFINEON TECHNOLOGIES AG -	118.499,00	EUR	5,332	801.863,92		0,25	0,25
SAP AG -	95.153,00	EUR	46,545	5.620.712,41		1,78	1,77
<u>Hong Kong</u>							
KINGDEE INTERNATIONAL SOFTWARE -	9.200,00	HKD	1,440	1.707,98		0,00	0,00
LENOVO GROUP LTD -	568.000,00	HKD	6,540	478.915,78		0,15	0,15
<u>Japan</u>							
ANRITSU CORP -	57.000,00	JPY	896,000	640.089,62		0,20	0,20
CANON INC -	39.649,00	JPY	3.165,000	1.572.765,14		0,50	0,50
DENA CO LTD -	20.000,00	JPY	2.087,000	523.130,89		0,17	0,17
FUJITSU LTD -	654,00	JPY	379,000	3.106,53		0,00	0,00
HITACHI -	636.476,00	JPY	487,000	3.884.802,23		1,23	1,22
HITACHI HIGH-TECHNOLOGIES CO -	40.000,00	JPY	1.952,000	978.583,13		0,31	0,31
KEYENCE CORP -	4.561,00	JPY	19.620,000	1.121.545,76		0,36	0,35

KURITA WATER INDUSTR. -	463,00	JPY	1.837,000	10.659,78		0,00	0,00
KYOCERA -	14.549,00	JPY	6.830,000	1.245.408,34		0,39	0,39
MURATA MANUFACTURING CO -	21.200,00	JPY	4.155,000	1.103.989,16		0,35	0,35
NEXON CO LTD -	30.000,00	JPY	1.550,000	582.788,37		0,19	0,18
NIDEC -	81,00	JPY	6.020,000	6.111,38		0,00	0,00
NINTENDO CO -	48,00	JPY	9.250,000	5.564,69		0,00	0,00
NIPPON EL. GLASS CO -	500,00	JPY	470,000	2.945,27		0,00	0,00
OMRON CORP -	20.000,00	JPY	1.670,000	418.604,98		0,13	0,13
RICOH CO -	604,00	JPY	666,000	5.041,61		0,00	0,00
SHIMADZU CORPORATION -	80.000,00	JPY	685,000	686.812,96		0,22	0,22
TDK CORP -	37.100,00	JPY	3.200,000	1.487.927,63		0,47	0,47
TOSHIBA CORP -	295.000,00	JPY	300,000	1.109.177,86		0,35	0,35
TREND MICRO INC -	156,00	JPY	2.339,000	4.573,12		0,00	0,00
YASKAWA ELECTRIC CORP -	44.000,00	JPY	600,000	330.873,40		0,11	0,10
<u>Netherlands</u>							
ASM INTERNATIONAL -	35.000,00	EUR	29,900	1.328.113,15		0,42	0,42
ASML HOLDING NV -	43.600,00	EUR	40,065	2.216.907,03		0,70	0,70
INTERXION HOLDINGS NV -	55.000,00	USD	18,110	996.050,00		0,32	0,31
NXP SEMICONDUCTOR NV -	63.500,00	USD	23,250	1.476.375,00		0,47	0,47
<u>Russia</u>							
MAIL.RU GROUP LTD -	35.000,00	USD	33,890	1.186.150,00		0,38	0,37
<u>South Korea</u>							
LG PHILIPS LCD CO LTD -	21.000,00	KRW	21.350,000	391.467,80		0,12	0,12
NCSOFT CORP -	1.077,00	KRW	273.000,000	256.718,53		0,08	0,08
NHN CORP -	2.007,00	KRW	250.000,000	438.092,93		0,14	0,14
SAMSUNG ELECTRO MECHANICS CO. -	11.000,00	KRW	106.000,000	1.018.069,48		0,32	0,32
SAMSUNG ELECTRONICS -	14.559,00	KRW	1.201.000,000	15.266.989,94		4,84	4,80
SAMSUNG SDI CO LTD -	10.000,00	KRW	151.500,000	1.322.791,81		0,42	0,42
SK HYNIX INC -	51.900,00	KRW	23.850,000	1.080.773,30		0,34	0,34
<u>Spain</u>							
AMADEUS IT HOLDING SA -	62.000,00	EUR	16,700	1.314.026,14		0,42	0,41
<u>Sweden</u>							
ERICSSON "B"	390.000,00	SEK	63,050	3.562.593,12		1,13	1,12
HEXAGON AB -B-	56.000,00	SEK	118,200	959.007,56		0,30	0,30
<u>Switzerland</u>							
TE CONNECTIVITY LTD -	44.439,00	USD	31,910	1.418.048,49		0,45	0,45
<u>Taiwan</u>							
ACER INC. -	969,00	TWD	30,800	998,71			
ASUSTEK COMPUTER INC -	200.051,00	TWD	271,500	1.817.498,01		0,58	0,57
AU OPTRONICS CORP -	620.000,00	TWD	12,050	250.001,22		0,08	0,08
CATCHER TECHNOLOGY CO LTD -	71.683,00	TWD	198,500	476.145,92		0,15	0,15
CHROMA ATE INC -	800,00	TWD	67,700	1.812,35		0,00	0,00
COMPAL ELECTRONICS -	382,00	TWD	27,350	349,61			
DELTA ELECTRONIC INDUSTRIAL -	200.000,00	TWD	90,900	608.355,25		0,19	0,19
HON HAI PRECISION -	198,00	TWD	89,400	592,33			
HTC CORPORATION -	310,00	TWD	389,500	4.040,48		0,00	0,00
MEDIATEK INCORPORATION -	277,00	TWD	273,000	2.530,50		0,00	0,00
MSTAR SEMICONDUCTOR INC -	95.000,00	TWD	199,000	632.615,85		0,20	0,20
NAN YA PRINTED CIRCUIT BOARD C -	535,00	TWD	50,300	900,50			
NOVATEK MICROELECTRONICS CORP -	50.000,00	TWD	91,400	152.925,39		0,05	0,05
PEGATRON CORP -	113,00	TWD	38,900	147,09			
POWERTECH TECHNOLOGY INC -	961,00	TWD	57,700	1.855,51		0,00	0,00
QUANTA COMPUTER INC -	425.000,00	TWD	79,400	1.129.205,06		0,36	0,36

RADIANT OPTO-ELECTRONICS CORP -	358.000,00	TWD	150,000	1.796.956,94		0,57	0,57
SHIN ZU SHING CO LTD -	1.524,00	TWD	81,700	4.166,49		0,00	0,00
SIMPLO TECHNOLOGY CO LTD -	71.980,00	TWD	203,500	490.162,00		0,16	0,15
SYNNEC TECHNOLOGY INTERNATIONA -	67,00	TWD	72,600	162,77			
TAIWAN SEMICONDUCTOR -	1.181.268,00	TWD	81,300	3.213.678,07		1,02	1,01
TAIWAN SEMICONDUCTOR ADR	111.851,00	USD	13,960	1.561.439,96		0,50	0,49
TPK HOLDING CO LTD -	1.231,00	TWD	374,000	15.406,11		0,01	0,01
WINSTRON CORPORATION -	464,00	TWD	36,500	566,73			
WPG HOLDINGS CO LTD -	562,00	TWD	34,850	655,39			
<u>U.K.</u>							
ARM HOLDG -	292.800,00	GBP	5,055	2.321.591,88		0,74	0,73
MONITISE PLC -	669.053,00	GBP	0,330	346.312,45		0,11	0,11
SPIRENT COMMUNICATIONS PLC -	250.000,00	GBP	1,605	629.373,84		0,20	0,20
<u>U.S.A.</u>							
ACCENTURE LTD "A"	66.000,00	USD	60,090	3.965.940,00		1,26	1,25
ADVANC MICRO DEVICES -	130.000,00	USD	5,730	744.900,00		0,24	0,23
ALLIANCE DATA SYSTEMS CORP -	13.046,00	USD	135,000	1.761.210,00		0,56	0,55
AMAZON COMM. INC. -	14.500,00	USD	228,350	3.311.075,00		1,05	1,04
AMPHENOL CORPORATION "A"	20.000,00	USD	54,920	1.098.400,00		0,35	0,35
APPLE INC -	54.131,00	USD	584,000	31.612.504,00		10,01	9,95
AT&T INC -	89.000,00	USD	35,660	3.173.740,00		1,01	1,00
AUTOMATIC DATA PROCESSING, INC. -	45.000,00	USD	55,660	2.504.700,00		0,79	0,79
AVAGO TECHNOLOGIES LTD -	60.500,00	USD	35,900	2.171.950,00		0,69	0,68
BMC SOFTWARE -	32.000,00	USD	42,680	1.365.760,00		0,43	0,43
BROADCOM CORP. "A"	67.332,00	USD	33,800	2.275.821,60		0,72	0,72
CIENA CORP. -	94.000,00	USD	16,370	1.538.780,00		0,49	0,48
CIRRUS LOGIC INC. -	76.100,00	USD	29,880	2.273.868,00		0,72	0,72
CISCO SYSTEMS INC -	275.706,00	USD	17,170	4.733.872,02		1,50	1,49
CITRIX SYSTEMS INC -	41.224,00	USD	83,940	3.460.342,56		1,10	1,09
COGNIZANT TECHNOLOGY SOLUTIONS CORP. -	39.533,00	USD	60,000	2.371.980,00		0,75	0,75
COMVERSE TECHN. INC -	429,00	USD	5,815	2.494,64		0,00	0,00
EBAY INC. -	183.431,00	USD	42,010	7.705.936,31		2,44	2,43
EMC CORPORATION -	244.755,00	USD	25,630	6.273.070,65		1,99	1,97
EQUINIX INC -	14.057,00	USD	175,650	2.469.112,05		0,78	0,78
FIDELITY NATIONAL INFORMATION -	22.000,00	USD	34,080	749.760,00		0,24	0,24
FISERV INC -	17.000,00	USD	72,220	1.227.740,00		0,39	0,39
FORTINET INC -	49.000,00	USD	23,220	1.137.780,00		0,36	0,36
FUSION-IO INC -	49.951,00	USD	20,890	1.043.476,39		0,33	0,33
F5 NETWORKS INC -	14.008,00	USD	99,560	1.394.636,48		0,44	0,44
GOOGLE INC -A-	23.569,00	USD	580,070	13.671.669,83		4,33	4,30
HEWLETT PACKARD -	55.000,00	USD	20,110	1.106.050,00		0,35	0,35
HISOFT TECHNOLOGY INTERNATIONAL -	60.000,00	USD	14,330	859.800,00		0,27	0,27
I.B.M. -	83.760,00	USD	195,580	16.381.780,80		5,19	5,16
INFORMATICA CORP -	10.870,00	USD	42,360	460.453,20		0,15	0,15
INTEL CORP -	459.382,00	USD	26,650	12.242.530,30		3,88	3,85
INTUIT INC -	30.606,00	USD	59,350	1.816.466,10		0,58	0,57
INVENSENSE INC -	20.000,00	USD	11,300	226.000,00		0,07	0,07
KLA-TENCOR CORPORATION -	22.916,00	USD	49,250	1.128.613,00		0,36	0,36
L.S.I.LOGIC CORP -	70.000,00	USD	6,370	445.900,00		0,14	0,14
LAM RESEARCH CORP -	18.000,00	USD	37,740	679.320,00		0,22	0,21
LINKEDIN CORPORATION -	11.000,00	USD	106,270	1.168.970,00		0,37	0,37
MASTERCARD INC -	10.313,00	USD	430,110	4.435.724,43		1,41	1,40
MICRON TECHNOLOGY -	334.232,00	USD	6,310	2.109.003,92		0,67	0,66
MICROSOFT CORP -	741.809,00	USD	30,590	22.691.937,31		7,19	7,14
MOTOROLA SOLUTIONS INC -	27.000,00	USD	48,110	1.298.970,00		0,41	0,41
NUANCE COMMUNICATIONS -	34.323,00	USD	23,820	817.573,86		0,26	0,26

NVIDIA CORP NAS	70.000,00	USD	13,820	967.400,00		0,31	0,30
ORACLE CORP -	402.588,00	USD	29,700	11.956.863,60		3,79	3,76
PRICELINE.COM INC. -	5.103,00	USD	664,520	3.391.045,56		1,07	1,07
PROCERA NETWORKS INC -	36.000,00	USD	24,310	875.160,00		0,28	0,28
QUALCOMM CORP -	153.682,00	USD	55,680	8.557.013,76		2,71	2,69
RACKSPACE HOSTING INC -	12.000,00	USD	43,940	527.280,00		0,17	0,17
RED HAT INC -	17.500,00	USD	56,480	988.400,00		0,31	0,31
SALESFORCE.COM INC. -	24.000,00	USD	138,260	3.318.240,00		1,05	1,04
SANDISK CORP -	49.000,00	USD	36,480	1.787.520,00		0,57	0,56
SBA COMMUNICATIONS CORP. -	12.000,00	USD	57,050	684.600,00		0,22	0,22
SKYWORKS SOLUTIONS INC -	51.000,00	USD	27,370	1.395.870,00		0,44	0,44
SOLARWINDS INC -	14.500,00	USD	43,560	631.620,00		0,20	0,20
SPLUNK INC -	25.000,00	USD	28,100	702.500,00		0,22	0,22
TERADATA CORP -	42.300,00	USD	72,010	3.046.023,00		0,97	0,96
TERADYNE INC -	47.000,00	USD	14,060	660.820,00		0,21	0,21
TIBCO SOFTWARE -	44.000,00	USD	29,920	1.316.480,00		0,42	0,41
TIME WARNER TELECOM -	40.000,00	USD	25,660	1.026.400,00		0,33	0,32
TRIPADVISOR INC -	18.500,00	USD	44,690	826.765,00		0,26	0,26
VEECO INSTRUMENTS INC -	28.000,00	USD	34,360	962.080,00		0,31	0,30
VERINT SYSTEMS INC -	31,00	USD	29,510	914,81			
VERISIGN INC. -	44.000,00	USD	43,570	1.917.080,00		0,61	0,60
VISA INC -	60.308,00	USD	123,630	7.455.878,04		2,36	2,35
VMWARE INC CLASS A -	29.396,00	USD	91,040	2.676.211,84		0,85	0,84
XILINX INC. -	23.097,00	USD	33,570	775.366,29		0,25	0,24
YAHOO INC. -	105.529,00	USD	15,830	1.670.524,07		0,53	0,53
Total shares				315.723.741,97		100,00	99,34
TOTAL SECURITIES PORTFOLIO				315.723.741,97		100,00	99,34
COLLATERAL RECEIVED							
<u>Belgium</u>							
KBC GROUP COLLATERAL EUR	769.788,27	EUR	1,000	976.938,29			0,31
TOTAL RECEIVED COLLATERAL				976.938,29			0,31
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP CAD	1.221,66	CAD	1,000	1.198,38			
KBC GROUP CHF	-1.444,37	CHF	1,000	-1.526,08			
KBC GROUP CZK	3.613,01	CZK	1,000	179,58			
KBC GROUP DKK	1.937,10	DKK	1,000	330,68			
KBC GROUP EURO	-403.647,41	EUR	1,000	-512.268,93			-0,16
KBC GROUP GBP	7.240,29	GBP	1,000	11.356,63			0,00
KBC GROUP HKD	19.803,37	HKD	1,000	2.553,13			0,00
KBC GROUP JPY	259.355.359,00	JPY	1,000	3.250.522,28			1,02
KBC GROUP NOK	17.652,39	NOK	1,000	2.969,68			0,00
KBC GROUP SEK	246.853,24	SEK	1,000	35.764,76			0,01
KBC GROUP TRY	193,14	TRY	1,000	106,78			
KBC GROUP USD	1.085.580,40	USD	1,000	1.085.580,40			0,34
KBC GROUP ZAR	8.482,03	ZAR	1,000	1.037,15			
Total demand accounts				3.877.804,44			1,22
Managed futures accounts							
<u>Belgium</u>							
KBC GROUP EURO FUT REK	0,36	EUR	1,000	0,46			

KBC GROUP USD FUT REK	781,89	USD	1,000	781,89		
Total managed futures accounts				782,35		
TOTAL CASH AT BANK AND IN HAND				3.878.586,79		1,22
OTHER RECEIVABLES AND PAYABLES						
Receivables						
<u>Belgium</u>						
KBC GROUP USD RECEIVABLE	67.438,88	USD	1,000	67.438,88		0,02
KBC GROUP WHT TO BE RECOVERED EUR	1.750,00	EUR	1,000	2.220,93		0,00
Total receivables				69.659,81		0,02
Payables						
<u>Belgium</u>						
KBC GROUP COUNTERPART ENTRY COLLATERAL IN EUR	-769.788,27	EUR	1,000	-976.938,29		-0,31
KBC GROUP EUR PAYABLE	-318.295,86	EUR	1,000	-403.949,28		-0,13
KBC GROUP USD PAYABLE	-1.405.535,91	USD	1,000	-1.405.535,91		-0,44
Payables				-2.786.423,48		-0,88
TOTAL RECEIVABLES AND PAYABLES				-2.716.763,67		-0,86
OTHER						
Interest receivable		USD		155.581,54		0,05
Accrued interest		USD		13.921,84		0,00
Expenses payable		USD		-280.187,09		-0,09
Expenses to be carried forward		USD		55.687,72		0,02
TOTAL OTHER				-54.995,99		-0,02
TOTAL NET ASSETS				317.807.507,39		100,00

Geographic breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Argentina	0,00	0,30	0,00	0,18
Austria	0,00	0,00	0,00	0,21
Belgium	0,00	0,28	0,00	0,00
Bermuda	0,78	0,28	0,24	0,37
Brazil	0,29	0,30	0,94	0,28
Canada	0,75	0,00	0,10	0,00
Switzerland	0,46	0,00	0,00	0,00
China	0,20	0,21	0,10	0,03
Cayman Islands	1,77	1,77	0,68	2,14
Germany	2,45	3,14	2,35	2,03
Spain	0,12	0,00	0,00	0,42
Finland	0,84	0,00	0,10	0,00
France	0,75	1,80	0,47	1,03
U.K.	0,00	0,80	1,35	1,04
Hong Kong	0,89	0,78	0,74	0,15
India	1,27	0,42	0,00	0,00
Israel	0,61	0,53	0,00	0,00
Japan	9,32	5,23	6,17	4,98
South Korea	4,44	4,05	5,13	6,26
Netherlands	0,95	1,18	1,14	1,91
Russia	0,37	0,00	0,26	0,38
Sweden	0,00	1,80	0,24	1,43
Taiwan	5,98	5,01	3,73	3,85
U.S.A.	67,33	71,73	76,26	73,31
South Africa	0,43	0,39	0,00	0,00
Total	100,00	100,00	100,00	100,00

Sector breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Cyclicals	1,48	1,51	1,26	1,96
Consum(cycl)	1,67	2,77	0,89	0,93
Cons.goods	3,02	3,59	2,02	5,69
Financials	0,00	0,00	0,28	0,16
Technology	93,59	90,87	95,07	89,03
Telecomm.	0,00	0,47	0,48	1,92
Utilities	0,00	0,12	0,00	0,00
Various	0,24	0,67	0,00	0,31
Total	100,00	100,00	100,00	100,00

Currency breakdown (as a % of net assets)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
BRL	0,29	0,29	0,92	0,28
CHF	0,46	0,03	0,00	0,21
EUR	4,95	5,57	4,33	3,91
GBP	0,01	0,79	1,22	1,41
HKD	2,64	1,97	1,57	2,39
INR	0,44	0,41	0,00	0,00
JPY	9,25	5,60	6,20	5,97
KRW	4,02	4,00	5,05	6,22
SEK	0,02	1,87	0,25	1,43
TWD	5,87	4,89	3,08	3,62
USD	71,62	74,17	77,38	74,56
ZAR	0,43	0,41	0,00	0,00
Total	100,00	100,00	100,00	100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC EQUITY FUND TECHNOLOGY (IN THE CURRENCY OF THE SUB-FUND)

	1st half of year	Year
Purchases	327.219.612,33	327.219.612,33
Sales	148.432.772,86	148.432.772,86
Total 1	475.652.385,18	475.652.385,18
Subscriptions	256.408.686,45	256.408.686,45
Redemptions	75.782.307,14	75.782.307,14
Total 2	332.190.993,59	332.190.993,59
Monthly average of total assets	286.794.132,24	286.794.132,24
Turnover rate	50,02 %	50,02 %

	1st half of year	Year
Purchases	327.219.612,33	327.219.612,33
Sales	148.432.772,86	148.432.772,86
Total 1	475.652.385,18	475.652.385,18
Subscriptions	256.408.686,45	256.408.686,45
Redemptions	75.782.307,14	75.782.307,14
Total 2	332.190.993,59	332.190.993,59
Monthly average of total assets	280.680.449,98	280.680.449,98
Corrected turnover rate	51,11 %	51,11 %

The table above shows the capital volume of portfolio transactions. This volume (adjusted to take account of total subscriptions and redemptions) is also compared to the average net assets at the beginning and end of the period.

A figure close to 0% implies that the transactions relating to the securities or transactions relating to the assets (excluding deposits and cash) in a given period only involve subscriptions and redemptions.

A negative percentage shows that subscriptions and redemptions entailed few, if any, transactions in the portfolio.

Active asset management may result in high turnover rates (monthly percentage >50%).

The detailed list of transactions is available for consultation free of charge at the registered office of the Bevek or fund at Havenlaan 2, 1080 Brussels.

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

NAME	Currency	Value in currency	In the currency of the sub-fund	Lot-size	Transaction date
KBC COLLATERAL EUR	EUR	769.788,27	976.938,29	N/A	29.06.2012

2.4.4 CHANGES OF THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND THE NET ASSET VALUE

Classic Shares

Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2010 - 06	458.552,24	25.038,33	298.431,96	4.821,00	278.199,36	23.652,23	301.851,58
2011 - 06	4.082.453,30	488.361,37	3.247.671,90	352.258,45	1.112.980,75	159.755,15	1.272.735,90
2012 - 06	414.543,53	119.131,65	1.112.760,14	48.728,16	414.764,14	230.158,64	644.922,78

Period	Amounts received and paid by the UCI (in the currency of the class)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2010 - 06	332.146.079,56	17.463.571,79	215.157.574,55	3.452.228,25
2011 - 06	173.965.945,70	6.496.549,41	580.863.670,14	60.833.329,25
2012 - 06	59.312.158,50	16.755.135,02	148.398.775,26	6.483.534,26

Period	Net asset value End of period (in the currency of the class)		
Year	Of the class	Of one share	
		Capitalization	Distribution
2010 - 06	201.977.529,97	671,29	643,70
2011 - 06	179.233.753,88	141,55	135,79
2012 - 06	90.905.330,28	143,04	137,20

Institutional B Shares

Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2012 - 06	1.985.853,00		400.864,00		1.584.989,00		1.584.989,00

Period	Amounts received and paid by the UCI (in the currency of the class)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2012 - 06	284.814.243,72		59.250.171,31	

Period	Net asset value End of period (in the currency of the class)		
Year	Of the class	Of one share	
		Capitalization	Distribution
2012 - 06	226.902.177,11	143,16	

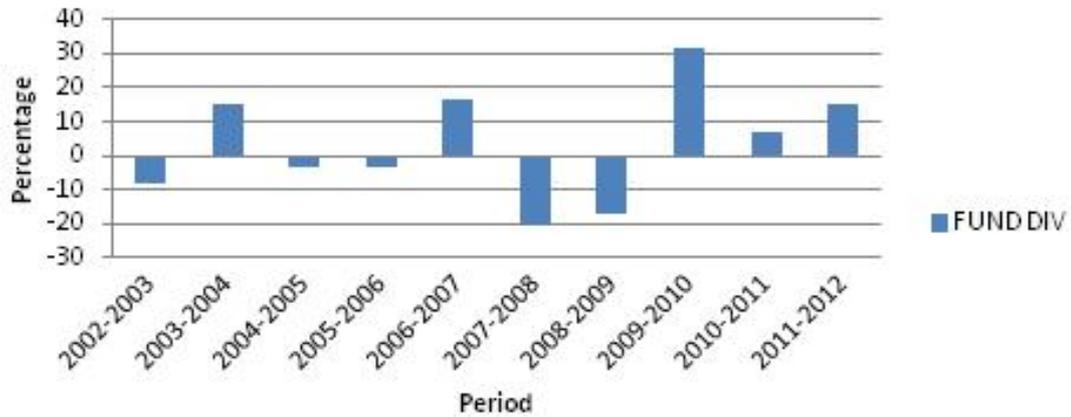
2.4.5 PERFORMANCE FIGURES

Classic Shares

BE6213774514

KBC Equity Fund - Technology - DIV:

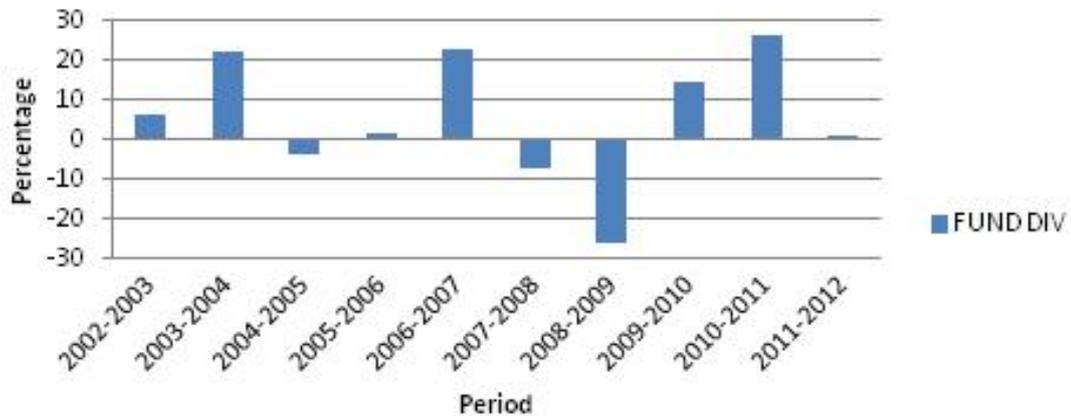
Annual performance on 30/06/2012 (in EUR)



BE6213774514

KBC Equity Fund - Technology - DIV:

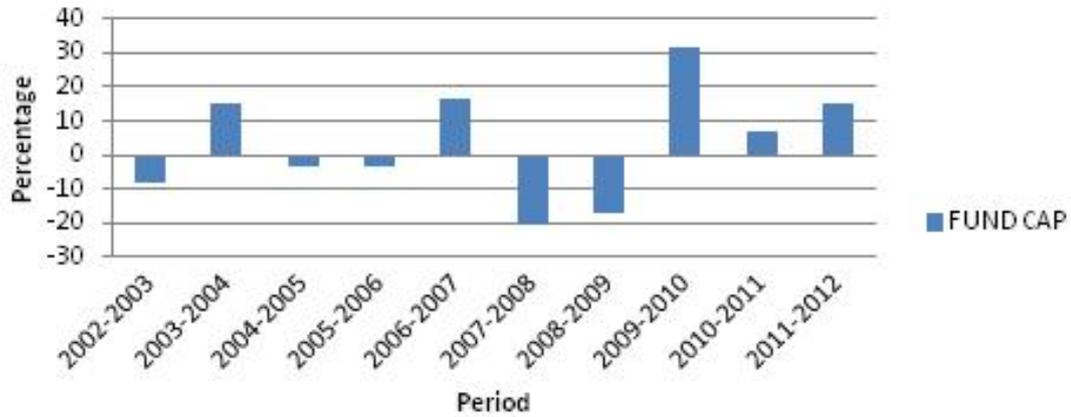
Annual performance on 30/06/2012 (in USD)



BE6213773508

KBC Equity Fund - Technology - CAP:

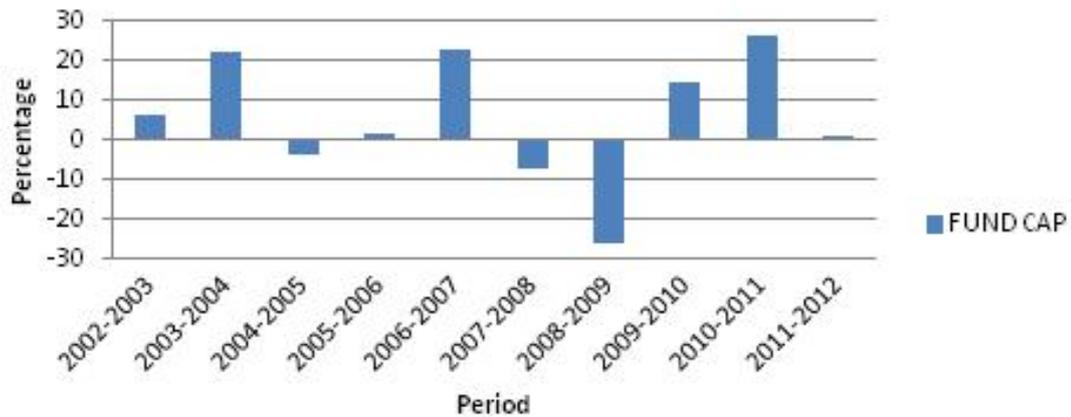
Annual performance on 30/06/2012 (in EUR)



BE6213773508

KBC Equity Fund - Technology - CAP:

Annual performance on 30/06/2012 (in USD)



Cap Div	ISIN code	Currency	1 Year		3 Years*		5 Years*		10 Years*		Since launch*	
			Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Launch Date	Share classes
CAP	BE6213773508	EUR	15.45%		17.48%		1.38%		2.10%		27/06/1997	-1.83%
CAP	BE6213773508	USD	1.05%		13.63%		0.13%		4.69%		27/06/1997	-1.01%
DIV	BE6213774514	EUR	15.43%		17.49%		1.38%		2.10%		27/06/1997	-1.77%
DIV	BE6213774514	USD	1.04%		13.64%		0.13%		4.69%		27/06/1997	-1.01%

Risk warning: Past performance is not a guide to future performance.

* Return on annual basis.

Institutional B Shares

The cumulative returns are shown where they relate to a period of at least one year.

Classic Shares

- The bar chart shows the performance for full financial years.
- The figures do not take account of any restructuring.
- Calculated in USD and in EUR.
- The return is calculated as the change in the net asset value between two dates expressed as a percentage. In the case of units that pay dividends, the dividend is incorporated geometrically in the return.
- Calculation method for date D, where NAV stands for net asset value:

Capitalisation units (CAP)

Return on date D over a period of X years:

$$[\text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where $Y = D - X$

Return on date D since the start date S of the unit:

$$[\text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where $F = 1$ if the unit has existed for less than one year on date D

where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D

Distribution units (DIV)

Return on date D over a period of X years:

$$[C * \text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where $Y = D - X$

Return on date D since the start date S of the unit:

$$[C * \text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where $F = 1$ if the unit has existed for less than one year on date D

where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D

where C is a factor that is determined for all N dividends between the calculation date D and the reference date.

For dividend i on date Di with value Wi:

$$C_i = [W_i / \text{NIW}(D_i)] + 1$$

$i = 1 \dots N$

from which $C = C_0 * \dots * C_N$.

- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the n^{th} square root of 1 plus the total return of the unit.
- The return figures shown above do not take account of the fees and charges associated with the issue and redemption of units.

These are the performance figures for capitalisation and distribution shares.

2.4.6 COSTS

Total expense ratio (TER): *

Classic Shares Distribution: 1.893%
Classic Shares Capitalization: 1.893%
Institutional B Shares Capitalization: Not applicable

Percentage calculated at the end of the financial year: 31 December

* The following costs have not been included in the TER:

- Transaction charges
- Interest payments on loans taken out
- Payments in respect of financial derivatives
- Fees and charges paid directly by the investor
- Any soft commissions

SOFT COMMISSIONS

The management company or the appointed manager, as the case may be, is the recipient of soft commissions.

The recipient has laid down an internal policy as regards accepting soft commissions and avoiding possible conflicts of interest in this respect, and has put appropriate internal controls in place to ensure this policy is observed.

For more information, please see the 'General' section of the annual report.

Broker	Commission gross in EUR paid during the period: 1-01-12 - 30-06-12	CSA Credits in EUR accrued during the period: 1-01-12 - 30-06-12	Percentage
CITI	68,842	42,099	61.15%
CSFBSAS	36,092	21,131	58.55%
DEUTSCHE	7,656	4,495	58.72%
EQ CSA MACQUARIE	8,220	5,137	62.50%
HSBC	612	306	50.00%
JP MORGAN	53,083	29,748	56.04%
MERRILL	12,130	7,264	59.89%
MORGAN STANLEY	38,196	20,252	53.02%
NOMURA	54,278	24,714	45.53%
SOCGEN	237	119	50.00%
UBSWDR	27,552	15,662	56.84%

FEE-SHARING AGREEMENTS AND REBATES:

The management company may share its fee with the distributor, and institutional and/or professional parties.

In principle, the percentage share amounts to between 35% and 60% if the distributor is an entity of KBC Group NV or to between 35% and 70% if the distributor is not an entity of KBC Group NV. However, in a small number of cases, the distributor's fee is less than 35%. Investors may, on request, obtain more information on these cases.

If the management company invests the assets of the undertaking for collective investment in units of undertakings for collective investment that are not managed by an entity of KBC Group NV, and receives a fee for doing so, it will pay this fee to the undertaking for collective investment.

Fee-sharing does not affect the amount of the management fee paid by the sub-fund to the management company. This management fee is subject to the limitations laid down in the articles of association. The limitations may only be amended after approval by the general meeting of shareholders.

The management company has concluded a distribution agreement with the distributor in order to facilitate the wider distribution of the sub-fund's units by using multiple distribution channels. It is in the interests of the holders of units, the sub-fund and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund to be maximised in this way. In this respect, there is therefore no question of any conflict of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: 1.35% per annum calculated on the basis of the average total net assets of the sub-fund, excluding those assets invested in investment undertakings managed by a financial institution of the KBC group.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the average total net assets of the sub-fund.

Auditor's fee: 1 700 EUR per year. This fee is not including VAT and will be increased at the end of the 3-year mandate.

The custody fee is calculated on the value of the securities held in custody by the custodian on the final banking day of the preceding calendar year, except on those assets invested in investment undertakings managed by a financial institution of the KBC group. The custody fee is paid at the beginning of the calendar year.

Social, ethical and environmental aspects:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

Exercising voting rights

If necessary, relevant and in the interest of the shareholders, the management company will exercise the voting rights attached to the shares in the Bevek's portfolio.

The management company will adhere to the following criteria when determining how it stands relative to the items on the agenda that are put to the vote:

- Shareholder value may not be adversely affected.
- Corporate governance rules, especially with regard to the rights of minority shareholders, must be respected.
- The minimum standards with regard to sustainable business and corporate social responsibility must be met.

The list of companies for which voting rights are exercised is available at the registered office of the Bevek.

Securities lending

In accordance with the Royal Decree of 7 March 2006 concerning securities lending, the undertaking for collective investment has taken out securities loans with a principal to whom the full title of the loaned securities was transferred, without recording this transfer of ownership in the accounts.

For the period from 1 January 2012 to 30 June 2012, the fee for securities lent comes to 61,152.33 USD. KBC Asset Management NV receives 50% of the net fee received for securities lent. The detailed list of securities lending transactions carried out can be obtained from the registered office of the collective investment undertaking at 2 Havenlaan, 1080 Brussels.

Overview of securities lent as at 30/06/2012

Name	Currency	Quantity	Price	Value in currency of the portfolio
ANRITSU	JPY	56.000	896,000	628.859,98
HITACHI LTD	JPY	10.475	487,000	63.935,33
YASKAWA ELECTR.CORP	JPY	19.000	600,000	142.877,14
ZTE CORP -H-	HKD	31.708	14,940	61.073,46
			Total	896.745,91

Details of collateral received for securities lent

Name	Currency	Nominal value	Currency fund	Value in Currency fund
BUNDESREPUB.DTL. 2011 2.25% 04/09/21	EUR	34.000	USD	47.171,66
GERMANY 2009 2,25% 11/04/14	EUR	193.000	USD	255.665,25
FRANCE 2001 3% 25/07/2012	EUR	351.000	USD	569.566,08
OAT FRANCE 2005 3 1/2% 25/04/15	EUR	76.000	USD	104.535,30
			Total	976.938,29

For the valuation of the collateral received, indicative prices have been used in this detail list by the Collateral Management Division of KBC Bank.

TABLE OF CONTENTS

- 2. Information on KBC Equity Fund Pharma
 - 2.1. Management report
 - 2.1.1. Launch date and subscription price
 - 2.1.2. Stock exchange listing
 - 2.1.3. Aim and distinctive features of the investment policy
 - 2.1.4. Financial portfolio management
 - 2.1.5. Distributors
 - 2.1.6. Index and benchmark
 - 2.1.7. Policy conducted during the financial year
 - 2.1.8. Future policy
 - 2.1.9. Synthetic risk and reward indicator (SRRI)
 - 2.2. Balance sheet
 - 2.3. Profit and loss account
 - 2.4. Composition of the assets and key figures
 - 2.4.1. Composition of the assets
 - 2.4.2. Change in the composition of the assets
 - 2.4.3. Value of commitments in respect of financial derivatives positions
 - 2.4.4. Evolution of the number of subscriptions, repayments and the net asset value
 - 2.4.5. Return figures
 - 2.4.6. Expenses
 - 2.4.7. Notes to the financial statements and other data

2 INFORMATION ON KBC EQUITY FUND PHARMA

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Classic Shares :

Launch date: 27 February 1998

Initial subscription price: 20000 BEF

Currency: EUR

Institutional B Shares :

Launch date: 25 November 2011

Initial subscription price: 576.88 EUR

Currency: EUR

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

The main objective of this sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. To this end, the assets are invested, either directly or indirectly via correlated financial instruments, primarily in shares.

SUB-FUND'S INVESTMENT POLICY:

PERMITTED ASSET CLASSES:

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the sub-fund's object.

The sub-fund shall invest no more than 10% of its assets in units of other undertakings for collective investment.

RESTRICTIONS OF THE INVESTMENT POLICY:

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

PERMITTED DERIVATIVES TRANSACTIONS:

Derivates may be used either for hedging purposes or to achieve investment objectives.

Changes will be made to the investments at regular intervals to comply with the sub-fund's investment strategy. **In addition, listed and unlisted derivates may be used to achieve the objectives:** these may be forward contracts, options or swaps on securities, indices, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions. **Such derivatives may also be used to hedge the assets against exchange-rate fluctuations.** Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions.

STRATEGY SELECTED

At least 75% of the assets are invested in shares of companies in the pharmaceutical and healthcare sector where conditions are such as to allow accelerated economic growth in the short or medium term.

LENDING FINANCIAL INSTRUMENTS:

The sub-fund may lend financial instruments within the limits set by law and regulations.

This lending does not affect the sub-fund's risk profile since:

- it takes place within the framework of a securities lending system managed by a principal. In addition, the sub-fund has a relationship only with the principal of the securities lending system which acts as counterparty and to which title of the loaned securities is transferred. The choice of principal is subject to strict selection criteria. The return of securities similar to the securities that have been lent is guaranteed by the principal.
- through a margin management system, the sub-fund is always guaranteed financial security, the actual value of which always exceeds the actual value of the securities that have been lent, in case the principal does not return similar securities.

The return of securities similar to the securities that have been lent can be requested at any time, which means that the lending of securities does not affect the management of the sub-fund's assets. By lending securities, the sub-fund can generate an additional return. The principal pays a fee to the management company. After deducting the fee for the margin management and clearing services of KBC Bank, most of this fee is paid to the sub-fund.

The relationship with the counterparty or counterparties is governed by standard international agreements.

More information is provided on the terms and conditions governing securities lending in the annual or half-yearly report for the sub-fund.

VOLATILITY OF THE NET ASSET VALUE:

The volatility of the net asset value may be high due to the composition of the portfolio.

GENERAL STRATEGY FOR HEDGING THE EXCHANGE RATE RISK:

In order to protect its assets against exchange rate fluctuations and within the limitations laid down in the articles of association, the sub-fund may perform transactions relating to the sale of forward currency contracts, as well as the sale of call options and the purchase of put options on currencies. The transactions in question may relate solely to contracts traded on a regulated market that operates regularly, is recognised and is open to the public or that are traded with a recognised, prime financial institution specialising in such transactions and dealing in the over-the-counter (OTC) market in options. With the same objective, the sub-fund may also sell currencies forward or exchange them in private transactions with prime financial institutions specialising in such transactions. The hedging objective of the aforementioned transactions suggests that there is a direct link between these transactions and the assets to be hedged, which implies that the transactions carried out in a particular currency may in principle not exceed, in terms of volume, either the valuation value of all the assets in the same currency or the holding period of those assets.

SOCIAL, ETHICAL AND ENVIRONMENTAL ASPECTS:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

THE EUROPEAN SAVINGS DIRECTIVE AND TAX ON DEBT CLAIM RETURNS OBTAINED THROUGH THE REDEMPTION OF OWN UNITS OR IN THE EVENT OF FULL OR PARTIAL DISTRIBUTION OF EQUITY CAPITAL.

The following information is of a general character and is not intended to cover all aspects of an investment in a UCITS. In certain cases entirely different rules might even apply. Moreover, both tax law and the interpretation of it can change. Investors who wish to have more information about the tax implications – in both Belgium and abroad – of acquiring, holding and transferring units should seek the advice of their usual financial and tax advisers.

This UCITS shall invest a maximum of 15% of its assets directly or indirectly in debt instruments as intended by the European Savings Directive.

A. European Savings Directive (Directive 2003/48/EC)

The European Savings Directive has been implemented in Belgium through:

- The Law of 17 May 2004 transposing into Belgian law Directive 2003/48/EC of 3 June 2003 of the Council of the European Union on taxation of savings income in the form of interest payments and amending Income Tax Code 1992 on withholding tax;
- The Royal Decree of 27 September 2009 implementing Article 338bis § 2 of Income Tax Code 1992;
- The Royal Decree of 27 September 2009 concerning the entry into effect of Article 338bis § 2, paragraphs one to three, of Income Tax Code 1992;

Since this UCITS invests a maximum of 15% of its assets directly or indirectly in debt claims as intended by the European Savings Directive, the income of this UCITS does not fall within the scope of this directive.

B. Tax on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital (Article 19bis Income Tax Code 1992).

The income from this UCITS is not subject to the tax on debt instrument returns as intended by Article 19bis, Income Tax Code 1992.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

There is no delegation of the portfolio.

2.1.5 DISTRIBUTORS

KBC Asset Management S.A., 5, Place de la Gare, L-1616 Luxembourg.

2.1.6 INDEX AND BENCHMARK

See 'Sub-fund's investment policy'.

2.1.7 POLICY PERSUED DURING THE FINANCIAL YEAR

KBC Equity Fund Pharma invests worldwide in companies active in all aspects of health care. These are, in the first place, pharmaceutical companies, but also include manufacturers of generic drugs, biotechnology companies, companies active in medical technology (e.g. cardiovascular and orthopaedic technologies) and medical services such as distributors, hospital chains and health insurers. Our preference is for companies which – thanks in some cases to innovation – display above-average growth at an attractive valuation.

During the first half of the year the healthcare sector (MSCI World Healthcare) performed extremely well. Which is understandable; as a result of the continuing crisis in Europe and the impact this could have on the European and, by extension, world economy, investors have been taking refuge in safe havens: the United States, the emerging markets or the relatively stable healthcare sector.

Resorting to the stable health sector is self-evident. The pharmaceutical industry may have its challenges, but also has the resources to meet them. The most important challenges in the Pharmaceutical sector are: patent expiry, R&D productivity and governmental pressure on the price of medicinal drugs. A number of companies have managed in recent years gradually to build up a pipeline, either by developing drugs themselves, such as GlaxoSmithKline, or by means of takeovers and agreements, such as Bristol Myers Squibb's 'String of Pearls'. Others have proved less successful in doing so, but have taken a different tack: buying back their own shares, sometimes in combination with an attractive dividend yield, such as AstraZeneca and Pfizer. The combination of both mechanisms did at least generate some enthusiasm for this subsector.

Another subsector that has done extremely well is the Biotech sector. Here again we see two different approaches. On the one hand, there are the large, mature companies, with an existing franchise at their disposal. As long as the franchise is not under pressure and there are prospects for expanding it, such companies remain highly in vogue. Gilead for example has a strong anti-HIV franchise and also has the potential to become an important player in HCV (Hepatitis C) with still experimental drugs such as GS-7977. On the other hand, emerging Biotech companies have been the subject of greater interest. Initiatives taken in the early 2000s are now beginning to bear fruit. Ocriplasmin, manufactured by the Belgian company ThromboGenics, is on the point of being approved for the treatment of eye disorders. Human Genome Sciences has successfully developed Benlysta for Lupus, which it markets jointly with its partner GlaxoSmithKline. A breakthrough of this kind makes a biotech company an interesting takeover target, whereby interested parties will not hesitate to launch a hostile bid. Micromet was the subject of a friendly takeover by Amgen, while Human Genome Sciences is the object of a hostile bid by GlaxoSmithKline. In the US and Europe alone takeovers totalling 25 bn USD (source: Bloomberg) have already been announced in the first half of this year. The excellent performance of the biotech sector is therefore not surprising.

One subsector that was clearly doing less well is the highly diverse Healthcare Equipment. Try as it might, the sector was unable to shake off the various ills that have been plaguing it for some time: the general lack of innovation, lack of pricing power and the fact that it is a target for governments and/or clients that are cutting back. The small Dental Implants subsector, for example, is closely tied to customers' discretionary spending. In a weak economic climate, this is one of the first things to go. This has resulted in unprecedentedly low valuations for the sector – lower even than in the crisis year of 2008. The orthopaedic and cardiovascular players are more defensive in nature, but here too the sector faces a highly unfavourable combination of circumstances, which has been persisting for some years: no innovation and no pricing power. The utilisation rate has however stopped slowing and there are signs of stabilisation.

One subsector that has performed well is (medical) Services. Particularly prominent were the Managed Care companies, i.e. the American commercial health insurers. One of the implications of ObamaCare has been the obligatory individual mandate, under which young and healthy customers are required to take out health insurance so as to make the extension of healthcare to other customers affordable: health insurers are obliged to include children living at home at the age of 26 in their parents' 'Health plans'. Similarly, they are no longer permitted to refuse insurance to people on account of their previous medical history. It used to be the case that customers with a chronic disorder were no longer able to take out a new contract when their old one expired other than on onerous and, for most people, unaffordable terms. Opponents of the legislation hope that the 'individual mandate' would be ruled unconstitutional. Had that been so, the whole plan could have collapsed, as the opponents wanted. A collapse of ObamaCare was regarded as potentially favourable for the health insurers, as a number of expensive commitments would then have been eliminated.

2.1.8 FUTURE POLICY

During the period ahead we think it remains advisable to seek out safe places, for example in healthcare. The 'euro' crisis has still not been resolved and some observers are beginning to fear that the malaise will spread to the economically strong euro countries. But we should also not be blind to the new challenges that are looming in the healthcare sector. A US survey commissioned by the government indicates that the costs of healthcare have been rising by nearly 4% a year and, given unchanged policies, will continue to do so in the coming years, with an outlier in 2014, when the costs of healthcare will rise by over 7% as ObamaCare comes fully on stream. By 2017 healthcare in the US will cost a mind-boggling 20% of GNP. Needless to say, measures are being planned to curb the rising costs in the US.

The US Supreme Court has now ruled on the constitutionality of ObamaCare. To widespread surprise, the law was upheld. The Court took the view that the fine attached to the requirement to buy health insurance should in fact be regarded as a tax. Since tax is a federal matter, ObamaCare is constitutional. This is of course grist to the Republican mill in the run-up to the forthcoming presidential elections. That would however appear to be bad news for the commercial health insurers in the US, although a qualification is in order. The commercial health insurers had already indicated that provided a few minor adjustments had been made, they would have continued to guarantee most of the elements of Obamacare, even if the legislation had been struck down. That would appear to demonstrate that all in all, the implications as quantified by the Managed Care companies will remain limited. They will be obliged to provide wider access to healthcare, but as against this there will be a greater number of mandates.

The utilisation rate in the hospital sector has stabilised. An improvement in the economy does not necessarily lead to a rise in the utilisation rate, but does of course result in improved access to the health sector. We expect that an upturn of the hospital sector will be anticipated towards the end of the year. Election rhetoric could in this case put a spanner in the works. We have no idea in which direction the rhetoric will head, but what is clear is that healthcare is bound to be one of the top three election issues.

On the Equipment side we can only see further gloom and doom; as noted previously, the costs are going through the roof and measures must be taken to bring costs down. Equipment is particularly sensitive to such measures. The utilisation rate in the hospital sector has stabilised. An improvement in the economy does not necessarily lead to a rise in the utilisation rate, but does of course result in improved access to the health sector. The Sapien heart valve is minimally invasive for patients who are too weak to undergo a regular, invasive procedure. And that is the reason why the Boston Scientifics of this world simply do not succeed in achieving significant growth. They lack the flexibility of, for example, Johnson & Johnson, which could simply leave the playing field.

The Pharmaceutical sector also needs to be on its guard. It is in good shape and has a number of strong points, such as the dividend yield and traditional share buybacks. But it needs to keep a close watch on the situation in the periphery of Europe. Roche has decided not to deliver any drugs in Spain and Portugal to hospitals with payment arrears of more than 700 days. In some regions this applies to over a quarter of the hospitals. Although Roche is the only one to have gone public on this issue, there are known to be other players that have limited the access to drugs, for limited periods or otherwise. When Greece for example unilaterally slashed the price of drugs, Novo Nordisk simply stopped supplying the country. That situation has since been rectified, but in the meantime the sector is at risk of a change in perception under which they are labelled as villains. But the overall situation is not without importance. Some countries make use of a 'basket' of drugs, including ones from the local region, in order to determine the price. In this way, a loss of several tens of millions of euros in sales can indirectly result in a more significant loss of sales elsewhere through pressure on prices.

Spared to some extent from most of these tribulations is Biotechnology, especially emerging biotechnology. There has been a flood of new drugs that are on the point of approval, even for conditions for which it has so far been notoriously difficult to get anything approved. The prime example is obesity products. The fact that Arena's small molecule drug lorcaserin was approved for obesity was a breakthrough. It has been 13 years since anything was approved for this condition. But the drug also has its issues, as it is a 'Fen-Phen' derivative. 'Fen-Phen' or fenfluramine and dexfenfluramine was a weight-loss drug combination that was extraordinarily popular in the 1990s. The drug turned out, however, also to cause serious heart-valve damage. The fact that lorcaserin was associated with carcinogenicity, albeit only among rats, was also not exactly encouraging. Nevertheless, here we are in 2012 and the drug has been approved, despite its modest efficacy – an illustration of the present benevolence of the FDA. As such it is not surprising that we have long regarded biotechnology as a must have in any dynamic portfolio.

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

Classic Shares: 6 on a scale of 1 (lowest risk) to 7 (highest risk).

Institutional B Shares: 6 on a scale of 1 (lowest risk) to 7 (highest risk).

The value of a share can decrease or increase and the investor may not get back the amount invested.

In accordance with Commission Regulation (EU) No. 583/2010, a synthetic risk and reward indicator has been calculated. This indicator provides a quantitative measure of the sub-fund's potential return and the risk involved, calculated in the currency in which the sub-fund is denominated. It is given as a figure between 1 and 7. The higher the figure, the greater the potential return, but also the more difficult it is to predict this return. Losses are possible too. The lowest figure does not mean that the investment is entirely free of risk. However, it does indicate that, compared with the higher figures, this product will generally provide a lower, but more predictable return.

The synthetic risk and reward indicator is assessed regularly and can therefore go up or down based on data from the past. Data from the past is not always a reliable indicator of future risk and return.

The most recent indicator can be found under the 'Risk and reward profile' heading in the 'Key Investor Information' document.

2.2 BALANCE SHEET

Balance sheet layout	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
TOTAL NET ASSETS	185.574.205,93	137.205.011,82
II. Securities, money market instruments, UCIs and derivatives		
A. Bonds and other debt instruments		
a) Bonds		
a) Collateral received in the form of bonds	952.298,09	
C. Shares and similar instruments		
a) Shares	184.849.668,01	133.621.925,73
Of which securities lent	890.088,20	
b) Closed-end undertakings for collective investment		1.266.942,94
D. Other securities		26.584,96
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable	344,72	1.342.771,77
b) Tax assets	4.934,50	11.930,08
B. Payables		
a) Accounts payable (-)	-297.868,72	-1.940.060,90
c) Borrowings (-)	-25.954,26	-1.346.204,10
d) Collateral (-)	-952.298,09	
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	881.822,65	4.072.379,78
VI. Accruals and deferrals		
A. Expense to be carried forward	56.226,53	45.375,52
B. Accrued income	211.974,84	198.696,50
C. Accrued expense (-)	-106.943,34	-95.330,46
TOTAL SHAREHOLDERS' EQUITY	185.574.205,93	137.205.011,82
A. Capital	170.089.014,74	135.172.038,78
B. Income equalization	141.191,02	143.181,66
D. Result for the period	15.344.000,17	1.889.791,38

Off-balance-sheet headings

I	Collateral (+/-)	
I.A	Collateral (+/-)	
I.A.A	Securities/market instruments	952.298,09
IX	Financial instruments lent	890.088,20

2.3 PROFIT AND LOSS ACCOUNT

Income Statement	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
I. Net gains(losses) on investments		
A. Bonds and other debt instruments		
b) Other debt instruments		
b1 With embedded derivative financial instruments		43.371,36
C. Shares and similar instruments		
a) Shares	12.353.082,65	8.627.870,63
b) Closed-end undertakings for collective investment	27.878,94	15.488,30
D. Other securities	1.920,07	184.278,62
H. Foreign exchange positions and transactions		
b) Other foreign exchange positions and transactions	2.082.146,46	-7.304.868,24
II. Investment income and expenses		
A. Dividends	2.173.479,04	1.386.113,62
B. Interests		
a) Securities and money market instruments	28.445,31	50.567,82
b) Cash at bank and in hand and deposits	2.350,26	1.862,45
C. Interest on borrowings (-)	-1.159,97	-3.045,74
III. Other income		
A. Income received to cover the acquisition and realization of assets, to discourage withdrawals and for delivery charges	323.394,99	
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-407.559,29	-162.588,56
B. Financial expenses (-)	-1.251,20	-1.622,52
C. Custodian's fee (-)	-51.536,93	-38.609,17
D. Manager's fee (-)		
a) Financial management		
Classic Shares	-475.361,92	-741.475,57
Institutional B Shares	-534.501,95	
b) Administration and accounting management	-71.225,98	-62.015,03
E. Administrative expenses (-)	-142,99	-151,75
F. Formation and organisation expenses (-)	-8.295,11	-4.521,42
G. Remuneration, social security charges and pension	-12,48	-22,96
H. Services and sundry goods (-)	-13.768,79	-8.663,27
J. Taxes		
Classic Shares	-26.780,15	-53.091,38
Institutional B Shares	-5.699,06	
K. Other expenses (-)	-51.401,73	-39.085,81
Income and expenditure for the period		
Subtotal II + III + IV	878.972,05	323.650,71
V. Profit (loss) on ordinary activities before tax	15.344.000,17	1.889.791,38
VII. Result for the period	15.344.000,17	1.889.791,38

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC EQUITY FUND PHARMA

Name	Quantity on 30/06/2012	Currency	Price in currency	Evaluation (in the currency of the sub-fund)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
Shares							
Exchange-listed shares							
<u>Australia</u>							
COCHLEAR LTD -	5.228,00	AUD	65,840	278.027,16		0,15	0,15
CSL LIMITED -	47.725,00	AUD	39,420	1.519.582,81		0,82	0,82
RAMSAY HEALTH CARE LTD -	12.175,00	AUD	22,610	222.347,04		0,12	0,12
SONIC HEALTHCARE LTD -	34.270,00	AUD	12,700	351.543,96		0,19	0,19
<u>Belgium</u>							
ABLYNX -	230.379,00	EUR	2,830	651.972,57		0,35	0,35
DEVGEN STRIP-VVPR	16.690,00	EUR	0,000	1,67			
GALAPAGOS GENOMICS NV -	64.931,00	EUR	12,400	805.144,40		0,44	0,43
THROMBOGENICS NV -	43.096,00	EUR	21,300	917.944,80		0,50	0,50
THROMBOGENICS NV STRIP-VVPR	199.040,00	EUR	0,007	1.393,28		0,00	0,00
U.C.B. -	8.635,00	EUR	39,840	344.018,40		0,19	0,19
<u>Bermuda</u>							
COVIDIEN LTD -	49.222,00	USD	53,500	2.074.995,67		1,12	1,12
<u>Brazil</u>							
AMIL PARTICIPACOES SA -	11.723,00	BRL	20,100	91.989,97		0,05	0,05
DIAGNOSTICOS DA AMERICA -	21.700,00	BRL	13,210	111.909,82		0,06	0,06
ODONTOPREV SA -	24.670,00	BRL	10,200	98.236,97		0,05	0,05
<u>China</u>							
SHANDONG WEIGAO GP MEDICAL-H -	148.000,00	HKD	8,540	128.397,57		0,07	0,07
SIHUAN PHARMACEUTICAL HOLDINGS -	166.000,00	HKD	2,800	47.217,54		0,03	0,03
SINOPHARM GROUP CO -	71.600,00	HKD	21,300	154.927,97		0,08	0,08
<u>Denmark</u>							
NOVO NORDISK A/S "B"	52.466,00	DKK	848,500	5.988.028,76		3,24	3,23
<u>France</u>							
ESSILOR (PAR)	16.153,00	EUR	73,300	1.184.014,90		0,64	0,64
SANOFI -	124.145,00	EUR	59,740	7.416.422,30		4,01	4,00
STALLERGENES (PAR)	8.352,00	EUR	44,270	369.743,04		0,20	0,20
<u>Germany</u>							
BAYER AG -	101.585,00	EUR	56,780	5.767.996,30		3,12	3,11
DRAEGERWERK AG PREF	3.408,00	EUR	77,800	265.142,40		0,14	0,14
FRESENIUS MEDICAL CARE AG & CO -	16.708,00	EUR	55,830	932.807,64		0,51	0,50
FRESENIUS SE & CO KGAA (FRA)	9.944,00	EUR	81,780	813.220,32		0,44	0,44
<u>Hong Kong</u>							
SHANGAI PHARMACEUTICALS HOLDING -	45.900,00	HKD	9,670	45.089,60		0,02	0,02
<u>Hungary</u>							
GEDEON RICHTER -	1.291,00	HUF	37.200,000	168.061,31		0,09	0,09

<u>India</u>							
CIPLA LTD -	21.949,00	INR	316,550	98.055,47		0,05	0,05
DR REDDY'S LABORATORIES LTD. -	6.810,00	INR	1.648,150	158.401,26		0,09	0,09
LUPIN LTD -	9.608,00	INR	537,150	72.835,54		0,04	0,04
PIRAMAL HEALTHCARE LTD -	5.015,00	INR	527,900	37.362,63		0,02	0,02
RANBAXY LABORATORIES LTD -	9.264,00	INR	490,550	64.135,22		0,04	0,04
SUN PHARMACEUTICAL INDS LTD -	20.203,00	INR	635,800	181.280,54		0,10	0,10
<u>Indonesia</u>							
PT KALBE FARMA FOREIGN	414.000,00	IDR	3.775,000	131.115,98		0,07	0,07
<u>Israel</u>							
TEVA PHARMA ADR	27.999,00	USD	39,440	870.128,88		0,47	0,47
<u>Italy</u>							
DIASORIN SPA -	7.228,00	EUR	22,970	166.027,16		0,09	0,09
<u>Japan</u>							
ALFRESA HOLDINGS CORP -	3.800,00	JPY	4.220,000	158.364,61		0,09	0,09
ASTELLAS PHARMA INC -	41.631,00	JPY	3.465,000	1.424.564,64		0,77	0,77
CHUGAI PHARMACEUTICAL CO LTD -	20.823,00	JPY	1.507,000	309.897,90		0,17	0,17
DAIICHI SANKYO COMPANY LTD -	62.890,00	JPY	1.339,000	831.618,70		0,45	0,45
DAINIPPON SUMITOMO PHARMA CO L -	15.000,00	JPY	811,000	120.136,28		0,07	0,07
EISAI CO. -	23.300,00	JPY	3.490,000	803.051,55		0,43	0,43
HISAMITSU PHARM. -	5.800,00	JPY	3.920,000	224.530,91		0,12	0,12
KYOWA HAKKO KOGYO -	24.000,00	JPY	817,000	193.640,13		0,11	0,10
MEDICEO PALTAC HOLD CO LTD -	13.500,00	JPY	1.126,000	150.118,51		0,08	0,08
MIRACA HOLDINGS INC -	5.200,00	JPY	3.305,000	169.721,51		0,09	0,09
OLYMPUS CORP -	19.800,00	JPY	1.288,000	251.850,68		0,14	0,14
ONO PHARMACEUTICAL CO LTD -	7.700,00	JPY	4.995,000	379.829,15		0,21	0,21
OTSUKA HOLDINGS CO LTD -	33.600,00	JPY	2.443,000	810.634,01		0,44	0,44
SANTEN PHARMACEUTICAL CO LTD -	6.900,00	JPY	3.275,000	223.163,14		0,12	0,12
SHIONOGI & CO -	28.000,00	JPY	1.080,000	298.637,17		0,16	0,16
SUZUKEN CO LTD -	6.600,00	JPY	2.685,000	175.004,94		0,10	0,09
SYSMEX CORP -	6.700,00	JPY	3.140,000	207.762,20		0,11	0,11
TAISHO PHARM. -	3.400,00	JPY	6.710,000	225.301,20		0,12	0,12
TAKEDA PHARMACEUTICAL CO LTD -	73.670,00	JPY	3.615,000	2.630.032,10		1,42	1,42
TANABE SEIYAKU CO LTD -	20.500,00	JPY	1.145,000	231.804,27		0,13	0,13
TERUMO CORP. -	14.300,00	JPY	3.260,000	460.379,22		0,25	0,25
TSUMURA & CO -	5.700,00	JPY	2.106,000	118.548,29		0,06	0,06
<u>Jersey/The Channel Islands</u>							
SHIRE LTD -	64.379,00	GBP	18,320	1.457.697,79		0,79	0,79
<u>Norway</u>							
ALGETA ASA -	37.724,00	NOK	170,000	850.112,68		0,46	0,46
<u>South Africa</u>							
ASPEN PHARMA CARE HOLD LTD -	26.392,00	ZAR	125,850	320.014,76		0,17	0,17
LIFE HEALTHCARE GROUP HOLDINGS -	86.633,00	ZAR	31,130	259.840,57		0,14	0,14
NETWORK HEALTHCARE HOLD TLD -	79.463,00	ZAR	16,000	122.498,12		0,07	0,07
<u>South Korea</u>							
CELLTRION INC -	9.703,00	KRW	30.300,000	202.269,61		0,11	0,11
YUHAN CORPORATION -	785,00	KRW	133.500,000	72.099,61		0,04	0,04
<u>Spain</u>							
GRIFOLS SA -	11.832,00	EUR	19,990	236.521,68		0,13	0,13
<u>Sweden</u>							
ELEKTA AB -B-	7.220,00	SEK	315,200	259.802,96		0,14	0,14

GETINGE AB B	24.436,00	SEK	171,000	477.031,34		0,26	0,26
<u>Switzerland</u>							
ACTELION LTD -	58.067,00	CHF	38,900	1.880.536,40		1,02	1,01
LONZA AG -	4.901,00	CHF	39,380	160.680,50		0,09	0,09
NOBEL BIOCARE HOLDING AG -	15.491,00	CHF	9,790	126.259,74		0,07	0,07
NOVARTIS AG REG	159.867,00	CHF	52,900	7.040.722,89		3,81	3,79
ROCHE HOLDING GENOTS	52.015,00	CHF	163,600	7.084.588,94		3,83	3,82
STRAUMANN HOLDING AG REG	2.797,00	CHF	139,100	323.908,50		0,18	0,18
<u>U.K.</u>							
ASTRAZENECA PLC -	40.407,00	GBP	28,530	1.424.807,45		0,77	0,77
GLAXOSMITHKLINE PLC -	456.035,00	GBP	14,470	8.155.761,28		4,41	4,40
<u>U.S.A.</u>							
ABBOTT LAB. -	160.124,00	USD	64,470	8.134.263,87		4,40	4,38
AETNA INC NEW	45.203,00	USD	38,770	1.380.915,85		0,75	0,74
AGILENT TECHNOLOGIES -	66.849,00	USD	39,240	2.066.940,95		1,12	1,11
ALLERGAN INC. -	10.251,00	USD	92,570	747.722,85		0,41	0,40
AMERISOURCEBERGEN CORP -	26.257,00	USD	39,350	814.130,45		0,44	0,44
AMGEN -	45.450,00	USD	73,040	2.615.765,50		1,42	1,41
BAXTER INTL INC -	57.064,00	USD	53,150	2.389.844,46		1,29	1,29
BIOGEN IDEC INC -	11.156,00	USD	144,380	1.269.169,71		0,69	0,68
BIOMARIN PHARMACEUTICAL INC -	22.638,00	USD	39,580	706.021,62		0,38	0,38
BOSTON SCIENTIFIC -	209.146,00	USD	5,670	934.408,49		0,51	0,50
BRISTOL-MYERS SQUIBB CO -	24.626,00	USD	35,950	697.584,67		0,38	0,38
CARDINAL HEALTH INC -	42.140,00	USD	42,000	1.394.594,59		0,75	0,75
CARE FUSION CORP -	22.889,00	USD	25,680	463.154,61		0,25	0,25
CATAMARAN CORP -	5.785,00	CAD	101,110	452.113,12		0,25	0,24
CELGENE CORPORATION -	44.687,00	USD	64,160	2.259.174,15		1,22	1,22
CERNER CORP -	13.387,00	USD	82,660	871.932,41		0,47	0,47
CIGNA CORP. -	871,00	USD	44,000	30.197,78		0,02	0,02
COMMUNITY HEALTH SYSTEMS INC -	13.196,00	USD	28,030	291.453,69		0,16	0,16
COVANCE INC -	27.055,00	USD	47,850	1.020.078,60		0,55	0,55
COVENTRY HEALTH CARE INC -	14.379,00	USD	31,790	360.183,13		0,20	0,19
CUBIST PHARMACEUTICALS INC -	63.467,00	USD	37,910	1.895.858,46		1,03	1,02
DENTSPLY INTERNATIONAL INC -	25.170,00	USD	37,810	749.883,93		0,41	0,40
EDWARDS LIFESCIENCES CORP. -	15.498,00	USD	103,300	1.261.479,32		0,68	0,68
EXPRESS SCRIPTS INC. "A"	86.461,00	USD	55,830	3.803.575,47		2,06	2,05
FOREST LABORATORIES "A"	24.645,00	USD	34,990	679.480,38		0,37	0,37
GILEAD SCIENCES -	127.504,00	USD	51,280	5.152.001,51		2,79	2,78
HEALTH MANAGEMENT ASSOCIATES INC. "A"	23.191,00	USD	7,850	143.447,60		0,08	0,08
HOSPIRA INC. -	47.863,00	USD	34,980	1.319.240,20		0,71	0,71
HUMANA INC. -	25.243,00	USD	77,440	1.540.318,27		0,83	0,83
ILLUMINA INC -	43.604,00	USD	40,390	1.387.727,96		0,75	0,75
INTUITIVE SURGICAL INC -	1.669,00	USD	553,790	728.292,10		0,39	0,39
JOHNSON & JOHNSON -	252.487,00	USD	67,560	13.441.038,31		7,27	7,24
LILLY (ELI) & CO -	4.930,00	USD	42,910	166.690,02		0,09	0,09
MCKESSON CORP -	25.063,00	USD	93,750	1.851.435,07		1,00	1,00
MEDTRONIC INC -	18.641,00	USD	38,730	568.880,25		0,31	0,31
MERCK & CO -	362.190,00	USD	41,750	11.915.083,52		6,45	6,42
OMNICARE INC -	18.623,00	USD	31,230	458.274,60		0,25	0,25
PFIZER -	767.699,00	USD	23,000	13.913.069,89		7,53	7,50
QUEST DIAGNOSTICS INC -	16.125,00	USD	59,900	761.080,69		0,41	0,41
REGENRON PHARMACEUTICALS -	29.681,00	USD	114,220	2.671.313,39		1,45	1,44
SALIX PHARMACEUTICALS -	17.317,00	USD	54,440	742.839,40		0,40	0,40
ST JUDE MEDICAL INC. -	37.183,00	USD	39,910	1.169.311,74		0,63	0,63
STRYKER CORPORATION -	31.042,00	USD	55,100	1.347.737,92		0,73	0,73
THERMO ELECTRONIC -	37.257,00	USD	51,910	1.523.923,15		0,82	0,82

THRESHOLD PHARMACEUTICALS INC -	105.282,00	USD	7,400	613.889,21		0,33	0,33
UNITEDHEALTH GROUP INC. -	114.599,00	USD	58,500	5.282.516,35		2,86	2,85
VALEANT PHARMACEUTICALS INTERN -	39.186,00	USD	44,790	1.382.980,81		0,75	0,75
VARIAN MEDICAL SYSTEMS -	16.680,00	USD	60,770	798.710,58		0,43	0,43
WATSON PHARMACEUTICALS INC -	30.452,00	USD	73,990	1.775.386,87		0,96	0,96
WELLPOINT INC -	42.349,00	USD	63,790	2.128.628,72		1,15	1,15
ZIMMER HOLDINGS INC. -	18.139,00	USD	64,360	919.884,99		0,50	0,50
Unlisted shares							
<u>U.S.A.</u>							
ALTEA THERAPEUTICS -	344.827,00	USD	0,725	196.989,66		0,11	0,11
METABOLEX PREF B1	477.806,00	USD	0,733	275.780,39		0,15	0,15
Total shares				184.849.668,01		100,00	99,61
TOTAL SECURITIES PORTFOLIO				184.849.668,01		100,00	99,61
COLLATERAL RECEIVED							
<u>Belgium</u>							
KBC GROUP COLLATERAL EUR	952.298,09	EUR	1,000	952.298,09			0,51
TOTAL RECEIVED COLLATERAL				952.298,09			0,51
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP AUD	-1.859,23	AUD	1,000	-1.501,74			0,00
KBC GROUP CAD	-1.601,07	CAD	1,000	-1.237,54			0,00
KBC GROUP CHF	-4.728,34	CHF	1,000	-3.936,51			0,00
KBC GROUP CZK	5,38	CZK	1,000	0,21			
KBC GROUP DKK	-5.594,48	DKK	1,000	-752,51			
KBC GROUP EURO	-83,37	EUR	1,000	-83,37			
KBC GROUP GBP	-12.092,98	GBP	1,000	-14.946,21			-0,01
KBC GROUP HKD	18.969,92	HKD	1,000	1.927,09			0,00
KBC GROUP HUF	-57.690,02	HUF	1,000	-201,88			
KBC GROUP JPY	-44.269,00	JPY	1,000	-437,18			
KBC GROUP NOK	-17.127,62	NOK	1,000	-2.270,42			0,00
KBC GROUP NZD	538,82	NZD	1,000	341,26			
KBC GROUP SEK	-470,08	SEK	1,000	-53,67			
KBC GROUP USD	1.116.242,10	USD	1,000	879.554,09			0,47
KBC GROUP ZAR	-5.524,02	ZAR	1,000	-532,23			
Total demand accounts				855.869,39			0,46
TOTAL CASH AT BANK AND IN HAND				855.869,39			0,46
OTHER RECEIVABLES AND PAYABLES							
Receivables							
<u>Belgium</u>							
KBC GROUP EUR RECEIVABLE	344,72	EUR	1,000	344,72			
KBC GROUP WHT TO BE RECOVERED EUR	4.934,50	EUR	1,000	4.934,50			0,00
Total receivables				5.279,22			0,00
Payables							
<u>Belgium</u>							
KBC GROUP COUNTERPART ENTRY COLLATERAL IN EUR	-952.298,09	EUR	1,000	-952.298,09			-0,51

KBC GROUP EUR PAYABLE	-297.868,72	EUR	1,000	-297.868,72			-0,16
Payables				-1.250.166,81			-0,67
TOTAL RECEIVABLES AND PAYABLES				-1.244.887,59			-0,67
OTHER							
Interest receivable		EUR		205.096,64			0,11
Accrued interest		EUR		6.878,20			0,00
Expenses payable		EUR		-106.943,34			-0,06
Expenses to be carried forward		EUR		56.226,53			0,03
TOTAL OTHER				161.258,03			0,09
TOTAL NET ASSETS				185.574.205,93			100,00

Geographic breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Australia	0,67	0,00	0,32	1,28
Belgium	4,52	2,44	2,99	1,47
Bermuda	1,42	1,62	1,82	1,12
Brazil	0,00	0,00	0,87	0,16
Canada	0,00	0,00	0,40	0,24
Switzerland	5,91	12,16	11,53	8,99
China	0,00	0,00	0,00	0,18
Germany	4,84	7,29	7,53	4,21
Denmark	2,66	5,16	2,76	3,24
Spain	0,00	0,00	0,72	0,13
France	2,18	3,72	5,64	4,85
U.K.	6,65	7,57	9,48	5,18
Hong Kong	0,00	0,00	0,00	0,02
Hungary	0,00	1,19	0,12	0,09
India	0,00	0,00	0,00	0,33
Indonesia	0,00	0,00	0,00	0,07
Israel	3,56	3,07	1,42	0,47
Italy	0,00	0,00	0,00	0,09
Jersey/The Channel Islands	0,62	0,98	1,59	0,79
Japan	4,51	3,11	2,38	5,63
South Korea	0,00	0,00	0,00	0,15
Netherlands	1,25	0,00	0,00	0,00
Norway	0,00	0,00	0,85	0,46
Sweden	0,77	0,86	0,00	0,40
U.S.A.	60,44	50,83	49,58	60,07
South Africa	0,00	0,00	0,00	0,38
Total	100,00	100,00	100,00	100,00

Sector breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Cyclicals	4,17	6,97	4,48	3,21
Pharma	95,83	93,03	94,91	95,67
Technology	0,00	0,00	0,61	1,12
Total	100,00	100,00	100,00	100,00

Currency breakdown (as a % of net assets)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
AUD	0,70	0,00	0,32	1,28
BRL	0,00	0,00	0,87	0,16
CAD	0,00	0,00	0,40	0,24
CHF	11,77	11,97	11,44	8,96
DKK	2,65	5,07	2,74	3,23
EUR	11,51	14,82	17,48	10,56
GBP	7,66	8,41	10,98	5,95
HKD	0,00	0,00	0,00	0,20
HUF	0,00	1,18	0,12	0,09
IDR	0,00	0,00	0,00	0,07
INR	0,00	0,00	0,00	0,33
JPY	4,48	3,03	2,36	5,61
KRW	0,00	0,00	0,00	0,15
NOK	0,00	0,00	0,84	0,46
SEK	0,82	0,85	0,00	0,40
USD	60,41	54,67	52,45	61,93
ZAR	0,00	0,00	0,00	0,38
Total	100,00	100,00	100,00	100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC EQUITY FUND PHARMA (IN THE CURRENCY OF THE SUB-FUND)

	1st half of year	Year
Purchases	217.381.569,52	217.381.569,52
Sales	180.077.988,08	180.077.988,08
Total 1	397.459.557,60	397.459.557,60
Subscriptions	110.788.640,55	110.788.640,55
Redemptions	73.596.739,67	73.596.739,67
Total 2	184.385.380,22	184.385.380,22
Monthly average of total assets	151.031.944,60	151.031.944,60
Turnover rate	141,08 %	141,08 %

	1st half of year	Year
Purchases	217.381.569,52	217.381.569,52
Sales	180.077.988,08	180.077.988,08
Total 1	397.459.557,60	397.459.557,60
Subscriptions	110.788.640,55	110.788.640,55
Redemptions	73.596.739,67	73.596.739,67
Total 2	184.385.380,22	184.385.380,22
Monthly average of total assets	149.946.641,37	149.946.641,37
Corrected turnover rate	142,10 %	142,10 %

The table above shows the capital volume of portfolio transactions. This volume (adjusted to take account of total subscriptions and redemptions) is also compared to the average net assets at the beginning and end of the period.

A figure close to 0% implies that the transactions relating to the securities or transactions relating to the assets (excluding deposits and cash) in a given period only involve subscriptions and redemptions.

A negative percentage shows that subscriptions and redemptions entailed few, if any, transactions in the portfolio.

Active asset management may result in high turnover rates (monthly percentage >50%).

The detailed list of transactions is available for consultation free of charge at the registered office of the Bevek or fund at Havenlaan 2, 1080 Brussels.

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

NAME	Currency	Value in currency	In the currency of the sub-fund	Lot-size	Transaction date
KBC COLLATERAL EUR	EUR	952.298,09	952.298,09	N/A	29.06.2012

2.4.4 CHANGES OF THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND THE NET ASSET VALUE

Classic Shares

Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2010 - 06	231.938,03	1.747,83	300.753,47	4.623,00	186.179,05	27.595,83	213.774,88
2011 - 06	110.272,45	652,00	96.052,21	5.572,00	200.399,29	22.675,83	223.075,12
2012 - 06	67.773,65	496,23	185.744,16	3.905,50	82.428,79	19.266,55	101.695,34

Period	Amounts received and paid by the UCI (in the currency of the class)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2010 - 06	124.627.447,84	851.265,37	171.096.199,31	2.335.632,56
2011 - 06	66.575.874,93	341.450,40	56.906.243,07	2.978.793,57
2012 - 06	42.010.486,39	277.958,03	110.348.932,05	2.242.201,88

Period	Net asset value End of period (in the currency of the class)		
Year	Of the class	Of one share	
		Capitalization	Distribution
2010 - 06	122.307.018,53	579,97	519,25
2011 - 06	137.205.011,82	621,99	553,84
2012 - 06	71.253.786,44	716,03	634,90

Institutional B Shares

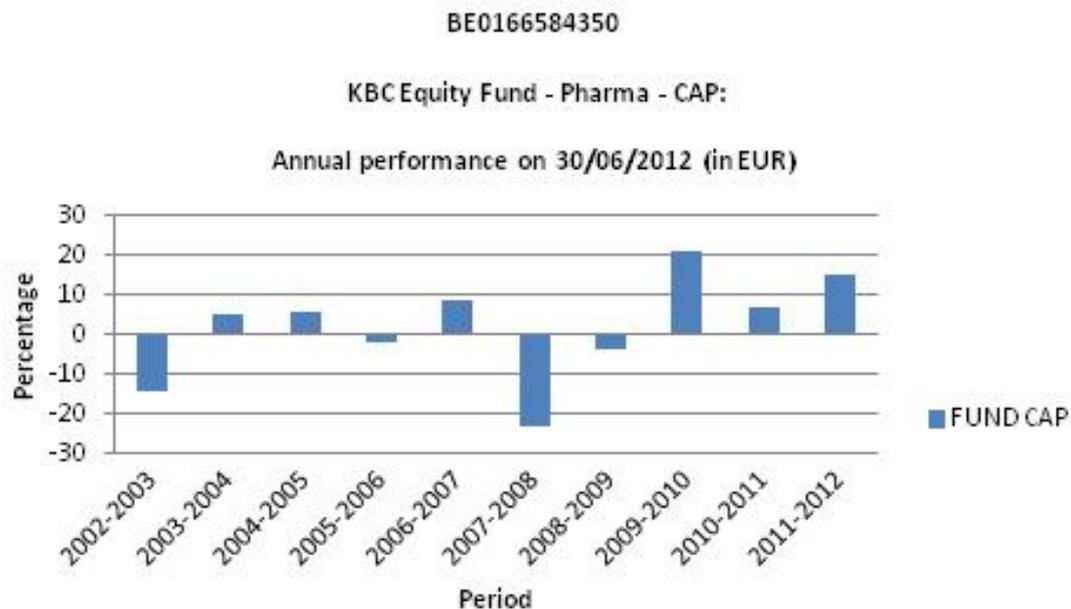
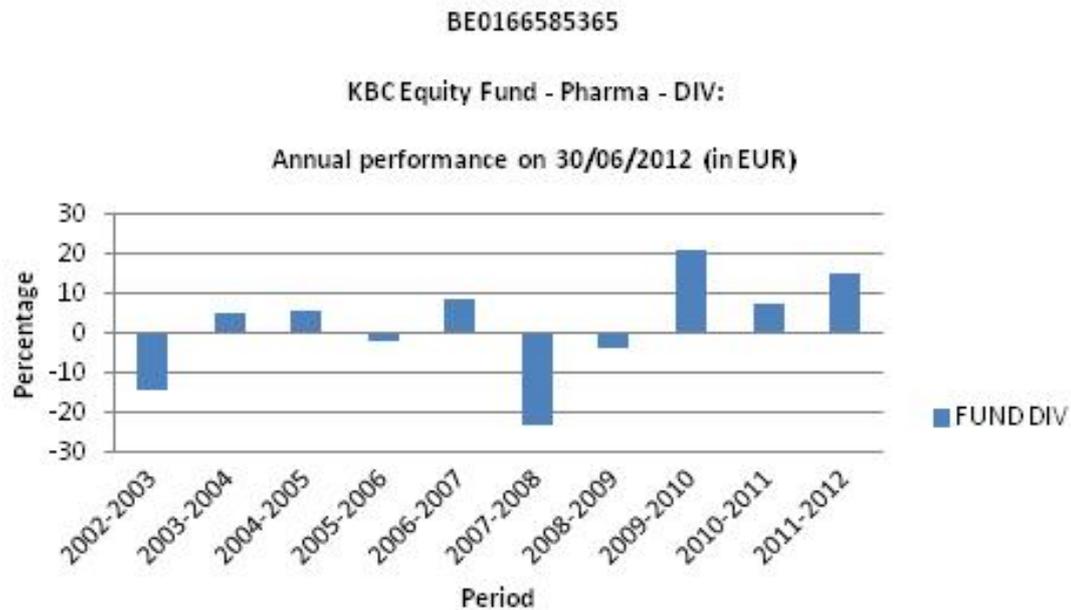
Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2012 - 06	249.767,00		90.240,00		159.527,00		159.527,00

Period	Amounts received and paid by the UCI (in the currency of the class)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2012 - 06	162.984.720,94		61.451.043,96	

Period	Net asset value End of period (in the currency of the class)		
Year	Of the class	Of one share	
		Capitalization	Distribution
2012 - 06	114.320.419,48	716,62	

2.4.5 PERFORMANCE FIGURES

Classic Shares



Cap Div	ISIN code	Cur-rency	1 Year		3 Years*		5 Years*		10 Years*		Since launch*	
			Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Launch Date	Share classes
CAP	BE0166584350	EUR	15.12%		14.26%		1.97%		1.16%		27/02/1998	2.60%
DIV	BE0166585365	EUR	15.12%		14.27%		1.98%		1.16%		27/02/1998	2.59%

Risk warning: Past performance is not a guide to future performance.

* Return on annual basis.

Institutional B Shares

The cumulative returns are shown where they relate to a period of at least one year.

Classic Shares

- The bar chart shows the performance for full financial years.
- The figures do not take account of any restructuring.
- Calculated in EUR (ex BEF).
- The return is calculated as the change in the net asset value between two dates expressed as a percentage. In the case of units that pay dividends, the dividend is incorporated geometrically in the return.
- Calculation method for date D, where NAV stands for net asset value:

Capitalisation units (CAP)

Return on date D over a period of X years:

$$[\text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where $Y = D - X$

Return on date D since the start date S of the unit:

$$[\text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where $F = 1$ if the unit has existed for less than one year on date D

where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D

Distribution units (DIV)

Return on date D over a period of X years:

$$[C * \text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where $Y = D - X$

Return on date D since the start date S of the unit:

$$[C * \text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where $F = 1$ if the unit has existed for less than one year on date D

where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D

where C is a factor that is determined for all N dividends between the calculation date D and the reference date.

For dividend i on date Di with value Wi:

$$C_i = [W_i / \text{NIW}(D_i)] + 1$$

$i = 1 \dots N$

from which $C = C_0 * \dots * C_N$.

- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the n^{th} square root of 1 plus the total return of the unit.
- The return figures shown above do not take account of the fees and charges associated with the issue and redemption of units.

These are the performance figures for capitalisation and distribution shares.

2.4.6 COSTS

Total expense ratio (TER): *

Classic Shares Distribution: 1.665%
Classic Shares Capitalization: 1.665%
Institutional B Shares Capitalization: Not applicable

Percentage calculated at the end of the financial year: 31 December

* The following costs have not been included in the TER:

- Transaction charges
- Interest payments on loans taken out
- Payments in respect of financial derivatives
- Fees and charges paid directly by the investor
- Any soft commissions

SOFT COMMISSIONS

The management company or the appointed manager, as the case may be, is the recipient of soft commissions.

The recipient has laid down an internal policy as regards accepting soft commissions and avoiding possible conflicts of interest in this respect, and has put appropriate internal controls in place to ensure this policy is observed.

For more information, please see the 'General' section of the annual report.

Broker	Commission gross in EUR paid during the period: 1-01-12 - 30-06-12	CSA Credits in EUR accrued during the period: 1-01-12 - 30-06-12	Percentage
CITI	6,140	3,838	62.50%
CSFBSAS	47,426	28,994	61.14%
DEUTSCHE	2,726	1,472	53.99%
HSBC	12,352	6,543	52.97%
JP MORGAN	19,904	11,058	55.56%
MERRILL	6,117	3,771	61.66%
MORGAN STANLEY	91,686	56,359	61.47%
NOMURA	39,239	24,339	62.03%
SOCGEN	1,247	623	50.00%
UBSWDR	24,244	13,145	54.22%

FEE-SHARING AGREEMENTS AND REBATES:

The management company may share its fee with the distributor, and institutional and/or professional parties.

In principle, the percentage share amounts to between 35% and 60% if the distributor is an entity of KBC Group NV or to between 35% and 70% if the distributor is not an entity of KBC Group NV. However, in a small number of cases, the distributor's fee is less than 35%. Investors may, on request, obtain more information on these cases.

If the management company invests the assets of the undertaking for collective investment in units of undertakings for collective investment that are not managed by an entity of KBC Group NV, and receives a fee for doing so, it will pay this fee to the undertaking for collective investment.

Fee-sharing does not affect the amount of the management fee paid by the sub-fund to the management company. This management fee is subject to the limitations laid down in the articles of association. The limitations may only be amended after approval by the general meeting of shareholders.

The management company has concluded a distribution agreement with the distributor in order to facilitate the wider distribution of the sub-fund's units by using multiple distribution channels. It is in the interests of the holders of units, the sub-fund and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund to be maximised in this way. In this respect, there is therefore no question of any conflict of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: 1.35% per annum calculated on the basis of the average total net assets of the sub-fund, excluding those assets invested in investment undertakings managed by a financial institution of the KBC group.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the average total net assets of the sub-fund.

Auditor's fee: 1 700 EUR per year. This fee is not including VAT and will be increased at the end of the 3-year mandate.

The custody fee is calculated on the value of the securities held in custody by the custodian on the final banking day of the preceding calendar year, except on those assets invested in investment undertakings managed by a financial institution of the KBC group. The custody fee is paid at the beginning of the calendar year.

Social, ethical and environmental aspects:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

Exercising voting rights

If necessary, relevant and in the interest of the shareholders, the management company will exercise the voting rights attached to the shares in the Bevek's portfolio.

The management company will adhere to the following criteria when determining how it stands relative to the items on the agenda that are put to the vote:

- Shareholder value may not be adversely affected.
- Corporate governance rules, especially with regard to the rights of minority shareholders, must be respected.
- The minimum standards with regard to sustainable business and corporate social responsibility must be met.

The list of companies for which voting rights are exercised is available at the registered office of the Bevek.

Securities lending

In accordance with the Royal Decree of 7 March 2006 concerning securities lending, the undertaking for collective investment has taken out securities loans with a principal to whom the full title of the loaned securities was transferred, without recording this transfer of ownership in the accounts.

For the period from 1 January 2012 to 30 June 2012, the fee for securities lent comes to 21,567.11 EUR. KBC Asset Management NV receives 50% of the net fee received for securities lent. The detailed list of securities lending transactions carried out can be obtained from the registered office of the collective investment undertaking at 2 Havenlaan, 1080 Brussels.

Overview of securities lent as at 30/06/2012

Name	Currency	Quantity	Price	Value in currency of the portfolio
ACTELION LTD	CHF	19.006	38,900	615.521,29
HISAMITSU PHARMACEUTICAL CO.INC	JPY	1.500	3.920,000	58.068,34
OLYMPUS CORP	JPY	16.900	1.288,000	214.963,46
TAKEDA PHARMACEUTICAL	JPY	43	3.615,000	1.535,11
			Total	890.088,20

Details of collateral received for securities lent

Name	Currency	Nominal value	Currency fund	Value in Currency fund
GERMANY 2009 2,25% 11/04/14	EUR	16.000	EUR	16.700,85
OAT FRANCE 2005 3% 25/10/15	EUR	807.000	EUR	878.146,73
FRANCE 2010 3,50% 25/04/2026	EUR	3.000	EUR	3.135,49
FRANCE 2007 4,50% 12/07/2012	EUR	20.000	EUR	20.901,30
NEDERLAND 2009 4.00% 15/07/19	EUR	28.000	EUR	33.413,72
			Total	952.298,09

For the valuation of the collateral received, indicative prices have been used in this detail list by the Collateral Management Division of KBC Bank.

TABLE OF CONTENTS

- 2. Information on KBC Equity Fund Telecom
 - 2.1. Management report
 - 2.1.1. Launch date and subscription price
 - 2.1.2. Stock exchange listing
 - 2.1.3. Aim and distinctive features of the investment policy
 - 2.1.4. Financial portfolio management
 - 2.1.5. Distributors
 - 2.1.6. Index and benchmark
 - 2.1.7. Policy conducted during the financial year
 - 2.1.8. Future policy
 - 2.1.9. Synthetic risk and reward indicator (SRRI)
 - 2.2. Balance sheet
 - 2.3. Profit and loss account
 - 2.4. Composition of the assets and key figures
 - 2.4.1. Composition of the assets
 - 2.4.2. Change in the composition of the assets
 - 2.4.3. Value of commitments in respect of financial derivatives positions
 - 2.4.4. Evolution of the number of subscriptions, repayments and the net asset value
 - 2.4.5. Return figures
 - 2.4.6. Expenses
 - 2.4.7. Notes to the financial statements and other data

2 INFORMATION ON KBC EQUITY FUND TELECOM

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Classic Shares :

Launch date: 30 April 1998

Initial subscription price: 20000 BEF

Currency: EUR

Institutional B Shares :

Launch date: 25 November 2011

Initial subscription price: 235.62 EUR

Currency: EUR

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

The main objective of this sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. To this end, the assets are invested, either directly or indirectly via correlated financial instruments, primarily in shares.

SUB-FUND'S INVESTMENT POLICY:

PERMITTED ASSET CLASSES:

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the sub-fund's object.

The sub-fund shall invest no more than 10% of its assets in units of other undertakings for collective investment.

RESTRICTIONS OF THE INVESTMENT POLICY:

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

PERMITTED DERIVATIVES TRANSACTIONS:

Derivates may be used either for hedging purposes or to achieve investment objectives.

Changes will be made to the investments at regular intervals to comply with the sub-fund's investment strategy. **In addition, listed and unlisted derivates may be used to achieve the objectives:** these may be forward contracts, options or swaps on securities, indices, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions. **Such derivatives may also be used to hedge the assets against exchange-rate fluctuations.** Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions.

STRATEGY SELECTED

At least 75% of the assets are invested in shares of companies in the telecommunication sector where conditions are such as to allow accelerated economic growth in the short or medium term.

RISK CONCENTRATION

Shares in the telecommunication sector.

LENDING FINANCIAL INSTRUMENTS:

The sub-fund may lend financial instruments within the limits set by law and regulations.

This lending does not affect the sub-fund's risk profile since:

- it takes place within the framework of a securities lending system managed by a principal. In addition, the sub-fund has a relationship only with the principal of the securities lending system which acts as counterparty and to which title of the loaned securities is transferred. The choice of principal is subject to strict selection criteria. The return of securities similar to the securities that have been lent is guaranteed by the principal.
- through a margin management system, the sub-fund is always guaranteed financial security, the actual value of which always exceeds the actual value of the securities that have been lent, in case the principal does not return similar securities.

The return of securities similar to the securities that have been lent can be requested at any time, which means that the lending of securities does not affect the management of the sub-fund's assets. By lending securities, the sub-fund can generate an additional return. The principal pays a fee to the management company. After deducting the fee for the margin management and clearing services of KBC Bank, most of this fee is paid to the sub-fund.

The relationship with the counterparty or counterparties is governed by standard international agreements.

More information is provided on the terms and conditions governing securities lending in the annual or half-yearly report for the sub-fund.

GENERAL STRATEGY FOR HEDGING THE EXCHANGE RATE RISK:

In order to protect its assets against exchange rate fluctuations and within the limitations laid down in the articles of association, the sub-fund may perform transactions relating to the sale of forward currency contracts, as well as the sale of call options and the purchase of put options on currencies. The transactions in question may relate solely to contracts traded on a regulated market that operates regularly, is recognised and is open to the public or that are traded with a recognised, prime financial institution specialising in such transactions and dealing in the over-the-counter (OTC) market in options. With the same objective, the sub-fund may also sell currencies forward or exchange them in private transactions with prime financial institutions specialising in such transactions. The hedging objective of the aforementioned transactions suggests that there is a direct link between these transactions and the assets to be hedged, which implies that the transactions carried out in a particular currency may in principle not exceed, in terms of volume, either the valuation value of all the assets in the same currency or the holding period of those assets.

SOCIAL, ETHICAL AND ENVIRONMENTAL ASPECTS:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

THE EUROPEAN SAVINGS DIRECTIVE AND TAX ON DEBT CLAIM RETURNS OBTAINED THROUGH THE REDEMPTION OF OWN UNITS OR IN THE EVENT OF FULL OR PARTIAL DISTRIBUTION OF EQUITY CAPITAL.

The following information is of a general character and is not intended to cover all aspects of an investment in a UCITS. In certain cases entirely different rules might even apply. Moreover, both tax law and the interpretation of it can change. Investors who wish to have more information about the tax implications – in both Belgium and abroad – of acquiring, holding and transferring units should seek the advice of their usual financial and tax advisers.

This UCITS shall invest a maximum of 15% of its assets directly or indirectly in debt instruments as intended by the European Savings Directive.

A. European Savings Directive (Directive 2003/48/EC)

The European Savings Directive has been implemented in Belgium through:

- The Law of 17 May 2004 transposing into Belgian law Directive 2003/48/EC of 3 June 2003 of the Council of the European Union on taxation of savings income in the form of interest payments and amending Income Tax Code 1992 on withholding tax;
- The Royal Decree of 27 September 2009 implementing Article 338bis § 2 of Income Tax Code 1992;
- The Royal Decree of 27 September 2009 concerning the entry into effect of Article 338bis § 2, paragraphs one to three, of Income Tax Code 1992;

Since this UCITS invests a maximum of 15% of its assets directly or indirectly in debt claims as intended by the European Savings Directive, the income of this UCITS does not fall within the scope of this directive.

B. Tax on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital (Article 19bis Income Tax Code 1992).

The income from this UCITS is not subject to the tax on debt instrument returns as intended by Article 19bis, Income Tax Code 1992.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

There is no delegation of the portfolio.

2.1.5 DISTRIBUTORS

KBC Asset Management S.A., 5, Place de la Gare, L-1616 Luxembourg.

2.1.6 INDEX AND BENCHMARK

See 'Sub-fund's investment policy'.

2.1.7 POLICY PERSUED DURING THE FINANCIAL YEAR

The equity markets started the year on a positive note. The robust earnings figures companies managed to turn in in 2011 generated the necessary optimism among investors. However, since the end of March uncertainty and fears have arisen again so that equity markets across the globe have lost most of the gains they had made.

European equity markets have continued to lag other international stock exchanges sharply for more than two years now. The first half of this year was no different either, but the underperformance was relatively small. European stock markets were sabotaged by the budgetary and political uncertainty in the euro area. Greece yesterday, Spain today, and possibly Italy, France or Belgium tomorrow. Something was always perceived as threatening the continued existence of EMU and the euro. The EMU is wrestling with an existential crisis. It will take a lot more energy yet and considerable political courage to align its partners' macroeconomic, budgetary, fiscal and social policy.

The US market outperformed European markets by a long way. However, huge doubts remained about the sustainability of US growth despite three years of economic expansion. Investors are not convinced that the US economy can continue to grow under its own steam. Interest rates have been close to zero for three years now and cannot be lowered any further. Little can be expected by way of stimulus from the budget either, now that rating agencies and members of congress are demanding an accelerated clean-up of federal finances. Any slowdown in US growth will inevitably contaminate Europe too, thereby exacerbating the euro crisis. Needless to say, the uncertain phase the economy is currently going through is fuelling caution. All the same, weak growth does not equal a recession. It has not, for instance, prevented a spectacular rise in corporate earnings, which have now grown for ten quarters in a row, often by as much as double-digit percentages. As a direct result, companies are holding ample amounts of cash, part of which can be used to invest in organic growth via, for instance, new IT investments.

There were major differences in the returns for the various sectors. Telecommunication Services – traditionally seen as a defensive sector – underperformed the broader market. The sector was still popular with investors in 2011 due to the high, stable dividend paid by telecom companies. The auction for new licences only attracted rather modest interest, so they could be obtained at a reasonable price. As a result, telecoms was one of the better performing sectors in 2011. But even then it was not all moonshine and roses. Anyone who took a close look at the quarterly figures for Europe's telecom sector quickly spotted several worrying trends. Revenues at traditional telecom services, for instance, were declining quarter after quarter.

Pricing pressure and government regulation weighed on the sector and were insufficiently compensated by price elasticity. Broadband (internet via DSL) had virtually ceased to grow and was, moreover, experiencing intense competition from the cable sector. The fund was overweight throughout the year in cable companies at the expense of traditional telecom firms. Mobile data traffic was and remains the sector's only growth driver. The increasing popularity of smartphones and tablets offered operators the opportunity to sell additional data packages to their customers. That was good news for the operators: the sector had finally discovered a promising new product category.

But mobile internet rapidly proved to be a double-edged sword for the sector. First of all, applications like 'WhatsApp' (messenger service for smartphones) enabled consumers to reduce their conventional telecom bills by using mobile internet services to communicate instead of 'traditional' mobile phone and text messaging services. Revenues from mobile data packages were not therefore simply an add-on to those generated by conventional telephony (voice and text messages). Operators responded by offering more combinations of products. A second effect of smartphones was the sharp rise in subsidies offered by operators. This depressed the sector's margins. What's more, growth in internet traffic is stronger than the growth in revenues generated through mobile data services. This can lead over time to extra investment in the underlying infrastructure, which could in turn depress sector cash flows. </P>

The impact of the negative factors described above began to weigh on cash flows and it quickly became clear that the generous dividend policy could no longer be maintained. Telefonica, Telekom Austria, France Télécom and Telecom Italia were all obliged to cut their dividends. Europe, unsurprisingly, was the worst-performing region.</P>

Increasing smartphone use was a strong growth driver in Asian markets like Hong Kong and Taiwan, while robust growth in disposable income boosted demand for telecom services in China, India and Thailand.

News in the United States was dominated by AT&T's possible acquisition of T-Mobile USA, which would have consolidated the market down to three major players: AT&T, Verizon and Sprint. The deal was blocked, however, by the US government. Verizon strengthened its position by buying up spectrum from the US cable sector and then signing a far-reaching collaboration agreement with the same cable companies. What's more AT&T and Verizon reported strong quarterly figures.

2.1.8 FUTURE POLICY

We will remain cautious towards the telecom sector in the second half of 2012. In recent years telecom operators have focused chiefly on stabilising their cash flows and paying out handsome dividends to their shareholders. As a result, they have invested too little in their networks. Telefonica's announcement that it will reduce its future dividend therefore sends out a powerful signal. Its example was followed by dividend reductions by Telekom Austria, France Télécom and Telecom Italia. The dividends offer insufficient certainty for the future.

It also indicates that operators will find it increasingly difficult to achieve further savings on their operating costs and capital outlay. And even if they were to succeed, they would risk jeopardising their own future. Within Europe, we view the cable sector as alternatives with superior growth prospects. This is, however, fully priced into the valuation already, and so we detect fewer investment opportunities here in the short term.

In the United States, we prefer infrastructure companies to the telecom operators. We identify two attractive segments within telecom infrastructure: operators of mobile phone masts (tower companies) and data centre operators. Both segments offer excellent visibility (longer-term contracts) and recurring income. What's more, both segments have sufficient pricing power to impose annual price increases. We are also positive about telecommunication operators. AT&T and Verizon continue to grow strongly, while margins will rise in 2012 due to lower subsidy costs.

We are negative toward the Latin American telecoms market because of tighter regulation and increased price competition. Asia is the strongest growth market. The most attractive markets are China (combination of robust growth and low prices) and Thailand (little internal competition).

Our preference within the technology component of our portfolio (telecom equipment) is for companies focusing on data centre equipment (cloud computing). We are wary about capital expenditure by telecom operators in 2012, which is why we are underweighting Ericsson, Juniper Networks and Alcatel-Lucent. The smartphones market appears to be increasingly concentrated on Samsung Electronics and Apple to the detriment of companies such as Nokia, HTC and Research in Motion.

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

Classic Shares: 6 on a scale of 1 (lowest risk) to 7 (highest risk).

Institutional B Shares: 6 on a scale of 1 (lowest risk) to 7 (highest risk).

The value of a share can decrease or increase and the investor may not get back the amount invested.

In accordance with Commission Regulation (EU) No. 583/2010, a synthetic risk and reward indicator has been calculated. This indicator provides a quantitative measure of the sub-fund's potential return and the risk involved, calculated in the currency in which the sub-fund is denominated. It is given as a figure between 1 and 7. The higher the figure, the greater the potential return, but also the more difficult it is to predict this return. Losses are possible too. The lowest figure does not mean that the investment is entirely free of risk. However, it does indicate that, compared with the higher figures, this product will generally provide a lower, but more predictable return.

The synthetic risk and reward indicator is assessed regularly and can therefore go up or down based on data from the past. Data from the past is not always a reliable indicator of future risk and return.

The most recent indicator can be found under the 'Risk and reward profile' heading in the 'Key Investor Information' document.

2.2 BALANCE SHEET

Balance sheet layout	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
TOTAL NET ASSETS	44.731.867,78	149.134.109,01
II. Securities, money market instruments, UCIs and derivatives		
A. Bonds and other debt instruments		
a) Bonds		
a) Collateral received in the form of bonds	258.662,59	1.879.870,44
C. Shares and similar instruments		
a) Shares	44.054.398,61	143.533.242,24
Of which securities lent	241.690,22	1.733.317,05
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable	1.832,91	1.243.800,68
b) Tax assets	7.053,55	7.693,70
B. Payables		
a) Accounts payable (-)	-56.664,43	-1.777.970,49
c) Borrowings (-)	-427.612,66	-1.536.852,46
d) Collateral (-)	-258.662,59	-1.879.870,44
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	1.061.564,73	7.201.190,01
VI. Accruals and deferrals		
A. Expense to be carried forward	58.831,71	35.798,20
B. Accrued income	83.936,78	565.398,16
C. Accrued expense (-)	-51.470,42	-138.191,03
TOTAL SHAREHOLDERS' EQUITY	44.731.867,78	149.134.109,01
A. Capital	39.666.537,12	153.545.834,69
B. Income equalization	279.945,31	117.330,08
D. Result for the period	4.785.385,35	-4.529.055,76

Off-balance-sheet headings

I Collateral (+/-)		
I.A Collateral (+/-)		
I.A.A Securities/market instruments	258.662,58	1.879.870,44
IX Financial instruments lent	241.690,22	1.733.317,05

2.3 PROFIT AND LOSS ACCOUNT

Income Statement	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
I. Net gains(losses) on investments		
C. Shares and similar instruments		
a) Shares	5.899.996,77	222.713,45
D. Other securities		-832.426,00
G. Receivables, deposits, cash at bank and in hand and payables	0,02	0,02
H. Foreign exchange positions and transactions		
b) Other foreign exchange positions and transactions	-1.374.992,03	-5.075.749,87
II. Investment income and expenses		
A. Dividends	780.525,85	2.334.863,06
B. Interests		
a) Securities and money market instruments	34.484,59	19.407,67
b) Cash at bank and in hand and deposits	2.224,46	5.443,56
C. Interest on borrowings (-)	-4.405,93	-3.080,77
III. Other income		
A. Income received to cover the acquisition and realization of assets, to discourage withdrawals and for delivery charges	284.420,97	
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-213.769,52	-167.629,75
B. Financial expenses (-)	-853,20	-3.179,32
C. Custodian's fee (-)	-53.090,17	-30.289,16
D. Manager's fee (-)		
a) Financial management		
Classic Shares	-148.625,19	-731.226,04
Institutional B Shares	-337.874,09	
b) Administration and accounting management	-33.418,21	-59.424,20
E. Administrative expenses (-)	-301,35	-104,72
F. Formation and organisation expenses (-)	-6.031,08	-85.324,31
G. Remuneration, social security charges and pension		-29,04
H. Services and sundry goods (-)	-9.244,91	-8.709,38
J. Taxes		
Classic Shares	-5.442,86	-59.339,00
Institutional B Shares	-1.525,27	
K. Other expenses (-)	-26.693,50	-54.971,96
Income and expenditure for the period		
Subtotal II + III + IV	260.380,59	1.156.406,64
V. Profit (loss) on ordinary activities before tax	4.785.385,35	-4.529.055,76
VII. Result for the period	4.785.385,35	-4.529.055,76

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC EQUITY FUND TELECOM

Name	Quantity on 30/06/2012	Currency	Price in currency	Evaluation (in the currency of the sub-fund)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
Shares							
Exchange-listed shares							
<u>Australia</u>							
TELSTRA CORP -	163.260,00	AUD	3,690	486.595,37		1,11	1,09
<u>Brazil</u>							
TIM PARTICIPACOES SA -	19.026,00	USD	27,460	411.672,81		0,93	0,92
<u>Canada</u>							
BCE INC -	11.200,00	CAD	41,980	363.421,06		0,83	0,81
TELUS CORP "A"	13.102,00	CAD	59,570	603.274,31		1,37	1,35
<u>Cayman Islands</u>							
JU TENG INTERNATIONAL HOLDINGS LTD -	5.000,00	HKD	2,190	1.112,38		0,00	0,00
<u>China</u>							
BYD CO LTD -	600,00	HKD	14,620	891,12		0,00	0,00
<u>Egypt</u>							
ORASCOM TELECOM HOLDING -GDR-	50.011,00	USD	2,500	98.516,67		0,22	0,22
<u>France</u>							
FRANCE TELECOM -	43.764,00	EUR	10,375	454.051,50		1,03	1,02
ILIAD SA -	1.962,00	EUR	114,250	224.158,50		0,51	0,50
TELECOM CITY -	49.175,00	GBP	8,030	488.042,58		1,11	1,09
VIVENDI -	56.793,00	EUR	14,630	830.881,59		1,89	1,86
<u>Germany</u>							
DEUTSCHE TELEKOM INT FIN REG	62.825,00	EUR	8,654	543.687,55		1,23	1,22
<u>Hong Kong</u>							
CHINA MOBILE LTD. -	251.200,00	HKD	84,750	2.162.701,40		4,91	4,84
CHINA UNICOM HONG KONG LTD -	251.000,00	HKD	9,760	248.863,24		0,57	0,56
HKT TRUST /HKT LTD -	162.303,00	HKD	6,070	100.081,19		0,23	0,22
PCCW LTD -	665.000,00	HKD	2,840	191.856,80		0,44	0,43
<u>India</u>							
BHARTI AIRTEL LTD -	13.343,00	INR	305,050	57.443,29		0,13	0,13
IDEA CELLULAR LTD -	31.120,00	INR	75,800	33.290,75		0,08	0,07
RELIANCE COMMUNICATION LTD -	10.000,00	INR	63,500	8.961,66		0,02	0,02
<u>Indonesia</u>							
TELEKOMUNIKASI INDONESIA -	9.474,00	USD	34,830	260.010,57		0,59	0,58
XL AXIATA TBK PT -	164.857,00	IDR	6.150,000	85.059,11		0,19	0,19
<u>Italy</u>							
TELECOM ITALIA (MIL) DI RISPARMIO NWE	1.111.283,00	EUR	0,637	707.331,63		1,61	1,58
<u>Japan</u>							
KDDI CORPORATION -	107,00	JPY	513.000,000	542.079,79		1,23	1,21

NIPPON TEL & TEL -	16.400,00	JPY	3.700,000	599.249,46		1,36	1,34
NTT DOCOMO, INC. -	574,00	JPY	132.700,000	752.220,03		1,71	1,68
SOFTBANK CORP -	34.900,00	JPY	2.953,000	1.017.773,06		2,31	2,28
<u>Luxembourg</u>							
MILLICOM INTL. CELLULAR -	4.777,00	SEK	651,000	355.023,35		0,81	0,79
<u>Malaysia</u>							
AXIATA GROUP BERHAD -	98.400,00	MYR	5,470	133.563,61		0,30	0,30
DIGI.COM BHD -	123.600,00	MYR	4,250	130.350,63		0,30	0,29
<u>Mexico</u>							
AMERICA MOVIL S.A. DE C.V. ADR "L"	73.487,00	USD	26,060	1.508.999,46		3,43	3,37
<u>Netherlands</u>							
INTERXION HOLDINGS NV -	16.392,00	USD	18,110	233.913,10		0,53	0,52
KONINKLIJKE KPN NV -	56.200,00	EUR	7,556	424.647,20		0,96	0,95
ZIGGO BV -	9.835,00	EUR	25,185	247.694,48		0,56	0,55
<u>New Zealand</u>							
TELECOM CORP NEW ZEAL NZL REGD	98.536,00	NZD	2,390	149.155,13		0,34	0,33
<u>Norway</u>							
TELENOR A/S -	31.416,00	NOK	98,900	411.867,02		0,94	0,92
<u>Philippines</u>							
PHILIPPINE LONG DISTANCE TELEPHONE -	1.131,00	USD	63,600	56.679,22		0,13	0,13
<u>Russia</u>							
AFK SISTEMA -	6.451,00	USD	18,660	94.851,20		0,22	0,21
MOBILE TELESYSTEMS ADR	23.520,00	USD	17,200	318.764,48		0,72	0,71
ROSTELECOM SPON ADR NEW	7.512,00	USD	21,930	129.807,08		0,30	0,29
<u>Singapore</u>							
SINGAPORE TELECOM -	320.982,00	SGD	3,300	658.854,64		1,50	1,47
TOTAL ACCESS COMMUNICATIONS -	54.600,00	THB	74,500	100.922,71		0,23	0,23
<u>South Africa</u>							
MTN GROUP LTD. -	68.349,00	ZAR	140,920	928.002,80		2,11	2,08
<u>South Korea</u>							
SAMSUNG ELECTRONICS -	510,00	KRW	1.201.000,000	421.400,61		0,96	0,94
<u>Spain</u>							
TELEFONICA SA -	100.416,00	EUR	10,370	1.041.313,92		2,36	2,33
<u>Sweden</u>							
ERICSSON "B"	126.746,00	SEK	63,050	912.304,96		2,07	2,04
TELIASONERA AB -	87.663,00	SEK	44,120	441.542,50		1,00	0,99
<u>Taiwan</u>							
FAR EASTONE TELECOMMUNICATIONS -	340.000,00	TWD	64,700	580.030,38		1,32	1,30
HTC CORPORATION -	557,00	TWD	389,500	5.720,45		0,01	0,01
MEDIATEK INCORPORATION -	933,00	TWD	273,000	6.716,02		0,02	0,02
TAIWAN CELLULAR CORP -	70.000,00	TWD	98,500	181.803,32		0,41	0,41
<u>Thailand</u>							
ADVANCED INFO SERVICE PUBLIC CO LTD LOCAL	72.400,00	THB	184,500	331.417,12		0,75	0,74
<u>U.K.</u>							
BT GROUP PLC -	317.481,00	GBP	2,114	829.507,89		1,88	1,85
JAZZTEL PLC -	78.446,00	EUR	4,470	350.653,62		0,80	0,78
VODAFONE GROUP PLC -	1.932.199,00	GBP	1,793	4.280.641,09		9,72	9,57

<u>U.S.A.</u>							
APPLE INC -	321,00	USD	584,000	147.714,13		0,34	0,33
AT&T INC -	154.661,00	USD	35,660	4.345.765,71		9,87	9,72
CENTURYLINK INC -	23.775,00	USD	39,490	739.795,72		1,68	1,65
CISCO SYSTEMS INC -	160.468,00	USD	17,170	2.171.015,33		4,93	4,85
COMCAST CORP -A-	12.289,00	USD	31,970	309.573,19		0,70	0,69
CROWN CASTLE INTL CORP -	17.364,00	USD	58,660	802.594,15		1,82	1,79
EBAY INC. -	2.342,00	USD	42,010	77.525,35		0,18	0,17
EQUINIX INC -	2.609,00	USD	175,650	361.099,09		0,82	0,81
FAIRPOINT COMMUNICATIONS INC -	4.546,00	USD	0,005	16,12			
F5 NETWORKS INC -	4.124,00	USD	99,560	323.524,89		0,73	0,72
IDEARC INC -	8.819,00	USD	0,003	22,93			
LEVEL 3 COMMUNICATIONS INC -	10.538,00	USD	22,150	183.923,02		0,42	0,41
MOTOROLA SOLUTIONS INC -	10.772,00	USD	48,110	408.353,10		0,93	0,91
QUALCOMM CORP -	62.837,00	USD	55,680	2.756.886,11		6,26	6,16
SBA COMMUNICATIONS CORP. -	12.074,00	USD	57,050	542.763,93		1,23	1,21
SPRINT NEXTEL CORP -	105.376,00	USD	3,260	270.684,55		0,61	0,61
VERIZON COMMUNICATIONS INC -	116.337,00	USD	44,440	4.073.765,88		9,25	9,11
Total shares				44.054.398,61		100,00	98,49
TOTAL SECURITIES PORTFOLIO				44.054.398,61		100,00	98,49
COLLATERAL RECEIVED							
<u>Belgium</u>							
KBC GROUP COLLATERAL EUR	258.662,59	EUR	1,000	258.662,59			0,58
TOTAL RECEIVED COLLATERAL				258.662,59			0,58
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP AUD	94,18	AUD	1,000	76,07			
KBC GROUP CAD	9,47	CAD	1,000	7,32			
KBC GROUP CZK	1,97	CZK	1,000	0,08			
KBC GROUP DKK	5.805,44	DKK	1,000	780,89			0,00
KBC GROUP EURO	-427.289,22	EUR	1,000	-427.289,22			-0,96
KBC GROUP GBP	-11,17	GBP	1,000	-13,81			
KBC GROUP HKD	-1.305,59	HKD	1,000	-132,63			
KBC GROUP HUF	134.491,35	HUF	1,000	470,64			0,00
KBC GROUP JPY	1.223.779,00	JPY	1,000	12.085,51			0,03
KBC GROUP NOK	79,01	NOK	1,000	10,47			
KBC GROUP NZD	-19,17	NZD	1,000	-12,14			
KBC GROUP PLN	1.380,57	PLN	1,000	325,98			0,00
KBC GROUP SEK	-843,17	SEK	1,000	-96,26			
KBC GROUP SGD	-9,68	SGD	1,000	-6,02			
KBC GROUP USD	1.329.768,99	USD	1,000	1.047.804,77			2,34
KBC GROUP ZAR	-649,52	ZAR	1,000	-62,58			
Total demand accounts				633.949,07			1,42
TOTAL CASH AT BANK AND IN HAND				633.949,07			1,42
OTHER RECEIVABLES AND PAYABLES							
Receivables							
<u>Belgium</u>							
KBC GROUP EUR RECEIVABLE	1.656,52	EUR	1,000	1.656,52			0,00
KBC GROUP USD RECEIVABLE	223,86	USD	1,000	176,39			

KBC GROUP WHT TO BE RECOVERED EUR	7.053,55	EUR	1,000	7.053,55			0,02
Total receivables				8.886,46			0,02
Payables							
<u>Belgium</u>							
KBC GROUP COUNTERPART ENTRY COLLATERAL IN EUR	-258.662,59	EUR	1,000	-258.662,59			-0,58
KBC GROUP EUR PAYABLE	-56.664,43	EUR	1,000	-56.664,43			-0,13
Payables				-315.327,02			-0,71
TOTAL RECEIVABLES AND PAYABLES				-306.440,56			-0,69
OTHER							
Interest receivable		EUR		79.354,68			0,18
Accrued interest		EUR		4.582,10			0,01
Expenses payable		EUR		-51.470,42			-0,12
Expenses to be carried forward		EUR		58.831,71			0,13
TOTAL OTHER				91.298,07			0,20
TOTAL NET ASSETS				44.731.867,78			100,00

Geographic breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Australia	0,15	0,84	1,03	1,10
Austria	0,00	0,00	0,25	0,00
Belgium	0,65	0,56	0,00	0,00
Bermuda	0,18	0,00	0,00	0,00
Brazil	1,04	0,51	1,04	0,93
Canada	3,46	2,34	3,25	2,19
Switzerland	0,48	0,99	0,00	0,00
China	0,53	1,06	0,72	0,00
Cayman Islands	0,56	0,52	0,00	0,00
Germany	2,02	4,81	2,02	1,23
Egypt	0,08	0,04	0,03	0,22
Spain	6,42	3,80	3,90	2,36
Finland	2,10	0,00	0,78	0,00
France	1,90	2,04	4,19	4,53
U.K.	10,27	11,16	11,37	12,40
Hong Kong	4,08	3,09	5,49	6,14
India	0,00	0,01	0,51	0,23
Indonesia	0,96	0,69	0,53	0,78
Israel	0,20	0,08	0,00	0,00
Italy	0,00	0,42	0,96	1,61
Japan	5,04	6,00	6,28	6,61
South Korea	0,90	0,39	0,51	0,96
Luxembourg	1,19	1,07	0,82	0,81
Mexico	3,79	2,98	2,21	3,43
Malaysia	1,05	1,46	0,23	0,60
Netherlands	1,53	1,57	1,16	2,06
Norway	1,23	0,86	0,76	0,93
New Zealand	0,00	0,00	0,24	0,34
Philippines	0,12	0,05	0,06	0,13
Russia	0,77	0,35	0,80	1,23
Singapore	1,00	1,21	1,67	1,72
Sweden	1,89	4,63	2,84	3,07
Thailand	0,22	0,35	0,55	0,75
Turkey	0,42	0,13	0,00	0,00
Taiwan	1,89	1,86	1,76	1,76
U.S.A.	40,73	41,43	41,55	39,77
South Africa	3,15	2,70	2,49	2,11
Total	100,00	100,00	100,00	100,00

Sector breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Consum(cycl)	3,01	4,32	2,49	2,59
Cons.goods	0,18	0,00	0,00	0,18
Technology	28,31	27,74	23,32	19,03
Telecomm.	68,50	67,94	73,66	77,79
Utilities	0,00	0,00	0,53	0,41
Total	100,00	100,00	100,00	100,00

Currency breakdown (as a % of net assets)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
AUD	0,15	0,91	1,06	1,09
BRL	0,00	0,00	0,58	0,00
CAD	2,35	2,44	2,93	2,17
CHF	0,49	0,97	0,01	0,00
DKK	0,02	0,01	0,00	0,00
EUR	15,48	14,16	13,73	9,74
GBP	10,31	10,45	11,58	12,54
HKD	2,95	2,92	2,61	6,06
IDR	0,48	0,29	0,05	0,19
INR	0,00	0,01	0,51	0,22
JPY	5,04	5,52	5,81	6,55
KRW	0,57	0,14	0,50	0,94
MYR	1,04	1,41	0,23	0,59
NOK	1,22	0,84	0,76	0,92
NZD	0,00	0,00	0,24	0,33
SEK	1,88	4,48	3,64	3,83
SGD	0,99	0,97	1,18	1,48
THB	0,22	0,61	1,05	0,97
TWD	1,29	1,29	0,86	1,73
USD	52,39	49,80	50,21	48,57
ZAR	3,13	2,78	2,46	2,08
Total	100,00	100,00	100,00	100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC EQUITY FUND TELECOM (IN THE CURRENCY OF THE SUB-FUND)

	1st half of year	Year
Purchases	51.077.273,05	51.077.273,05
Sales	148.149.308,26	148.149.308,26
Total 1	199.226.581,31	199.226.581,31
Subscriptions	62.402.153,38	62.402.153,38
Redemptions	161.641.261,34	161.641.261,34
Total 2	224.043.414,72	224.043.414,72
Monthly average of total assets	72.494.780,07	72.494.780,07
Turnover rate	-34,23 %	-34,23 %

	1st half of year	Year
Purchases	51.077.273,05	51.077.273,05
Sales	148.149.308,26	148.149.308,26
Total 1	199.226.581,31	199.226.581,31
Subscriptions	62.402.153,38	62.402.153,38
Redemptions	161.641.261,34	161.641.261,34
Total 2	224.043.414,72	224.043.414,72
Monthly average of total assets	82.626.380,58	82.626.380,58
Corrected turnover rate	-30,04 %	-30,04 %

The table above shows the capital volume of portfolio transactions. This volume (adjusted to take account of total subscriptions and redemptions) is also compared to the average net assets at the beginning and end of the period.

A figure close to 0% implies that the transactions relating to the securities or transactions relating to the assets (excluding deposits and cash) in a given period only involve subscriptions and redemptions.

A negative percentage shows that subscriptions and redemptions entailed few, if any, transactions in the portfolio.

Active asset management may result in high turnover rates (monthly percentage >50%).

The detailed list of transactions is available for consultation free of charge at the registered office of the Bevek or fund at Havenlaan 2, 1080 Brussels.

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

NAME	Currency	Value in currency	In the currency of the sub-fund	Lot-size	Transaction date
KBC COLLATERAL EUR	EUR	258.662,58	258.662,58	N/A	29.06.2012

2.4.4 CHANGES OF THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND THE NET ASSET VALUE

Classic Shares

Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2010 - 06	169.974,03	1.603,51	166.306,30	1.593,00	160.292,78	8.480,51	168.773,29
2011 - 06	721.542,55	77.989,25	335.076,11	19.394,46	546.759,22	67.075,30	613.834,52
2012 - 06	396.473,44	8.634,55	895.642,94	60.368,94	47.589,72	15.340,90	62.930,62

Period	Amounts received and paid by the UCI (in the currency of the class)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2010 - 06	37.664.162,96	282.391,67	37.236.229,76	293.537,82
2011 - 06	149.105.337,29	11.318.638,73	85.090.833,24	4.338.813,08
2012 - 06	95.468.744,97	1.657.473,39	214.506.340,25	12.432.288,96

Period	Net asset value End of period (in the currency of the class)		
Year	Of the class	Of one share	
		Capitalization	Distribution
2010 - 06	38.972.058,71	233,14	188,80
2011 - 06	149.134.109,01	248,49	197,80
2012 - 06	16.213.540,41	272,28	212,24

Institutional B Shares

Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2012 - 06	651.359,00		546.729,00		104.630,00		104.630,00

Period	Amounts received and paid by the UCI (in the currency of the class)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2012 - 06	162.836.504,00		141.853.836,60	

Period	Net asset value End of period (in the currency of the class)		
Year	Of the class	Of one share	
		Capitalization	Distribution
2012 - 06	28.518.327,38	272,56	

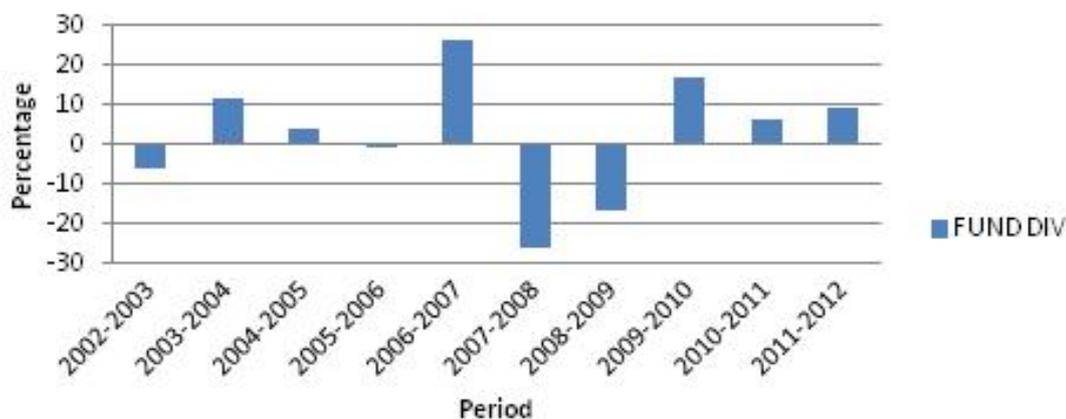
2.4.5 PERFORMANCE FIGURES

Classic Shares

BE0167422972

KBC Equity Fund - Telecom - DIV:

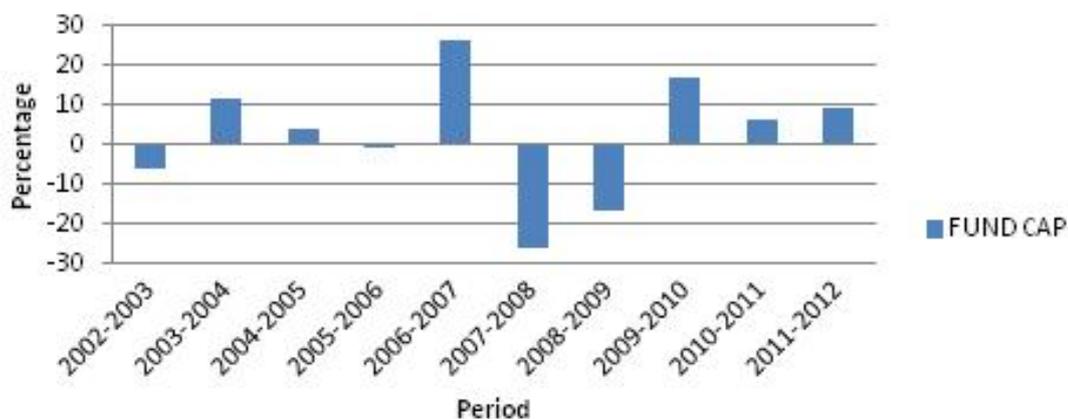
Annual performance on 30/06/2012 (in EUR)



BE0167421966

KBC Equity Fund - Telecom - CAP:

Annual performance on 30/06/2012 (in EUR)



Cap Div	ISIN code	Currency	1 Year		3 Years*		5 Years*		10 Years*		Since launch*	
			Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Launch Date	Share classes
CAP	BE0167421966	EUR	9.57%		10.88%		-3.39%		1.42%		30/04/1998	-4.14%
DIV	BE0167422972	EUR	9.57%		10.88%		-3.40%		1.41%		30/04/1998	-4.15%

Risk warning: Past performance is not a guide to future performance.

* Return on annual basis.

Institutional B Shares

The cumulative returns are shown where they relate to a period of at least one year.

Classic Shares

- The bar chart shows the performance for full financial years.
- The figures do not take account of any restructuring.
- Calculated in EUR (ex BEF).
- The return is calculated as the change in the net asset value between two dates expressed as a percentage. In the case of units that pay dividends, the dividend is incorporated geometrically in the return.
- Calculation method for date D, where NAV stands for net asset value:

Capitalisation units (CAP)

Return on date D over a period of X years:

$$[\text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where $Y = D - X$

Return on date D since the start date S of the unit:

$$[\text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where $F = 1$ if the unit has existed for less than one year on date D

where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D

Distribution units (DIV)

Return on date D over a period of X years:

$$[C * \text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where $Y = D - X$

Return on date D since the start date S of the unit:

$$[C * \text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where $F = 1$ if the unit has existed for less than one year on date D

where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D

where C is a factor that is determined for all N dividends between the calculation date D and the reference date.

For dividend i on date Di with value Wi:

$$C_i = [W_i / \text{NIW}(D_i)] + 1$$

$i = 1 \dots N$

from which $C = C_0 * \dots * C_N$.

- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the n^{th} square root of 1 plus the total return of the unit.
- The return figures shown above do not take account of the fees and charges associated with the issue and redemption of units.

These are the performance figures for capitalisation and distribution shares.

2.4.6 COSTS

Total expense ratio (TER): *

Classic Shares Distribution: 1.795%
Classic Shares Capitalization: 1.795%
Institutional B Shares Capitalization: Not applicable

Percentage calculated at the end of the financial year: 31 December

* The following costs have not been included in the TER:

- Transaction charges
- Interest payments on loans taken out
- Payments in respect of financial derivatives
- Fees and charges paid directly by the investor
- Any soft commissions

SOFT COMMISSIONS

The management company or the appointed manager, as the case may be, is the recipient of soft commissions.

The recipient has laid down an internal policy as regards accepting soft commissions and avoiding possible conflicts of interest in this respect, and has put appropriate internal controls in place to ensure this policy is observed.

For more information, please see the 'General' section of the annual report.

	Commission gross in EUR paid during the period: 1-01-12 -	CSA Credits in EUR accrued during the period: 1-01-12 -	
Broker	30-06-12	30-06-12	Percentage
CITI	43,534	27,209	62.50%
CSFBSAS	12,105	7,338	60.62%
DEUTSCHE	2,001	1,156	57.79%
EQ CSA MACQUARIE	1,465	916	62.50%
HSBC	326	173	53.13%
JP MORGAN	7,383	4,153	56.25%
MERRILL	7,161	4,476	62.50%
MORGAN STANLEY	13,531	7,908	58.44%
NOMURA	34,378	20,661	60.10%
UBSWDR	30,974	19,224	62.06%

FEE-SHARING AGREEMENTS AND REBATES:

The management company may share its fee with the distributor, and institutional and/or professional parties.

In principle, the percentage share amounts to between 35% and 60% if the distributor is an entity of KBC Group NV or to between 35% and 70% if the distributor is not an entity of KBC Group NV. However, in a small number of cases, the distributor's fee is less than 35%. Investors may, on request, obtain more information on these cases.

If the management company invests the assets of the undertaking for collective investment in units of undertakings for collective investment that are not managed by an entity of KBC Group NV, and receives a fee for doing so, it will pay this fee to the undertaking for collective investment.

Fee-sharing does not affect the amount of the management fee paid by the sub-fund to the management company. This management fee is subject to the limitations laid down in the articles of association. The limitations may only be amended after approval by the general meeting of shareholders.

The management company has concluded a distribution agreement with the distributor in order to facilitate the wider distribution of the sub-fund's units by using multiple distribution channels.

It is in the interests of the holders of units, the sub-fund and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund to be maximised in this way. In this respect, there is therefore no question of any conflict of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: 1.35% per annum calculated on the basis of the average total net assets of the sub-fund, excluding those assets invested in investment undertakings managed by a financial institution of the KBC group.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the average total net assets of the sub-fund.

Auditor's fee: 1 700 EUR per year. This fee is not including VAT and will be increased at the end of the 3-year mandate.

The custody fee is calculated on the value of the securities held in custody by the custodian on the final banking day of the preceding calendar year, except on those assets invested in investment undertakings managed by a financial institution of the KBC group. The custody fee is paid at the beginning of the calendar year.

Social, ethical and environmental aspects:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

Exercising voting rights

If necessary, relevant and in the interest of the shareholders, the management company will exercise the voting rights attached to the shares in the Bevek's portfolio.

The management company will adhere to the following criteria when determining how it stands relative to the items on the agenda that are put to the vote:

- Shareholder value may not be adversely affected.
- Corporate governance rules, especially with regard to the rights of minority shareholders, must be respected.
- The minimum standards with regard to sustainable business and corporate social responsibility must be met.

The list of companies for which voting rights are exercised is available at the registered office of the Bevek.

Securities lending

In accordance with the Royal Decree of 7 March 2006 concerning securities lending, the undertaking for collective investment has taken out securities loans with a principal to whom the full title of the loaned securities was transferred, without recording this transfer of ownership in the accounts.

For the period from 1 January 2012 to 30 June 2012, the fee for securities lent comes to 29,902.49 EUR. KBC Asset Management NV receives 50% of the net fee received for securities lent. The detailed list of securities lending transactions carried out can be obtained from the registered office of the collective investment undertaking at 2 Havenlaan, 1080 Brussels.

Overview of securities lent as at 30/06/2012

Name	Currency	Quantity	Price	Value in currency of the portfolio
BCE INC NEW	CAD	4.700	41,980	152.507,05
MILLICOM INTL. CELLULAR -SDR-	SEK	1.200	651,000	89.183,17
			Total	241.690,22

Details of collateral received for securities lent

Name	Currency	Nominal value	Currency fund	Value in Currency fund
BUNDESREPUB.DTL. 2011 2,25% 04/09/21	EUR	14.000	EUR	15.305,04
GERMANY 2009 2,25% 11/04/14	EUR	113.000	EUR	117.949,74
FRANCE 2007 4,50% 12/07/2012	EUR	120.000	EUR	125.407,81
			Total	258.662,59

For the valuation of the collateral received, indicative prices have been used in this detail list by the Collateral Management Division of KBC Bank.

TABLE OF CONTENTS

- 2. Information on KBC Equity Fund US Small Caps
 - 2.1. Management report
 - 2.1.1. Launch date and subscription price
 - 2.1.2. Stock exchange listing
 - 2.1.3. Aim and distinctive features of the investment policy
 - 2.1.4. Financial portfolio management
 - 2.1.5. Distributors
 - 2.1.6. Index and benchmark
 - 2.1.7. Policy conducted during the financial year
 - 2.1.8. Future policy
 - 2.1.9. Synthetic risk and reward indicator (SRRI)
 - 2.2. Balance sheet
 - 2.3. Profit and loss account
 - 2.4. Composition of the assets and key figures
 - 2.4.1. Composition of the assets
 - 2.4.2. Change in the composition of the assets
 - 2.4.3. Value of commitments in respect of financial derivatives positions
 - 2.4.4. Evolution of the number of subscriptions, repayments and the net asset value
 - 2.4.5. Return figures
 - 2.4.6. Expenses
 - 2.4.7. Notes to the financial statements and other data

2 INFORMATION ON KBC EQUITY FUND US SMALL CAPS

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Classic Shares :

Launch date: 31 July 1998

Initial subscription price: 500 USD

Currency: USD

Institutional B Shares :

Launch date: 25 November 2011

Initial subscription price: 853.66 USD

Currency: USD

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

The main objective of this sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. To this end, the assets are invested, either directly or indirectly via correlated financial instruments, primarily in shares.

SUB-FUND'S INVESTMENT POLICY:

PERMITTED ASSET CLASSES:

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the sub-fund's object.

The sub-fund shall invest no more than 10% of its assets in units of other undertakings for collective investment.

RESTRICTIONS OF THE INVESTMENT POLICY:

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

PERMITTED DERIVATIVES TRANSACTIONS:

Derivates may be used either for hedging purposes or to achieve investment objectives.

Changes will be made to the investments at regular intervals to comply with the sub-fund's investment strategy. **In addition, listed and unlisted derivates may be used to achieve the objectives:** these may be forward contracts, options or swaps on securities, indices, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions. **Such derivatives may also be used to hedge the assets against exchange-rate fluctuations.** Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions.

STRATEGY SELECTED

At least 75% of the assets are invested in shares of American companies that are not included in the S&P 500, since conditions in America are such as to ensure accelerated economic growth in the short or medium term.

RISK CONCENTRATION

American shares not included in the S&P 500.

LENDING FINANCIAL INSTRUMENTS:

The sub-fund may lend financial instruments within the limits set by law and regulations.

This lending does not affect the sub-fund's risk profile since:

- it takes place within the framework of a securities lending system managed by a principal. In addition, the sub-fund has a relationship only with the principal of the securities lending system which acts as counterparty and to which title of the loaned securities is transferred. The choice of principal is subject to strict selection criteria. The return of securities similar to the securities that have been lent is guaranteed by the principal.
- through a margin management system, the sub-fund is always guaranteed financial security, the actual value of which always exceeds the actual value of the securities that have been lent, in case the principal does not return similar securities.

The return of securities similar to the securities that have been lent can be requested at any time, which means that the lending of securities does not affect the management of the sub-fund's assets. By lending securities, the sub-fund can generate an additional return. The principal pays a fee to the management company. After deducting the fee for the margin management and clearing services of KBC Bank, most of this fee is paid to the sub-fund.

The relationship with the counterparty or counterparties is governed by standard international agreements.

More information is provided on the terms and conditions governing securities lending in the annual or half-yearly report for the sub-fund.

VOLATILITY OF THE NET ASSET VALUE:

The volatility of the net asset value may be high due to the composition of the portfolio.

GENERAL STRATEGY FOR HEDGING THE EXCHANGE RATE RISK:

In order to protect its assets against exchange rate fluctuations and within the limitations laid down in the articles of association, the sub-fund may perform transactions relating to the sale of forward currency contracts, as well as the sale of call options and the purchase of put options on currencies. The transactions in question may relate solely to contracts traded on a regulated market that operates regularly, is recognised and is open to the public or that are traded with a recognised, prime financial institution specialising in such transactions and dealing in the over-the-counter (OTC) market in options. With the same objective, the sub-fund may also sell currencies forward or exchange them in private transactions with prime financial institutions specialising in such transactions. The hedging objective of the aforementioned transactions suggests that there is a direct link between these transactions and the assets to be hedged, which implies that the transactions carried out in a particular currency may in principle not exceed, in terms of volume, either the valuation value of all the assets in the same currency or the holding period of those assets.

SOCIAL, ETHICAL AND ENVIRONMENTAL ASPECTS:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

THE EUROPEAN SAVINGS DIRECTIVE AND TAX ON DEBT CLAIM RETURNS OBTAINED THROUGH THE REDEMPTION OF OWN UNITS OR IN THE EVENT OF FULL OR PARTIAL DISTRIBUTION OF EQUITY CAPITAL.

The following information is of a general character and is not intended to cover all aspects of an investment in a UCITS. In certain cases entirely different rules might even apply. Moreover, both tax law and the interpretation of it can change. Investors who wish to have more information about the tax implications – in both Belgium and abroad – of acquiring, holding and transferring units should seek the advice of their usual financial and tax advisers.

This UCITS shall invest a maximum of 15% of its assets directly or indirectly in debt instruments as intended by the European Savings Directive.

A. European Savings Directive (Directive 2003/48/EC)

The European Savings Directive has been implemented in Belgium through:

- The Law of 17 May 2004 transposing into Belgian law Directive 2003/48/EC of 3 June 2003 of the Council of the European Union on taxation of savings income in the form of interest payments and amending Income Tax Code 1992 on withholding tax;
- The Royal Decree of 27 September 2009 implementing Article 338bis § 2 of Income Tax Code 1992;
- The Royal Decree of 27 September 2009 concerning the entry into effect of Article 338bis § 2, paragraphs one to three, of Income Tax Code 1992;

Since this UCITS invests a maximum of 15% of its assets directly or indirectly in debt claims as intended by the European Savings Directive, the income of this UCITS does not fall within the scope of this directive.

B. Tax on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital (Article 19bis Income Tax Code 1992).

The income from this UCITS is not subject to the tax on debt instrument returns as intended by Article 19bis, Income Tax Code 1992.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

There is no delegation of the portfolio.

2.1.5 DISTRIBUTORS

KBC Asset Management S.A., 5, Place de la Gare, L-1616 Luxembourg.

2.1.6 INDEX AND BENCHMARK

See 'Sub-fund's investment policy'.

2.1.7 POLICY PERSUED DURING THE FINANCIAL YEAR

The world economy emerged from a deep recession in mid-2009, but the recovery was highly dependent on massive government budgetary and monetary stimuli. Doubts about the sustainability of the economic recovery continued to dominate the investment climate in the past period under review. In Europe, the debt crisis continued to rage unabated. Five euro countries needed a bail-out from the European emergency fund. Greece reached agreement with its private sector creditors on restructuring the bond debt it owes them. The continued existence of the euro was even called into question. Fortunately, this was offset to some extent by the boom in Asia.

More jobs were created than lost in the US since 2010, but the rate of employment growth remained on the low side. In addition, wages increased very little: household purchasing power remained extremely modest and managed to support only scant growth. Economic growth (barely +1.6% year-on-year in the first six months of 2012) was further hampered by the financial restructuring undertaken by states and local authorities and the increase in imports.

The recovery in corporate earnings as from the fourth quarter of 2009 was just as impressive as the decline in earnings during the recession. So, although the economic recovery in the West may be modest, the same was certainly not true of corporate earnings. After going from negative to positive in the last quarter of 2009, earnings per share of the S&P 500 companies as a whole rose by an average 48% in 2010, by 14% in 2011 and by 9.4% in the first quarter of 2012. That robust recovery was not attributable to exceptional or one-off events, but was evident in almost all sectors. The economic downturn in the West did not prevent turnover from rising sharply (the year-on-year increase came to an average 8.5% in 2011). The emerging economies, which are booming, are becoming an increasingly significant market outlet for Western companies. However, the improved earnings were due more to a sharp reduction in (wage) cost pressure than to increased turnover.

The initial phase of the economic recovery went hand in hand with a fine stock-market rally, resulting in the S&P 500 being 75% higher at the end of April 2010 than its low point on 9 March 2009. Since then, the equity markets have struggled to find fresh impetus. The euro crisis and fear that the European banking sector would collapse naturally continued to cast a dark cloud over the market. On top of this, the stock markets were affected by changeable sentiment about the economic situation, and the same is true of 2012. Relative optimism about the economy caused the stock markets to improve in the first quarter, but they have since run out of steam. On 30 June 2012, the MSCI All Countries (the broadest global index) recorded a return of 8.7% in EUR over the past six months.

Of the traditional markets, the underperformance by Western Europe (MSCI Europe return index over the past six months, -5.2%) was fairly limited. Nevertheless, the problems in the EMU kept stacking up: they include the Greek debt crisis, the threat of an extremist separatist party winning the Greek elections, the undercapitalisation of Spanish banks, the referendum in Ireland, and the financial collapse in Cyprus. Apparently, the underperformance of European shares over many years has widened the valuation gap with US shares so much that fresh events in the euro crisis have less impact on the stock markets. In any event, the gap that had opened up in Europe in comparison with the US in recent years widened slightly during the reporting period. Wall Street closed the year under review considerably up (S&P 500: +8.6%, Dow Jones: +6.4%), while European investors also benefited from an increase in the value of the dollar (return MSCI USA in euros: +11.9%).

2.1.8 FUTURE POLICY

Business confidence indicators in the US and Europe hit new highs in the spring of 2011, but have dropped back to more neutral levels over the past twelve months. Considerable divergence between the US and Europe has developed since September. At the moment, the US producer confidence index points to some optimism about the economy. In Europe, confidence is continuing to slip and has entered the twilight zone of recession. We expect growth in the US to remain positive but modest (around 1.5-2% year-on-year in the next couple of quarters), given the lack of new jobs, the downward pressure on pay increases and the absence of a recovery in the housing market. Budgetary plans will depress growth in Europe. However, the indicators do suggest that the fears of deflation and depression currently dominating the financial markets are unwarranted.

In 2010 and 2011, the foundations were laid for more sustainable growth in 2012 and 2013. US households have trimmed back their debt level significantly, the savings rate has already increased considerably and loan servicing (instalments and interest payments combined) now accounts for only 11% of household budgets (the lowest level in fifteen years – it was at 14% three years ago). Households are gradually moving towards a position where they can spend more of their money on consumption. The explosion in earnings growth in 2010 and 2011 bolstered companies' already substantial cash positions. During the crisis, investments were scaled back heavily, with the foundations being laid for a catch-up process.

US budgetary policy is set to become restrictive now that a number of stimulus measures introduced in 2003, 2008 and 2010 (tax cuts, subsidies to states and higher social security benefits, all limited in time) will simultaneously cease at the end of this year and in the absence of political agreement they are unlikely to be extended. Under those circumstances, the budget deficit could be reduced from 9.8% of GDP in the 2011 tax year to 8.6% in 2012 and then to 6.2% in 2013. The bias of budgetary policy will of course depend on the balance of power in the newly-elected Congress.

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

Classic Shares: 7 on a scale of 1 (lowest risk) to 7 (highest risk).

Institutional B Shares: 7 on a scale of 1 (lowest risk) to 7 (highest risk).

The value of a share can decrease or increase and the investor may not get back the amount invested.

In accordance with Commission Regulation (EU) No. 583/2010, a synthetic risk and reward indicator has been calculated. This indicator provides a quantitative measure of the sub-fund's potential return and the risk involved, calculated in the currency in which the sub-fund is denominated. It is given as a figure between 1 and 7. The higher the figure, the greater the potential return, but also the more difficult it is to predict this return. Losses are possible too. The lowest figure does not mean that the investment is entirely free of risk. However, it does indicate that, compared with the higher figures, this product will generally provide a lower, but more predictable return.

The synthetic risk and reward indicator is assessed regularly and can therefore go up or down based on data from the past. Data from the past is not always a reliable indicator of future risk and return.

The most recent indicator can be found under the 'Risk and reward profile' heading in the 'Key Investor Information' document.

2.2 BALANCE SHEET

Balance sheet layout	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
TOTAL NET ASSETS	19.212.813,62	23.977.937,52
II. Securities, money market instruments, UCIs and derivatives		
A. Bonds and other debt instruments		
a) Bonds	94.421,25	4.856,25
C. Shares and similar instruments		
a) Shares	18.984.748,66	23.806.074,95
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable	1.871,48	16.042,26
B. Payables		
a) Accounts payable (-)	-42.948,18	-90.858,12
c) Borrowings (-)		-60.067,56
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	161.067,88	293.852,54
VI. Accruals and deferrals		
A. Expense to be carried forward	7.778,64	10.537,56
B. Accrued income	13.475,29	12.644,25
C. Accrued expense (-)	-7.601,40	-15.144,61
TOTAL SHAREHOLDERS' EQUITY	19.212.813,62	23.977.937,52
A. Capital	17.873.509,34	21.731.200,28
B. Income equalization	880,70	17.876,52
D. Result for the period	1.338.423,58	2.228.860,72

2.3 PROFIT AND LOSS ACCOUNT

Income Statement	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
I. Net gains(losses) on investments		
A. Bonds and other debt instruments		
a) Bonds	-8.603,77	4.805,40
C. Shares and similar instruments		
a) Shares	1.346.388,14	2.354.632,73
F. Derivative financial instruments		
l) Financial indices		
Futures and forward contracts		12.110,00
H. Foreign exchange positions and transactions		
b) Other foreign exchange positions and transactions	16.085,91	6.012,46
II. Investment income and expenses		
A. Dividends	131.110,73	98.930,51
B. Interests		
a) Securities and money market instruments	12.930,90	-1.943,94
b) Cash at bank and in hand and deposits	9,11	140,34
C. Interest on borrowings (-)	-330,72	-820,53
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-1.220,26	-22.122,10
B. Financial expenses (-)	-371,11	-1.722,86
C. Custodian's fee (-)	-7.718,25	-9.410,94
D. Manager's fee (-)		
a) Financial management		
Classic Shares	-136.308,04	-180.470,83
b) Administration and accounting management	-9.632,19	-13.335,97
E. Administrative expenses (-)		-0,01
F. Formation and organisation expenses (-)	-1.344,09	-1.116,80
G. Remuneration, social security charges and pension		-5,49
H. Services and sundry goods (-)	-3.160,92	-2.185,41
J. Taxes		
Classic Shares	2.210,68	-8.593,85
K. Other expenses (-)	-1.622,54	-6.041,99
Income and expenditure for the period		
Subtotal II + III + IV	-15.446,70	-148.699,87
V. Profit (loss) on ordinary activities before tax	1.338.423,58	2.228.860,72
VII. Result for the period	1.338.423,58	2.228.860,72

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC EQUITY FUND US SMALL CAPS

Name	Quantity on 30/06/2012	Currency	Price in currency	Evaluation (in the currency of the sub-fund)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
Bonds							
Bonds issued by credit institutions							
<u>U.S.A.</u>							
GAMCO INVESTORS INC 31/12/2015	7.400,00	USD	85,000	6.290,00		0,03	0,03
Corporate bonds							
<u>Ireland</u>							
D-STAR FINANCE PLC SUB 14/05/13	109.000,00	EUR	63,710	88.131,25		0,46	0,46
Total bonds				94.421,25		0,50	0,49
Shares							
Exchange-listed shares							
<u>China</u>							
LULULEMON ATHLETICA INC -	1.734,00	USD	59,630	103.398,42		0,54	0,54
<u>France</u>							
COMPAGNIE GENERALE DE GEOPHYSIQUE SA ADR	22,00	USD	25,850	568,70		0,00	0,00
<u>U.K.</u>							
CSR PLC ADR	718,00	USD	13,750	9.872,50		0,05	0,05
<u>U.S.A.</u>							
ACCO BRANDS CORP -	922,00	USD	10,340	9.533,48		0,05	0,05
ADMINISTAFF INC. -	2.334,00	USD	27,050	63.134,70		0,33	0,33
ADVENT SOFTWARE -	1.668,00	USD	27,110	45.219,48		0,24	0,24
ALASKA AIR GROUP INC -	1.578,00	USD	35,900	56.650,20		0,30	0,30
ALIGN TECHNOLOGY INC -	4.047,00	USD	33,460	135.412,62		0,71	0,71
AMERICAN SCIENCE & ENGINEERING -	1.912,00	USD	56,450	107.932,40		0,57	0,56
AMERICAN STATES WATER CO -	957,00	USD	39,580	37.878,06		0,20	0,20
AMERIGROUP CORP -	2.474,00	USD	65,910	163.061,34		0,86	0,85
ANIXTER INTERNATIONAL INC. -	1.261,00	USD	53,050	66.896,05		0,35	0,35
APARTMENT INVT & MGMT CIE -	1.356,00	USD	27,030	36.652,68		0,19	0,19
ARTHROCARE CORP -	2.059,00	USD	29,280	60.287,52		0,32	0,31
ASCENA RETAIL GROUP INC -	5.874,00	USD	18,620	109.373,88		0,57	0,57
ATWOOD OCEANICS INC -	2.871,00	USD	37,840	108.638,64		0,57	0,57
BADGER METER INC -	3.135,00	USD	37,550	117.719,25		0,62	0,61
BIOMED REALTY TRUST INC -	5.038,00	USD	18,680	94.109,84		0,49	0,49
BUCKEYE TECHNOLOGIES INC -	1.297,00	USD	28,490	36.951,53		0,19	0,19
BUFFALO WILD WINGS INC -	1.851,00	USD	86,640	160.370,64		0,84	0,84
CABOT MICROELECTRONIS CORP -	2.125,00	USD	29,210	62.071,25		0,33	0,32
CAL-MAINE FOODS INC -	2.609,00	USD	39,100	102.011,90		0,54	0,53
CALAVO GROWERS INC -	5.133,00	USD	25,580	131.302,14		0,69	0,68
CALGON CARBON CORP -	4.518,00	USD	14,220	64.245,96		0,34	0,33
CAPELLA EDUCATION CO -	2.200,00	USD	34,760	76.472,00		0,40	0,40
CASEY'S GENERAL STORES INC -	3.050,00	USD	58,990	179.919,50		0,94	0,94

CENTRAL GARDEN & PET CO -	2.591,00	USD	10,890	28.215,99		0,15	0,15
CENTRAL VERMONT PUBLIC SERVICE -	3.774,00	USD	35,260	133.071,24		0,70	0,69
CH ENERGY GROUP INC. -	2.582,00	USD	65,690	169.611,58		0,89	0,88
CHAMPION ENTERPRISES INC. -	1.444,00	USD	0,007	10,11			
CHEMED CORPORATION -	1.444,00	USD	60,440	87.275,36		0,46	0,45
CHILDREN'S PLACE -	2.738,00	USD	49,830	136.434,54		0,72	0,71
CHURCHILL DOWNS INC -	2.911,00	USD	58,790	171.137,69		0,90	0,89
CLEVELAND-CLIFFS INC -	786,00	USD	49,290	38.741,94		0,20	0,20
COGNEX CORP -	4.774,00	USD	31,650	151.097,10		0,79	0,79
COLONIAL PROPERTIES TRUST -	3.659,00	USD	22,140	81.010,26		0,43	0,42
COOPER COMPANY INC (THE) -	1.907,00	USD	79,760	152.102,32		0,80	0,79
CORRECTIONS CORPORATION OF AMERICA I -	4.892,00	USD	29,450	144.069,40		0,76	0,75
CORVEL CORP -	2.876,00	USD	49,000	140.924,00		0,74	0,73
CROCS IN -	2.075,00	USD	16,150	33.511,25		0,18	0,17
CSG SYSTEMS INTL INC -	4.519,00	USD	17,280	78.088,32		0,41	0,41
CUBIC CORP -	2.182,00	USD	48,080	104.910,56		0,55	0,55
DARLING INTERNATIONAL INC -	6.149,00	USD	16,490	101.397,01		0,53	0,53
DECKERS OUTDOOR CORP -	1.654,00	USD	44,010	72.792,54		0,38	0,38
DEVRY INC -	1.242,00	USD	30,970	38.464,74		0,20	0,20
DIME COMMUNITY BANCSHARES -	4.276,00	USD	13,290	56.828,04		0,30	0,30
DIODES INC -	2.683,00	USD	18,770	50.359,91		0,26	0,26
DSP GROUP INC -	14.956,00	USD	6,340	94.821,04		0,50	0,49
EAST WEST BANCORP -	5.340,00	USD	23,460	125.276,40		0,66	0,65
EL PASO ELECTRIC CO -	4.322,00	USD	33,160	143.317,52		0,75	0,75
ENTERTAINMENT PROPERTIES TRUST -	2.442,00	USD	41,110	100.390,62		0,53	0,52
EPIQ SYSTEMS ICN -	11.020,00	USD	12,250	134.995,00		0,71	0,70
ESTERLINE TECHNOLOGIES CORP -	2.246,00	USD	62,350	140.038,10		0,73	0,73
EXPRESS SCRIPTS INC. "A"	831,00	USD	55,830	46.394,73		0,24	0,24
EXTRA SPACE STORAGE INC -	5.697,00	USD	30,600	174.328,20		0,91	0,91
FAIRCHILD SEMICONDUCTOR INTL -	5.045,00	USD	14,100	71.134,50		0,37	0,37
FIRST CASH FINANCIAL SERVICES -	1.535,00	USD	40,170	61.660,95		0,32	0,32
FIRST FINANCIAL BANKSHARES INC -	2.415,00	USD	34,560	83.462,40		0,44	0,43
FIRST NIAGARA FINANCIAL GROUP -	3.669,00	USD	7,650	28.067,85		0,15	0,15
FOSSIL INC -	976,00	USD	76,540	74.703,04		0,39	0,39
F5 NETWORKS INC -	514,00	USD	99,560	51.173,84		0,27	0,27
GAMCO INVESTORS INC "A"	2.338,00	USD	44,390	103.783,82		0,54	0,54
GENERAL CABLE CORP -	3.521,00	USD	25,940	91.334,74		0,48	0,48
GULFMARK OFFSHORE INC -	3.788,00	USD	34,040	128.943,52		0,68	0,67
H.B. FULLER -	2.744,00	USD	30,700	84.240,80		0,44	0,44
HANGER INC -	5.295,00	USD	25,640	135.763,80		0,71	0,71
HANMI FINANCIAL CORP -	6.391,00	USD	10,480	66.977,68		0,35	0,35
HAVERTY FURNITURE CO -	2.810,00	USD	11,170	31.387,70		0,17	0,16
HIBBETT SPORTS INC -	3.101,00	USD	57,710	178.958,71		0,94	0,93
HOLLY CORPORATION -	5.052,00	USD	35,430	178.992,36		0,94	0,93
HOME PROPERTIES INC -	1.265,00	USD	61,360	77.620,40		0,41	0,40
HSN INC -	2.755,00	USD	40,350	111.164,25		0,58	0,58
HUB GROUP INC -A-	3.355,00	USD	36,200	121.451,00		0,64	0,63
HURON CONSULTING GROUP INC -	4.081,00	USD	31,650	129.163,65		0,68	0,67
INFINITY PROPERTY & CASUALTY C -	3.091,00	USD	57,670	178.257,97		0,93	0,93
INSIGHT ENTERPRISES INC -	1.877,00	USD	16,830	31.589,91		0,17	0,16
INSITUFORM TECHN. CORP. -	1.516,00	USD	17,890	27.121,24		0,14	0,14
INVESTORS BANCORP INC -	6.486,00	USD	15,090	97.873,74		0,51	0,51
IPC THE HOSPITALIST CO INC -	2.476,00	USD	45,320	112.212,32		0,59	0,58
J&J SNACK FOODS CORP -	2.659,00	USD	59,100	157.146,90		0,82	0,82
JAKKS PACIFIC INC -	3.441,00	USD	16,010	55.090,41		0,29	0,29
JEFFERIES GROUP INC -	2.927,00	USD	12,990	38.021,73		0,20	0,20
JONES LANG LASALLE INC -	494,00	USD	70,370	34.762,78		0,18	0,18
KILROY REALTY CORP -	3.043,00	USD	48,410	147.311,63		0,77	0,77

KINDRED HEALTHCARE INC -	2.371,00	USD	9,830	23.306,93		0,12	0,12
LAM RESEARCH CORP -	2.869,00	USD	37,740	108.276,06		0,57	0,56
LANCE INC -	3.815,00	USD	25,230	96.252,45		0,50	0,50
LASALLE HOTEL PROPERTIES -	5.084,00	USD	29,140	148.147,76		0,78	0,77
LAYNE CHRISTENSEN COMPANY -	3.910,00	USD	20,690	80.897,90		0,42	0,42
LEGGETT & PLATT, INC. -	4.578,00	USD	21,130	96.733,14		0,51	0,50
LHC GROUP INC -	3.439,00	USD	16,960	58.325,44		0,31	0,30
LIFE TECHNOLOGIES CORP -	1.881,00	USD	44,990	84.626,19		0,44	0,44
LIFEPOINT HOSPITALS INC -	3.349,00	USD	40,980	137.242,02		0,72	0,71
LINDSAY MANUFACTURING CO -	2.455,00	USD	64,900	159.329,50		0,84	0,83
LITTELFUSE INC -	1.884,00	USD	56,890	107.180,76		0,56	0,56
LYDALL INC -	6.911,00	USD	13,520	93.436,72		0,49	0,49
M/I HOMES INC -	3.698,00	USD	17,320	64.049,36		0,34	0,33
MAGELLAN HEALTH SERVICES INC -	2.990,00	USD	45,330	135.536,70		0,71	0,71
MAIDENFORM BRANDS INC -	3.086,00	USD	19,920	61.473,12		0,32	0,32
MATERION CORP -	4.823,00	USD	23,030	111.073,69		0,58	0,58
MEADWESTVACO CORP -	2.796,00	USD	28,750	80.385,00		0,42	0,42
MERCURY COMPUTER SYSTEMS -	6.465,00	USD	12,930	83.592,45		0,44	0,44
MICROSOFT CORP -	4.049,00	USD	30,590	123.858,91		0,65	0,65
MID AMERICA APARTMENT COMMUNITIES -	1.105,00	USD	68,240	75.405,20		0,40	0,39
MINERALS TECHNOLOGIES INC -	1.538,00	USD	63,780	98.093,64		0,51	0,51
MONARCH CASINO & RESORT INC -	1.762,00	USD	9,140	16.104,68		0,08	0,08
MOVADO GROUP -	1.720,00	USD	25,020	43.034,40		0,23	0,22
MTS SYSTEMS CORP -	1.051,00	USD	38,550	40.516,05		0,21	0,21
MWI VETERINARY SUPPLY INC -	1.285,00	USD	102,770	132.059,45		0,69	0,69
NASDAQ OMX GROUP INC -	2.402,00	USD	22,670	54.453,34		0,29	0,28
NAVIGANT CONSULTING INC -	9.742,00	USD	12,640	123.138,88		0,65	0,64
NBT BANCORP INC -	4.516,00	USD	21,590	97.500,44		0,51	0,51
NCI BUILDING SYSTEMS INC -	1.610,00	USD	10,830	17.436,30		0,09	0,09
NEENAH PAPER INC -	3.656,00	USD	26,690	97.578,64		0,51	0,51
NETGEAR INC -	3.529,00	USD	34,510	121.785,79		0,64	0,63
NEWPORT CORPORATION -	7.598,00	USD	12,020	91.327,96		0,48	0,48
NORDSON CORP -	2.388,00	USD	51,290	122.480,52		0,64	0,64
NORTHWESTERN CORPORATION -	5.073,00	USD	36,700	186.179,10		0,98	0,97
NOVELLUS SYSTEMS INC -	1,00	USD	40,390	40,39			
ONE LIBERTY PROPERTIES INC -	4.559,00	USD	18,830	85.845,97		0,45	0,45
OTTER TAIL CORP -	3.944,00	USD	22,870	90.199,28		0,47	0,47
PAPA JOHNS INTERNATIONAL INC -	3.748,00	USD	47,570	178.292,36		0,93	0,93
PAR PHARMACEUTICAL COS INC -	3.583,00	USD	36,140	129.489,62		0,68	0,67
PEPBOYS-MANNY,MOE&JACK -	7.302,00	USD	9,900	72.289,80		0,38	0,38
PERFICIENT INC -	6.220,00	USD	11,230	69.850,60		0,37	0,36
PERRIGO COMP -	1.275,00	USD	117,930	150.360,75		0,79	0,78
PETSMART INC -	2.328,00	USD	68,180	158.723,04		0,83	0,83
PIEDMONT NATURAL GAS COMPANY INC -	3.259,00	USD	32,190	104.907,21		0,55	0,55
PIPER JAFFRAY CO -	2.130,00	USD	23,430	49.905,90		0,26	0,26
POLYONE CORP -	5.588,00	USD	13,680	76.443,84		0,40	0,40
POST PROPERTIES INC. -	3.395,00	USD	48,950	166.185,25		0,87	0,87
PROGRESSIVE CORP OH -	1.655,00	USD	20,870	34.539,85		0,18	0,18
PS BUSINESS PARKS INC -	466,00	USD	67,720	31.557,52		0,17	0,16
PSS WORLD MEDICAL INC -	3.237,00	USD	20,990	67.944,63		0,36	0,35
QAUNEX CORP -	1.411,00	USD	17,880	25.228,68		0,13	0,13
QUAKER CHEMICAL CORP -	1.599,00	USD	46,210	73.889,79		0,39	0,39
REGENRON PHARMACEUTICALS -	1.462,00	USD	114,220	166.989,64		0,88	0,87
RLI CORP -	2.101,00	USD	68,200	143.288,20		0,75	0,75
ROBBINS & MYERS -	2.875,00	USD	41,820	120.232,50		0,63	0,63
ROCK-TENN COMPANY -A-	2.141,00	USD	54,550	116.791,55		0,61	0,61
ROGERS CORP -	3.412,00	USD	39,610	135.149,32		0,71	0,70
ROSETTA RESOURCES INC -	3.001,00	USD	36,640	109.956,64		0,58	0,57

RUDOLPH TECHNOLOGIES INC -	4.209,00	USD	8,720	36.702,48		0,19	0,19
RYDER SYSTEM INC. -	1.154,00	USD	36,010	41.555,54		0,22	0,22
SALIX PHARMACEUTICALS -	1.342,00	USD	54,440	73.058,48		0,38	0,38
SANDERSON FARMS INC -	2.375,00	USD	45,820	108.822,50		0,57	0,57
SEACOR HOLDINGS INC -	1.664,00	USD	89,380	148.728,32		0,78	0,77
SELECTIVE INSURANCE GROUP -	6.149,00	USD	17,410	107.054,09		0,56	0,56
SHUFFLE MASTER INC -	3.685,00	USD	13,800	50.853,00		0,27	0,27
SHUTTERFLY INC -	2.782,00	USD	30,690	85.379,58		0,45	0,44
SIGNATURE BANK/NEW YORK NY -	2.383,00	USD	60,970	145.291,51		0,76	0,76
SILICON VALLEY BANCSHARES -	2.095,00	USD	58,720	123.018,40		0,65	0,64
SKYWEST INC -	3.798,00	USD	6,530	24.800,94		0,13	0,13
SL GREEN REALTY CORP -	1.176,00	USD	80,240	94.362,24		0,50	0,49
SNAP-ON,INC. -	1.390,00	USD	62,250	86.527,50		0,45	0,45
SOURCEFIRE INC -	2.348,00	USD	51,400	120.687,20		0,63	0,63
SOUTHWEST GAS CORP -	3.459,00	USD	43,650	150.985,35		0,79	0,79
STAGE STORES INC -	7.445,00	USD	18,320	136.392,40		0,72	0,71
STAMPS.COM INC -	4.992,00	USD	24,670	123.152,64		0,65	0,64
STANDARD MICROSYSTEMS CORP -	3.112,00	USD	36,890	114.801,68		0,60	0,60
STONE ENERGY CORP. -	6.740,00	USD	25,340	170.791,60		0,90	0,89
STURM RUGER & CO INC -	4.759,00	USD	40,150	191.073,85		1,00	1,00
SUNPOWER CORP -A-	173,00	USD	4,795	829,54		0,00	0,00
SUNSTONE HOTEL INVESTORS INC -	4.642,00	USD	10,990	51.015,58		0,27	0,27
SYNAPTICS INC -	4.637,00	USD	28,630	132.757,31		0,70	0,69
TAKE-TWO INTERACTIVE SOFTWARE -	9.110,00	USD	9,460	86.180,60		0,45	0,45
TANGER FACTORY OUTLET CENTERS -	3.536,00	USD	32,050	113.328,80		0,59	0,59
TELEDYNE TECHNOLOGIES INC -	2.386,00	USD	61,650	147.096,90		0,77	0,77
TETON ADVISORS INC -	15,00	USD	0,000	0,00			
TETRA TECH INC. -	5.068,00	USD	26,080	132.173,44		0,69	0,69
TETRA TECHNOLOGIES INC -	6.354,00	USD	7,130	45.304,02		0,24	0,24
THE TORO COMPANY -	2.176,00	USD	73,290	159.479,04		0,84	0,83
THORATEC CORP -	4.598,00	USD	33,580	154.400,84		0,81	0,80
TREX CO INC -	3.230,00	USD	30,090	97.190,70		0,51	0,51
TRIUMPH GROUP INC -	1.908,00	USD	56,270	107.363,16		0,56	0,56
TRUEBLUE INC -	5.230,00	USD	15,480	80.960,40		0,42	0,42
TYLER TECHNOLOGIES INC -	4.178,00	USD	40,350	168.582,30		0,88	0,88
ULTRATECH INC -	3.903,00	USD	31,500	122.944,50		0,64	0,64
UNIFIRST CORP -	520,00	USD	63,750	33.150,00		0,17	0,17
UNISOURCE ENERGY CORP -	2.805,00	USD	38,410	107.740,05		0,57	0,56
UNITED STATIONERS INC -	2.082,00	USD	26,950	56.109,90		0,29	0,29
UNIVERSAL TECHNICAL INSTITUTE INC -	6.290,00	USD	13,510	84.977,90		0,45	0,44
URS CORP -	1.632,00	USD	34,880	56.924,16		0,30	0,30
USA MOBILITY INC -	5.002,00	USD	12,860	64.325,72		0,34	0,34
VEECO INSTRUMENTS INC -	1.484,00	USD	34,360	50.990,24		0,27	0,27
VICOR CORP -	6.924,00	USD	6,940	48.052,56		0,25	0,25
VIOPHARMA -	5.500,00	USD	23,700	130.350,00		0,68	0,68
VISHAY INTERTECHNOLOGIE INC. -	4.806,00	USD	9,430	45.320,58		0,24	0,24
VISHAY PRECISION GR INC -	577,00	USD	13,950	8.049,15		0,04	0,04
WATERS CORP -	1.329,00	USD	79,470	105.615,63		0,55	0,55
WATTS WATER TECHNOLOGIES INC "A"	5.758,00	USD	33,340	191.971,72		1,01	1,00
WAUSAU-MOSINEE PAPER CORP. -	9.396,00	USD	9,730	91.423,08		0,48	0,48
WEBSTER FINANCIAL CORP -	8.069,00	USD	21,660	174.774,54		0,92	0,91
WILLIAMS-SONOMA INC -	1.883,00	USD	34,970	65.848,51		0,35	0,34
WORLD ACCES INC. -	1.796,00	USD	65,800	118.176,80		0,62	0,62
WORLD FUEL SERVICES CORP -	3.702,00	USD	38,030	140.787,06		0,74	0,73
WRIGHT EXPRESS CORP -	2.265,00	USD	61,720	139.795,80		0,73	0,73
WYNN RESORTS LTD -	1.036,00	USD	103,720	107.453,92		0,56	0,56
YAHOO INC. -	4.782,00	USD	15,830	75.699,06		0,40	0,39

ZEBRA TECHNOLOGIES CORP -A-	1.920,00	USD	34,360	65.971,20		0,35	0,34
Total shares				18.984.748,66		99,51	98,81
TOTAL SECURITIES PORTFOLIO				19.079.169,91		100,00	99,30
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP CAD	1.127,38	CAD	1,000	1.105,90			0,01
KBC GROUP EURO	6.000,55	EUR	1,000	7.615,30			0,04
KBC GROUP GBP	310,83	GBP	1,000	487,55			0,00
KBC GROUP USD	151.859,13	USD	1,000	151.859,13			0,79
Total demand accounts				161.067,88			0,84
TOTAL CASH AT BANK AND IN HAND				161.067,88			0,84
OTHER RECEIVABLES AND PAYABLES							
Receivables							
<u>Belgium</u>							
KBC GROUP USD RECEIVABLE	1.871,48	USD	1,000	1.871,48			0,01
Total receivables				1.871,48			0,01
Payables							
<u>Belgium</u>							
KBC GROUP EUR PAYABLE	-19.308,99	EUR	1,000	-24.505,04			-0,13
KBC GROUP USD PAYABLE	-18.443,14	USD	1,000	-18.443,14			-0,10
Payables				-42.948,18			-0,22
TOTAL RECEIVABLES AND PAYABLES				-41.076,70			-0,21
OTHER							
Interest receivable		USD		13.474,85			0,07
Accrued interest		USD		0,44			
Expenses payable		USD		-7.601,40			-0,04
Expenses to be carried forward		USD		7.778,64			0,04
TOTAL OTHER				13.652,53			0,07
TOTAL NET ASSETS				19.212.813,62			100,00

Geographic breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Canada	0,36	0,12	0,00	0,00
China	0,23	0,41	0,42	0,54
U.K.	0,00	0,00	0,00	0,05
Ireland	0,00	0,00	0,51	0,46
Luxembourg	0,23	0,00	0,00	0,00
U.S.A.	99,18	99,47	99,07	98,95
Total	100,00	100,00	100,00	100,00

Sector breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Cyclicals	21,68	22,61	21,15	20,22
Consum(cycl)	19,22	16,24	16,17	15,39
Cons.goods	10,14	11,33	11,69	12,22
Pharma	11,81	12,70	13,68	13,08
Financials	10,05	8,99	9,22	9,45
Technology	16,11	15,37	14,46	14,80
Telecomm.	1,14	1,76	1,71	1,44
Utilities	2,74	4,03	4,61	4,72
Real est.	7,11	6,97	7,31	8,68
Total	100,00	100,00	100,00	100,00

Currency breakdown (as a % of net assets)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
CAD	0,52	0,14	0,01	0,01
EUR	-0,14	-0,25	0,40	0,37
USD	99,62	100,11	99,59	99,62
Total	100,00	100,00	100,00	100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC EQUITY FUND US SMALL CAPS (IN THE CURRENCY OF THE SUB-FUND)

	1st half of year	Year
Purchases	2.995,06	2.995,06
Sales	1.760.213,89	1.760.213,89
Total 1	1.763.208,95	1.763.208,95
Subscriptions	2.077.335,45	2.077.335,45
Redemptions	3.497.214,74	3.497.214,74
Total 2	5.574.550,19	5.574.550,19
Monthly average of total assets	20.253.480,99	20.253.480,99
Turnover rate	-18,82 %	-18,82 %

	1st half of year	Year
Purchases	2.995,06	2.995,06
Sales	1.760.213,89	1.760.213,89
Total 1	1.763.208,95	1.763.208,95
Subscriptions	2.077.335,45	2.077.335,45
Redemptions	3.497.214,74	3.497.214,74
Total 2	5.574.550,19	5.574.550,19
Monthly average of total assets	20.319.567,30	20.319.567,30
Corrected turnover rate	-18,76 %	-18,76 %

The table above shows the capital volume of portfolio transactions. This volume (adjusted to take account of total subscriptions and redemptions) is also compared to the average net assets at the beginning and end of the period.

A figure close to 0% implies that the transactions relating to the securities or transactions relating to the assets (excluding deposits and cash) in a given period only involve subscriptions and redemptions.

A negative percentage shows that subscriptions and redemptions entailed few, if any, transactions in the portfolio.

Active asset management may result in high turnover rates (monthly percentage >50%).

The detailed list of transactions is available for consultation free of charge at the registered office of the Bevek or fund at Havenlaan 2, 1080 Brussels.

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

Nil

2.4.4 CHANGES OF THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND THE NET ASSET VALUE

Classic Shares

Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2010 - 06	167.535,57	31.208,91	217.305,12	22.677,00	61.971,82	17.612,91	79.584,72
2011 - 06	9.243,78	891,55	51.873,01	14.057,88	19.342,59	4.446,57	23.789,16
2012 - 06	3.247,29	818,00	6.801,04	1.655,00	15.788,84	3.609,57	19.398,41

Period	Amounts received and paid by the UCI (in the currency of the class)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2010 - 06	120.773.647,99	21.047.471,06	167.097.883,62	16.281.627,18
2011 - 06	8.504.739,29	758.954,82	42.511.687,48	10.404.336,25
2012 - 06	3.106.314,38	767.644,51	6.477.259,33	1.526.876,08

Period	Net asset value End of period (in the currency of the class)		
Year	Of the class	Of one share	
		Capitalization	Distribution
2010 - 06	57.138.565,78	727,12	685,73
2011 - 06	23.977.937,52	1.018,67	961,26
2012 - 06	19.212.813,62	1.001,04	944,03

Institutional B Shares

Change in number of shares in circulation: Nil

Amounts received and paid by the UCI: Nil

Net asset value: Nil

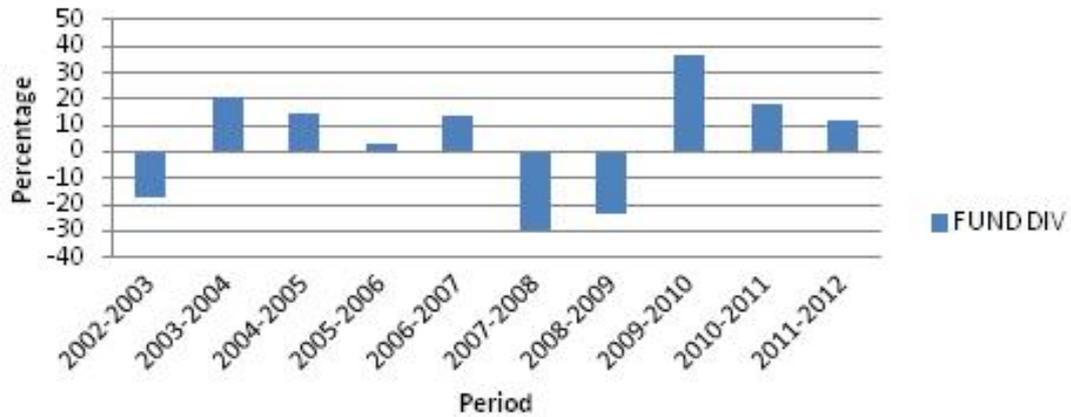
2.4.5 PERFORMANCE FIGURES

Classic Shares

BE0168341460

KBC Equity Fund - US Small Caps - DIV:

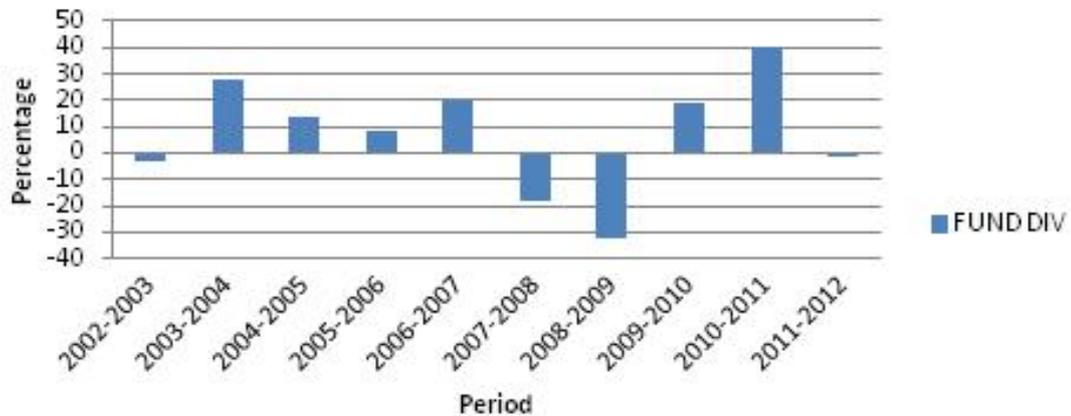
Annual performance on 30/06/2012 (in EUR)



BE0168341460

KBC Equity Fund - US Small Caps - DIV:

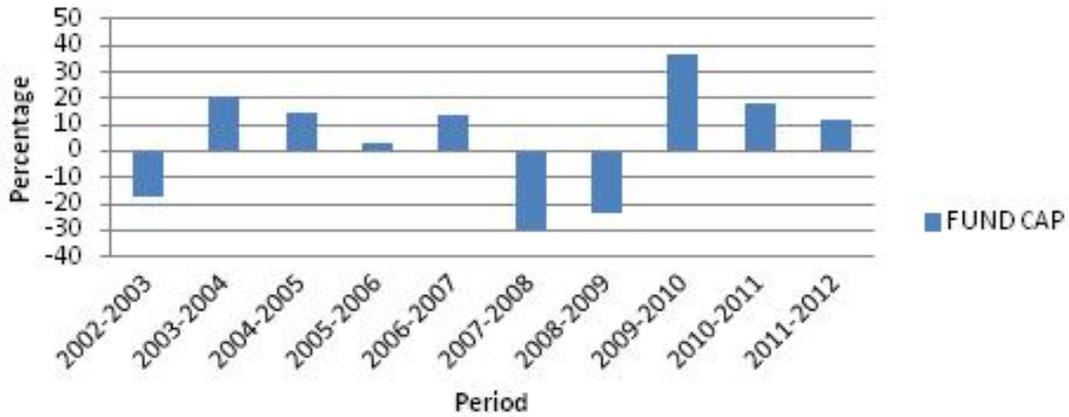
Annual performance on 30/06/2012 (in USD)



BE0168342476

KBC Equity Fund - US Small Caps - CAP:

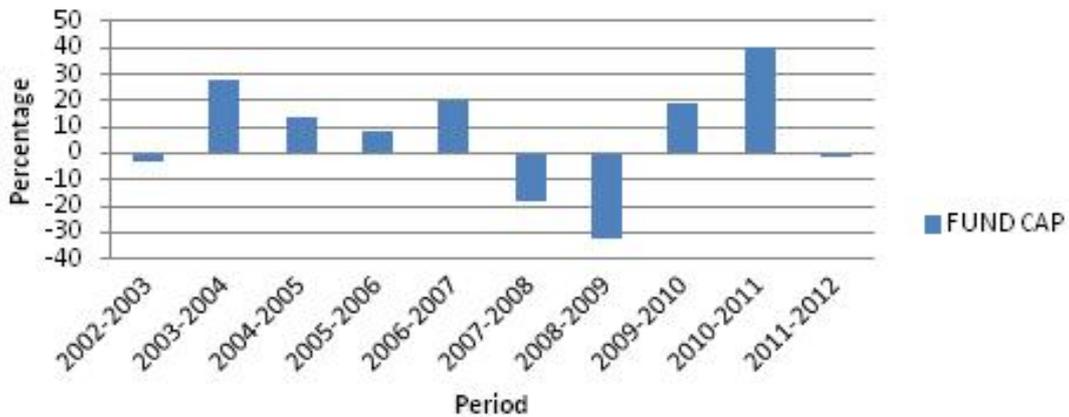
Annual performance on 30/06/2012 (in EUR)



BE0168342476

KBC Equity Fund - US Small Caps - CAP:

Annual performance on 30/06/2012 (in USD)



Cap Div	ISIN code	Currency	1 Year		3 Years*		5 Years*		10 Years*		Since launch*	
			Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Launch Date	Share classes
CAP	BE0168342476	EUR	12.27%		22.01%		-0.53%		2.67%		31/07/1998	4.02%
CAP	BE0168342476	USD	-1.73%		18.01%		-1.76%		5.27%		31/07/1998	5.11%
DIV	BE0168341460	EUR	12.20%		22.01%		-0.53%		2.66%		31/07/1998	4.01%
DIV	BE0168341460	USD	-1.79%		18.01%		-1.76%		5.27%		31/07/1998	5.11%

Risk warning: Past performance is not a guide to future performance.

* Return on annual basis.

Institutional B Shares

The cumulative returns are shown where they relate to a period of at least one year.

Classic Shares

- The bar chart shows the performance for full financial years.
- The figures do not take account of any restructuring.
- Calculated in USD and in EUR.
- The return is calculated as the change in the net asset value between two dates expressed as a percentage. In the case of units that pay dividends, the dividend is incorporated geometrically in the return.
- Calculation method for date D, where NAV stands for net asset value:

Capitalisation units (CAP)

Return on date D over a period of X years:

$$[\text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where $Y = D - X$

Return on date D since the start date S of the unit:

$$[\text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where $F = 1$ if the unit has existed for less than one year on date D

where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D

Distribution units (DIV)

Return on date D over a period of X years:

$$[C * \text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where $Y = D - X$

Return on date D since the start date S of the unit:

$$[C * \text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where $F = 1$ if the unit has existed for less than one year on date D

where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D

where C is a factor that is determined for all N dividends between the calculation date D and the reference date.

For dividend i on date Di with value Wi:

$$C_i = [W_i / \text{NIW}(D_i)] + 1$$

$i = 1 \dots N$

from which $C = C_0 * \dots * C_N$.

- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the n^{th} square root of 1 plus the total return of the unit.
- The return figures shown above do not take account of the fees and charges associated with the issue and redemption of units.

These are the performance figures for capitalisation and distribution shares.

2.4.6 COSTS

Total expense ratio (TER): *

Classic Shares Distribution: 1.609%
Classic Shares Capitalization: 1.609%
Institutional B Shares Capitalization: Not applicable

Percentage calculated at the end of the financial year: 31 December

* The following costs have not been included in the TER:

- Transaction charges
- Interest payments on loans taken out
- Payments in respect of financial derivatives
- Fees and charges paid directly by the investor
- Any soft commissions

SOFT COMMISSIONS

The management company or the appointed manager, as the case may be, is the recipient of soft commissions.

The recipient has laid down an internal policy as regards accepting soft commissions and avoiding possible conflicts of interest in this respect, and has put appropriate internal controls in place to ensure this policy is observed.

For more information, please see the 'General' section of the annual report.

Broker	Commission gross in EUR paid during the period: 1-01-12 - 30-06-12	CSA Credits in EUR accrued during the period: 1-01-12 - 30-06-12	Percentage
MERRILL	104	65	62.49%
MORGAN STANLEY	176	98	55.55%
UBSWDR	201	126	62.50%

FEE-SHARING AGREEMENTS AND REBATES:

The management company may share its fee with the distributor, and institutional and/or professional parties.

In principle, the percentage share amounts to between 35% and 60% if the distributor is an entity of KBC Group NV or to between 35% and 70% if the distributor is not an entity of KBC Group NV. However, in a small number of cases, the distributor's fee is less than 35%. Investors may, on request, obtain more information on these cases.

If the management company invests the assets of the undertaking for collective investment in units of undertakings for collective investment that are not managed by an entity of KBC Group NV, and receives a fee for doing so, it will pay this fee to the undertaking for collective investment.

Fee-sharing does not affect the amount of the management fee paid by the sub-fund to the management company. This management fee is subject to the limitations laid down in the articles of association. The limitations may only be amended after approval by the general meeting of shareholders.

The management company has concluded a distribution agreement with the distributor in order to facilitate the wider distribution of the sub-fund's units by using multiple distribution channels.

It is in the interests of the holders of units, the sub-fund and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund to be maximised in this way. In this respect, there is therefore no question of any conflict of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: 1.35% per annum calculated on the basis of the average total net assets of the sub-fund, excluding those assets invested in investment undertakings managed by a financial institution of the KBC group.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the average total net assets of the sub-fund.

Auditor's fee: 1 700 EUR per year. This fee is not including VAT and will be increased at the end of the 3-year mandate.

The custody fee is calculated on the value of the securities held in custody by the custodian on the final banking day of the preceding calendar year, except on those assets invested in investment undertakings managed by a financial institution of the KBC group. The custody fee is paid at the beginning of the calendar year.

Social, ethical and environmental aspects:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

Exercising voting rights

If necessary, relevant and in the interest of the shareholders, the management company will exercise the voting rights attached to the shares in the Bevek's portfolio.

The management company will adhere to the following criteria when determining how it stands relative to the items on the agenda that are put to the vote:

- Shareholder value may not be adversely affected.
- Corporate governance rules, especially with regard to the rights of minority shareholders, must be respected.
- The minimum standards with regard to sustainable business and corporate social responsibility must be met.

The list of companies for which voting rights are exercised is available at the registered office of the Bevek.

Securities lending

In accordance with the Royal Decree of 7 March 2006 concerning securities lending, the undertaking for collective investment has taken out securities loans with a principal to whom the full title of the loaned securities was transferred, without recording this transfer of ownership in the accounts.

For the period from 1 January 2012 to 30 June 2012, the fee for securities lent comes to - 116.41 USD. KBC Asset Management NV receives 50% of the net fee received for securities lent.

The detailed list of securities lending transactions carried out can be obtained from the registered office of the collective investment undertaking at 2 Havenlaan, 1080 Brussels.

TABLE OF CONTENTS

- 2. Information on KBC Equity Fund Medical Technologies
 - 2.1. Management report
 - 2.1.1. Launch date and subscription price
 - 2.1.2. Stock exchange listing
 - 2.1.3. Aim and distinctive features of the investment policy
 - 2.1.4. Financial portfolio management
 - 2.1.5. Distributors
 - 2.1.6. Index and benchmark
 - 2.1.7. Policy conducted during the financial year
 - 2.1.8. Future policy
 - 2.1.9. Synthetic risk and reward indicator (SRRI)
 - 2.2. Balance sheet
 - 2.3. Profit and loss account
 - 2.4. Composition of the assets and key figures
 - 2.4.1. Composition of the assets
 - 2.4.2. Change in the composition of the assets
 - 2.4.3. Value of commitments in respect of financial derivatives positions
 - 2.4.4. Evolution of the number of subscriptions, repayments and the net asset value
 - 2.4.5. Return figures
 - 2.4.6. Expenses
 - 2.4.7. Notes to the financial statements and other data

2 INFORMATION ON KBC EQUITY FUND MEDICAL TECHNOLOGIES

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Classic Shares :

Launch date: 30 April 1999

Initial subscription price: 1000 USD

Currency: USD

Institutional B Shares :

Launch date: 25 November 2011

Initial subscription price: 1493.22 USD

Currency: USD

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

The main objective of this sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. To this end, the assets are invested, either directly or indirectly via correlated financial instruments, primarily in shares.

SUB-FUND'S INVESTMENT POLICY:

PERMITTED ASSET CLASSES:

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the sub-fund's object.

The sub-fund shall invest no more than 10% of its assets in units of other undertakings for collective investment.

RESTRICTIONS OF THE INVESTMENT POLICY:

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

PERMITTED DERIVATIVES TRANSACTIONS:

Derivates may be used either for hedging purposes or to achieve investment objectives.

Changes will be made to the investments at regular intervals to comply with the sub-fund's investment strategy. **In addition, listed and unlisted derivates may be used to achieve the objectives:** these may be forward contracts, options or swaps on securities, indices, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions. **Such derivatives may also be used to hedge the assets against exchange-rate fluctuations.** Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions.

STRATEGY SELECTED

At least 75% of the assets are invested in shares of companies in the medical sector, the preference being companies whose core business is developing and manufacturing medical equipment, where conditions are such as to allow an accelerated economic growth in the short and medium term.

LENDING FINANCIAL INSTRUMENTS:

The sub-fund may lend financial instruments within the limits set by law and regulations.

This lending does not affect the sub-fund's risk profile since:

- it takes place within the framework of a securities lending system managed by a principal. In addition, the sub-fund has a relationship only with the principal of the securities lending system which acts as counterparty and to which title of the loaned securities is transferred. The choice of principal is subject to strict selection criteria. The return of securities similar to the securities that have been lent is guaranteed by the principal.
- through a margin management system, the sub-fund is always guaranteed financial security, the actual value of which always exceeds the actual value of the securities that have been lent, in case the principal does not return similar securities.

The return of securities similar to the securities that have been lent can be requested at any time, which means that the lending of securities does not affect the management of the sub-fund's assets. By lending securities, the sub-fund can generate an additional return. The principal pays a fee to the management company. After deducting the fee for the margin management and clearing services of KBC Bank, most of this fee is paid to the sub-fund.

The relationship with the counterparty or counterparties is governed by standard international agreements.

More information is provided on the terms and conditions governing securities lending in the annual or half-yearly report for the sub-fund.

VOLATILITY OF THE NET ASSET VALUE:

The volatility of the net asset value may be high due to the composition of the portfolio.

GENERAL STRATEGY FOR HEDGING THE EXCHANGE RATE RISK:

In order to protect its assets against exchange rate fluctuations and within the limitations laid down in the articles of association, the sub-fund may perform transactions relating to the sale of forward currency contracts, as well as the sale of call options and the purchase of put options on currencies. The transactions in question may relate solely to contracts traded on a regulated market that operates regularly, is recognised and is open to the public or that are traded with a recognised, prime financial institution specialising in such transactions and dealing in the over-the-counter (OTC) market in options. With the same objective, the sub-fund may also sell currencies forward or exchange them in private transactions with prime financial institutions specialising in such transactions. The hedging objective of the aforementioned transactions suggests that there is a direct link between these transactions and the assets to be hedged, which implies that the transactions carried out in a particular currency may in principle not exceed, in terms of volume, either the valuation value of all the assets in the same currency or the holding period of those assets.

SOCIAL, ETHICAL AND ENVIRONMENTAL ASPECTS:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

THE EUROPEAN SAVINGS DIRECTIVE AND TAX ON DEBT CLAIM RETURNS OBTAINED THROUGH THE REDEMPTION OF OWN UNITS OR IN THE EVENT OF FULL OR PARTIAL DISTRIBUTION OF EQUITY CAPITAL.

The following information is of a general character and is not intended to cover all aspects of an investment in a UCITS. In certain cases entirely different rules might even apply. Moreover, both tax law and the interpretation of it can change. Investors who wish to have more information about the tax implications – in both Belgium and abroad – of acquiring, holding and transferring units should seek the advice of their usual financial and tax advisers.

This UCITS shall invest a maximum of 15% of its assets directly or indirectly in debt instruments as intended by the European Savings Directive.

A. European Savings Directive (Directive 2003/48/EC)

The European Savings Directive has been implemented in Belgium through:

- The Law of 17 May 2004 transposing into Belgian law Directive 2003/48/EC of 3 June 2003 of the Council of the European Union on taxation of savings income in the form of interest payments and amending Income Tax Code 1992 on withholding tax;
- The Royal Decree of 27 September 2009 implementing Article 338bis § 2 of Income Tax Code 1992;
- The Royal Decree of 27 September 2009 concerning the entry into effect of Article 338bis § 2, paragraphs one to three, of Income Tax Code 1992;

Since this UCITS invests a maximum of 15% of its assets directly or indirectly in debt claims as intended by the European Savings Directive, the income of this UCITS does not fall within the scope of this directive.

B. Tax on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital (Article 19bis Income Tax Code 1992).

The income from this UCITS is not subject to the tax on debt instrument returns as intended by Article 19bis, Income Tax Code 1992.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

There is no delegation of the portfolio.

2.1.5 DISTRIBUTORS

KBC Asset Management S.A., 5, Place de la Gare, L-1616 Luxembourg.

2.1.6 INDEX AND BENCHMARK

See 'Sub-fund's investment policy'.

2.1.7 POLICY PERSUED DURING THE FINANCIAL YEAR

KBC Equity Fund Medical Technology invests in companies active in medical technology. The most important subsectors are cardiovascular disease (stents, brady and tachy pacemakers), bone surgery (knee and hip joints, intervertebral discs), ophthalmology and in-vitro diagnostics. In addition we invest in Healthcare Services, care-providers such as hospitals, homes for the elderly and group practices (e.g. dental practices). Here too we select those shares with a sound balance between growth and risk.

During the first half of the year the healthcare sector (MSCI World Healthcare Equipment and Services) performed extremely well. Which is understandable; as a result of the continuing crisis in Europe and the impact this could have on the European and, by extension, world economy, investors have been taking refuge in safe havens: the United States, the emerging markets or the relatively stable healthcare sector.

The highly diverse Healthcare Equipment did significantly less well. Try as it might, the sector was unable to shake off the various ills that have been plaguing it for some time: the general lack of innovation, lack of pricing power and the fact that it is as a target for economising governments and/or clients. The small Dental Implants subsector, for example, is closely tied to customers' discretionary spending. In a weak economic climate, this is one of the first things to go. This has resulted in unprecedentedly low valuations for the sector – lower even than in the crisis year of 2008. The orthopaedic and cardiovascular players are more defensive in nature, but here too the sector faces a highly unfavourable combination of circumstances, which has been persisting for some years: no innovation and no pricing power. The utilisation rate has however stopped slowing and there are signs of stabilisation.

One subsector that has performed well is (medical) Services. Particularly prominent were the Managed Care companies, i.e. the American commercial health insurers. One of the implications of Obamacare has been the obligatory individual mandate, under which young and healthy customers are required to take out health insurance so as to make the extension of healthcare to other customers affordable: health insurers are obliged to include children living at home at the age of 26 in their parents' 'Health plans'. Similarly, they are no longer permitted to refuse insurance to people on account of their previous medical history. It used to be the case that customers with a chronic disorder were no longer able to take out a new contract when their old one expired other than on onerous and, for most people, unaffordable terms. Opponents of the legislation hope that the 'individual mandate' would be ruled unconstitutional. Had that been so, the whole plan could have collapsed, as the opponents wanted. A collapse of ObamaCare was regarded as potentially favourable for the health insurers, as a number of expensive commitments would then have been eliminated.

2.1.8 FUTURE POLICY

During the period ahead we think it remains advisable to seek out safe places, for example in healthcare. The 'euro' crisis has still not been resolved and some observers are beginning to fear that the malaise will spread to the economically strong euro countries. But we should also not be blind to the new challenges that are looming in the healthcare sector. A US survey commissioned by the government indicates that the costs of healthcare have been rising by nearly 4% a year and, given unchanged policies, will continue to do so in the coming years, with an outlier in 2014, when the costs of healthcare will rise by over 7% as ObamaCare comes fully on stream. By 2017 healthcare in the US will cost a mind-boggling 20% of GNP. Needless to say, measures are being planned to curb the rising costs in the US.

The US Supreme Court has now ruled on the constitutionality of ObamaCare. To widespread surprise, the law was upheld. The Court took the view that the fine attached to the requirement to buy health insurance should in fact be regarded as a tax. Since tax is a federal matter, ObamaCare is constitutional. This is of course grist to the Republican mill in the run-up to the forthcoming presidential elections. That would however appear to be bad news for the commercial health insurers in the US, although a qualification is in order. The commercial health insurers had already indicated that provided a few minor adjustments had been made, they would have continued to guarantee most of the elements of Obamacare, even if the legislation had been struck down. That would appear to demonstrate that all in all, the implications as quantified by the Managed Care companies will remain limited. They will be obliged to provide wider access to healthcare, but as against this there will be a greater number of mandates.

The utilisation rate in the hospital sector has stabilised. An improvement in the economy does not necessarily lead to a rise in the utilisation rate, but does of course result in improved access to the health sector. We expect that an upturn of the hospital sector will be anticipated towards the end of the year. Election rhetoric could in this case put a spanner in the works. We have no idea in which direction the rhetoric will head, but what is clear is that healthcare is bound to be one of the top three election issues.

On the Equipment side we can only see further gloom and doom. As noted previously, the costs are going through the roof and measures must be taken to bring costs down. Equipment is particularly sensitive to such measures. The utilisation rate in the hospital sector has stabilised. An improvement in the economy does not necessarily lead to a rise in the utilisation rate, but does of course result in improved access to the health sector. The Sapien heart valve is minimally invasive for patients who are too weak to undergo a regular, invasive procedure. And that is the reason why the Boston Scientifics of this world simply do not succeed in achieving significant growth. They lack the flexibility of, for example, Johnson & Johnson, which could simply leave the playing field.

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

Classic Shares: 6 on a scale of 1 (lowest risk) to 7 (highest risk).

Institutional B Shares: 6 on a scale of 1 (lowest risk) to 7 (highest risk).

The value of a share can decrease or increase and the investor may not get back the amount invested.

In accordance with Commission Regulation (EU) No. 583/2010, a synthetic risk and reward indicator has been calculated. This indicator provides a quantitative measure of the sub-fund's potential return and the risk involved, calculated in the currency in which the sub-fund is denominated. It is given as a figure between 1 and 7. The higher the figure, the greater the potential return, but also the more difficult it is to predict this return. Losses are possible too. The lowest figure does not mean that the investment is entirely free of risk. However, it does indicate that, compared with the higher figures, this product will generally provide a lower, but more predictable return.

The synthetic risk and reward indicator is assessed regularly and can therefore go up or down based on data from the past. Data from the past is not always a reliable indicator of future risk and return.

The most recent indicator can be found under the 'Risk and reward profile' heading in the 'Key Investor Information' document.

2.2 BALANCE SHEET

Balance sheet layout	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
TOTAL NET ASSETS	13.933.606,87	16.991.331,65
II. Securities, money market instruments, UCIs and derivatives		
C. Shares and similar instruments		
a) Shares	13.929.998,58	16.713.037,86
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable	1.609,41	2.110,04
b) Tax assets	420,41	1.219,90
B. Payables		
a) Accounts payable (-)	-17.250,94	-170.167,98
c) Borrowings (-)	-7.181,04	-338.890,07
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	16.614,07	774.409,39
VI. Accruals and deferrals		
A. Expense to be carried forward	5.461,26	6.966,65
B. Accrued income	13.602,90	15.449,18
C. Accrued expense (-)	-9.667,78	-12.803,32
TOTAL SHAREHOLDERS' EQUITY	13.933.606,87	16.991.331,65
A. Capital	12.389.515,46	14.657.452,24
B. Income equalization	8.253,84	969,40
D. Result for the period	1.535.837,57	2.332.910,01

2.3 PROFIT AND LOSS ACCOUNT

Income Statement	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
I. Net gains(losses) on investments		
C. Shares and similar instruments		
a) Shares	1.673.115,41	2.220.437,62
H. Foreign exchange positions and transactions		
b) Other foreign exchange positions and transactions	-85.372,75	176.194,99
II. Investment income and expenses		
A. Dividends	99.592,81	86.143,42
B. Interests		
a) Securities and money market instruments	1.219,89	8.417,92
b) Cash at bank and in hand and deposits	309,82	655,94
C. Interest on borrowings (-)	-433,77	-264,73
III. Other income		
A. Income received to cover the acquisition and realization of assets, to discourage withdrawals and for delivery charges	26.952,02	
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-42.214,83	-19.244,67
B. Financial expenses (-)	-321,33	-1.558,49
C. Custodian's fee (-)	-5.080,54	-5.946,63
D. Manager's fee (-)		
a) Financial management		
Classic Shares	-68.326,08	-107.910,87
Institutional B Shares	-44.032,08	
b) Administration and accounting management	-7.951,25	-8.100,41
F. Formation and organisation expenses (-)	-1.041,60	-597,16
H. Services and sundry goods (-)	-2.844,38	-1.300,78
J. Taxes		
Classic Shares	-3.469,06	-7.155,59
Institutional B Shares	-174,91	
K. Other expenses (-)	-4.089,80	-6.860,55
Income and expenditure for the period		
Subtotal II + III + IV	-51.905,09	-63.722,60
V. Profit (loss) on ordinary activities before tax	1.535.837,57	2.332.910,01
VII. Result for the period	1.535.837,57	2.332.910,01

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC EQUITY FUND MEDICAL TECHNOLOGIES

Name	Quantity on 30/06/2012	Currency	Price in currency	Evaluation (in the currency of the sub-fund)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
Shares							
Exchange-listed shares							
<u>Australia</u>							
COCHLEAR LTD -	1.267,00	AUD	65,840	85.511,42		0,61	0,61
RAMSAY HEALTH CARE LTD -	2.838,00	AUD	22,610	65.776,48		0,47	0,47
SONIC HEALTHCARE LTD -	8.471,00	AUD	12,700	110.279,82		0,79	0,79
<u>Bermuda</u>							
COVIDIEN LTD -	9.876,00	USD	53,500	528.366,00		3,79	3,79
<u>Brazil</u>							
AMIL PARTICIPACOES SA -	2.814,00	BRL	20,100	28.023,45		0,20	0,20
DIAGNOSTICOS DA AMERICA -	5.900,00	BRL	13,210	38.615,02		0,28	0,28
ODONTOPREV SA -	5.922,00	BRL	10,200	29.927,47		0,22	0,22
<u>China</u>							
SHANDONG WEIGAO GP MEDICAL-H -	40.000,00	HKD	8,540	44.040,37		0,32	0,32
SINOPHARM GROUP CO -	17.200,00	HKD	21,300	47.232,52		0,34	0,34
<u>France</u>							
BIOMERIEUX -	297,00	EUR	64,880	24.454,74		0,18	0,18
ESSILOR (PAR)	4.492,00	EUR	73,300	417.868,44		3,00	3,00
<u>Germany</u>							
DRAEGERWERK AG PREF	1.000,00	EUR	77,800	98.735,98		0,71	0,71
FRESENIUS MEDICAL CARE AG & CO -	4.647,00	EUR	55,830	329.257,86		2,36	2,36
FRESENIUS SE & CO KGAA (FRA)	3.243,00	EUR	81,780	336.581,23		2,42	2,42
<u>Hong Kong</u>							
SHANGAI PHARMACEUTICALS HOLDING -	11.000,00	HKD	9,670	13.713,62		0,10	0,10
<u>Italy</u>							
DIASORIN SPA -	2.111,00	EUR	22,970	61.538,24		0,44	0,44
<u>Japan</u>							
ALFRESA HOLDINGS CORP -	1.000,00	JPY	4.220,000	52.889,61		0,38	0,38
MEDICEO PALTAC HOLD CO LTD -	3.600,00	JPY	1.126,000	50.804,11		0,37	0,37
MIRACA HOLDINGS INC -	1.100,00	JPY	3.305,000	45.564,02		0,33	0,33
OLYMPUS CORP -	4.600,00	JPY	1.288,000	74.256,01		0,53	0,53
SUZUKEN CO LTD -	1.500,00	JPY	2.685,000	50.476,99		0,36	0,36
SYSMEX CORP -	1.600,00	JPY	3.140,000	62.966,21		0,45	0,45
TERUMO CORP. -	3.400,00	JPY	3.260,000	138.916,69		1,00	1,00
<u>South Africa</u>							
LIFE HEALTHCARE GROUP HOLDINGS -	20.870,00	ZAR	31,130	79.440,49		0,57	0,57
NETWORK HEALTCARE HOLD TLD -	21.064,00	ZAR	16,000	41.209,86		0,30	0,30
<u>Sweden</u>							
ELEKTA AB -B-	2.179,00	SEK	315,200	99.508,45		0,71	0,71

GETINGE AB B	6.918,00	SEK	171,000	171.393,05		1,23	1,23
<u>Switzerland</u>							
NOBEL BIOCARE HOLDING AG -	4.525,00	CHF	9,790	46.805,82		0,34	0,34
STRAUMANN HOLDING AG REG	807,00	CHF	139,100	118.603,98		0,85	0,85
<u>U.K.</u>							
SMITH&NEPHEW PLC -	10.181,00	GBP	6,375	101.803,87		0,73	0,73
<u>U.S.A.</u>							
AETNA INC NEW	9.376,00	USD	38,770	363.507,52		2,61	2,61
AMERISOURCEBERGEN CORP -	6.652,00	USD	39,350	261.756,20		1,88	1,88
BAXTER INTL INC -	13.086,00	USD	53,150	695.520,90		4,99	4,99
BECTON DICKINSON -	1.852,00	USD	74,750	138.437,00		0,99	0,99
BOSTON SCIENTIFIC -	46.355,00	USD	5,670	262.832,85		1,89	1,89
CARDINAL HEALTH INC -	8.926,00	USD	42,000	374.892,00		2,69	2,69
CARE FUSION CORP -	5.639,00	USD	25,680	144.809,52		1,04	1,04
CATAMARAN CORP -	1.387,00	CAD	101,110	137.567,57		0,99	0,99
CERNER CORP -	3.208,00	USD	82,660	265.173,28		1,90	1,90
CIGNA CORP. -	4.301,00	USD	44,000	189.244,00		1,36	1,36
COMMUNITY HEALTH SYSTEMS INC -	724,00	USD	28,030	20.293,72		0,15	0,15
COVENTRY HEALTH CARE INC -	3.141,00	USD	31,790	99.852,39		0,72	0,72
DENTSPLY INTERNATIONAL INC -	10.480,00	USD	37,810	396.248,80		2,85	2,84
EDWARDS LIFESCIENCES CORP. -	3.476,00	USD	103,300	359.070,80		2,58	2,58
EXPRESS SCRIPTS INC. "A"	20.229,00	USD	55,830	1.129.385,07		8,11	8,11
HEALTH MANAGEMENT ASSOCIATES INC. "A"	11.197,00	USD	7,850	87.896,45		0,63	0,63
HUMANA INC. -	5.172,00	USD	77,440	400.519,68		2,88	2,87
INTUITIVE SURGICAL INC -	746,00	USD	553,790	413.127,34		2,97	2,97
LABORATORY CORP OF AMERICA HOLDINGS -	902,00	USD	92,610	83.534,22		0,60	0,60
MCKESSON CORP -	5.663,00	USD	93,750	530.906,25		3,81	3,81
MEDTRONIC INC -	18.598,00	USD	38,730	720.300,54		5,17	5,17
OMNICARE INC -	5.933,00	USD	31,230	185.287,59		1,33	1,33
QUEST DIAGNOSTICS INC -	3.978,00	USD	59,900	238.282,20		1,71	1,71
ST JUDE MEDICAL INC. -	8.173,00	USD	39,910	326.184,43		2,34	2,34
STRYKER CORPORATION -	6.780,00	USD	55,100	373.578,00		2,68	2,68
UNITEDHEALTH GROUP INC. -	22.411,00	USD	58,500	1.311.043,50		9,42	9,41
VARIAN MEDICAL SYSTEMS -	3.721,00	USD	60,770	226.125,17		1,62	1,62
WELLPOINT INC -	8.919,00	USD	63,790	568.943,01		4,08	4,08
ZIMMER HOLDINGS INC. -	3.591,00	USD	64,360	231.116,76		1,66	1,66
Total shares				13.929.998,58		100,00	99,97
TOTAL SECURITIES PORTFOLIO				13.929.998,58		100,00	99,97
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP AUD	46,86	AUD	1,000	48,04			
KBC GROUP CAD	0,37	CAD	1,000	0,36			
KBC GROUP CHF	128,40	CHF	1,000	135,66			0,00
KBC GROUP DKK	163,76	DKK	1,000	27,95			
KBC GROUP EURO	-3,83	EUR	1,000	-4,86			
KBC GROUP GBP	-4.562,80	GBP	1,000	-7.156,90			-0,05
KBC GROUP HKD	0,89	HKD	1,000	0,11			
KBC GROUP JPY	29.761,00	JPY	1,000	373,00			0,00
KBC GROUP NOK	-6,17	NOK	1,000	-1,04			
KBC GROUP NZD	109,44	NZD	1,000	87,97			0,00
KBC GROUP SEK	70,90	SEK	1,000	10,27			
KBC GROUP SGD	761,57	SGD	1,000	601,17			0,00

KBC GROUP USD	15.329,54	USD	1,000	15.329,54		0,11
KBC GROUP ZAR	-149,19	ZAR	1,000	-18,24		
Total demand accounts				9.433,03		0,07
TOTAL CASH AT BANK AND IN HAND				9.433,03		0,07
OTHER RECEIVABLES AND PAYABLES						
Receivables						
<u>Belgium</u>						
KBC GROUP USD RECEIVABLE	1.609,41	USD	1,000	1.609,41		0,01
KBC GROUP WHT TO BE RECOVERED EUR	331,27	EUR	1,000	420,41		0,00
Total receivables				2.029,82		0,02
Payables						
<u>Belgium</u>						
KBC GROUP EUR PAYABLE	-13.454,15	EUR	1,000	-17.074,66		-0,12
KBC GROUP USD PAYABLE	-176,28	USD	1,000	-176,28		0,00
Payables				-17.250,94		-0,12
TOTAL RECEIVABLES AND PAYABLES				-15.221,12		-0,11
OTHER						
Interest receivable		USD		12.817,09		0,09
Accrued interest		USD		785,81		0,01
Expenses payable		USD		-9.667,78		-0,07
Expenses to be carried forward		USD		5.461,26		0,04
TOTAL OTHER				9.396,38		0,07
TOTAL NET ASSETS				13.933.606,87		100,00

Geographic breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Australia	1,60	1,36	1,30	1,88
Belgium	0,82	0,32	1,50	0,00
Bermuda	4,40	4,59	4,48	3,79
Brazil	0,00	0,00	0,35	0,69
Canada	0,00	0,00	0,00	0,99
Switzerland	2,89	4,38	1,24	1,19
China	0,00	0,00	0,00	0,66
Germany	3,20	4,16	5,96	5,49
Denmark	0,45	1,96	0,40	0,00
France	1,95	1,75	1,77	3,18
U.K.	1,54	1,22	3,35	0,73
Hong Kong	0,00	0,00	0,00	0,10
Italy	0,00	0,00	0,00	0,44
Japan	3,45	2,95	3,43	3,42
Sweden	1,23	1,24	0,00	1,94
U.S.A.	78,47	76,07	76,22	74,63
South Africa	0,00	0,00	0,00	0,87
Total	100,00	100,00	100,00	100,00

Sector breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Cyclicals	0,00	1,99	1,49	0,00
Pharma	100,00	98,01	98,51	100,00
Total	100,00	100,00	100,00	100,00

Currency breakdown (as a % of net assets)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
AUD	1,59	1,34	1,27	1,88
BRL	0,00	0,00	0,35	0,69
CAD	0,01	0,01	0,01	0,99
CHF	2,88	2,48	1,21	1,19
DKK	0,45	1,93	0,39	0,00
EUR	5,86	5,17	8,91	8,99
GBP	1,72	1,53	3,27	0,68
HKD	0,00	0,00	0,00	0,75
JPY	3,45	2,91	3,35	3,42
SEK	1,23	1,22	0,00	1,95
USD	82,81	83,41	81,24	78,59
ZAR	0,00	0,00	0,00	0,87
Total	100,00	100,00	100,00	100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC EQUITY FUND MEDICAL TECHNOLOGIES (IN THE CURRENCY OF THE SUB-FUND)

	1st half of year	Year
Purchases	19.466.323,30	19.466.323,30
Sales	20.015.382,45	20.015.382,45
Total 1	39.481.705,75	39.481.705,75
Subscriptions	8.702.014,71	8.702.014,71
Redemptions	9.520.477,38	9.520.477,38
Total 2	18.222.492,09	18.222.492,09
Monthly average of total assets	16.769.643,07	16.769.643,07
Turnover rate	126,77 %	126,77 %

	1st half of year	Year
Purchases	19.466.323,30	19.466.323,30
Sales	20.015.382,45	20.015.382,45
Total 1	39.481.705,75	39.481.705,75
Subscriptions	8.702.014,71	8.702.014,71
Redemptions	9.520.477,38	9.520.477,38
Total 2	18.222.492,09	18.222.492,09
Monthly average of total assets	16.763.297,32	16.763.297,32
Corrected turnover rate	126,82 %	126,82 %

The table above shows the capital volume of portfolio transactions. This volume (adjusted to take account of total subscriptions and redemptions) is also compared to the average net assets at the beginning and end of the period.

A figure close to 0% implies that the transactions relating to the securities or transactions relating to the assets (excluding deposits and cash) in a given period only involve subscriptions and redemptions.

A negative percentage shows that subscriptions and redemptions entailed few, if any, transactions in the portfolio.

Active asset management may result in high turnover rates (monthly percentage >50%).

The detailed list of transactions is available for consultation free of charge at the registered office of the Bevek or fund at Havenlaan 2, 1080 Brussels.

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

Nil

2.4.4 CHANGES OF THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND THE NET ASSET VALUE

Classic Shares

Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2010 - 06	5.721,16	488,99	6.588,06	585,00	11.462,54	895,99	12.358,52
2011 - 06	6.533,63	211,00	9.281,57	369,99	8.714,61	737,00	9.451,61
2012 - 06	2.137,95	175,00	5.896,90	255,00	4.955,66	657,00	5.612,66

Period	Amounts received and paid by the UCI (in the currency of the class)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2010 - 06	8.204.883,73	680.757,13	9.469.571,88	775.988,90
2011 - 06	11.046.500,07	310.147,68	15.110.926,99	536.365,79
2012 - 06	3.720.932,35	279.340,80	9.295.563,70	413.768,29

Period	Net asset value End of period (in the currency of the class)		
Year	Of the class	Of one share	
		Capitalization	Distribution
2010 - 06	16.733.481,45	1.358,41	1.297,63
2011 - 06	16.991.331,65	1.803,99	1.723,56
2012 - 06	9.797.078,00	1.754,72	1.676,22

Institutional B Shares

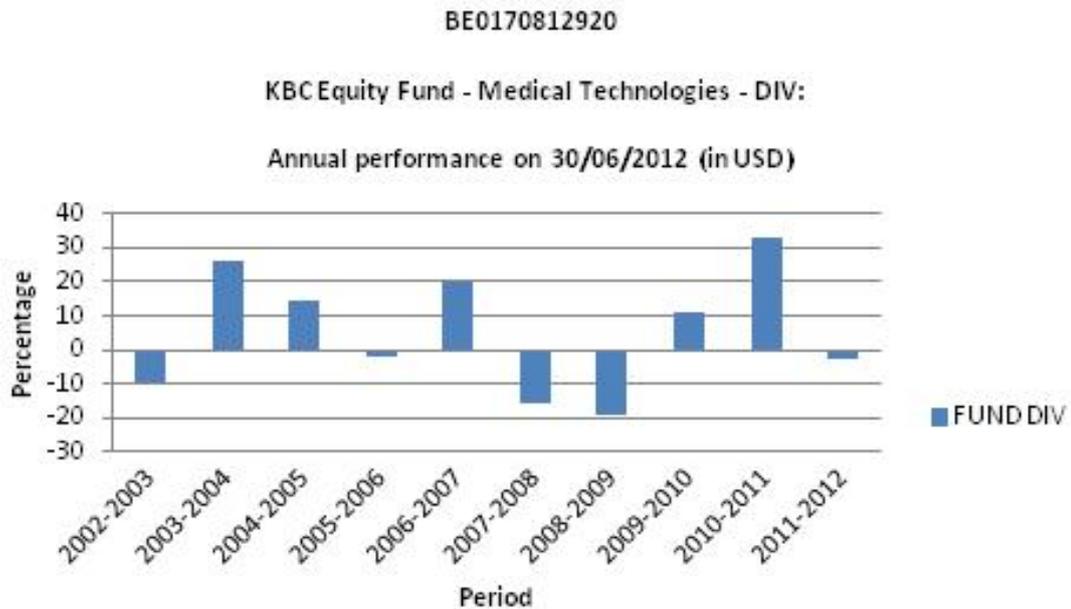
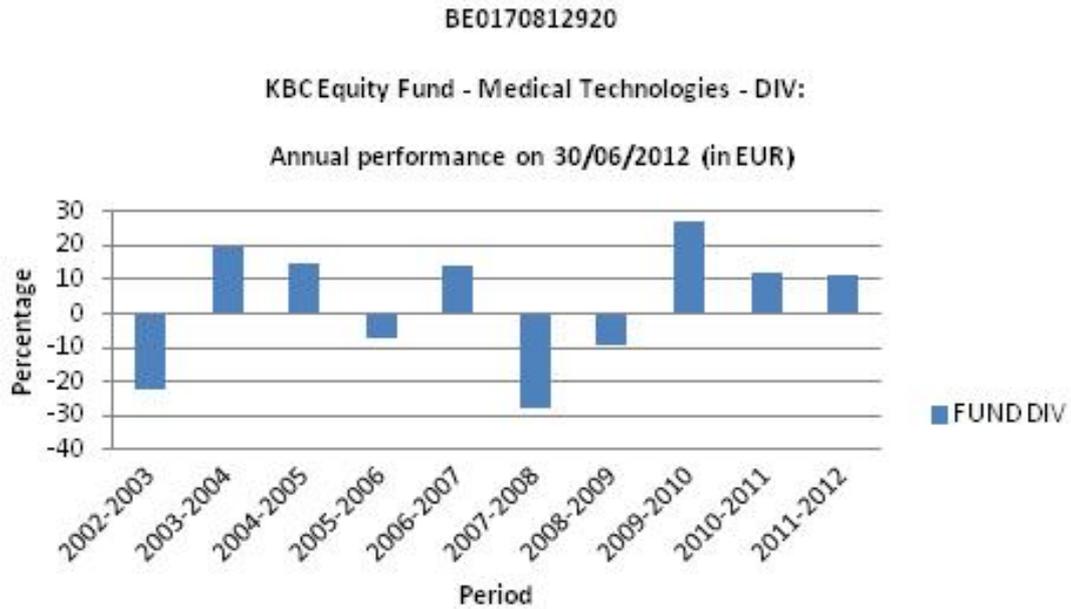
Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2012 - 06	6.737,00		4.381,00		2.356,00		2.356,00

Period	Amounts received and paid by the UCI (in the currency of the class)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2012 - 06	10.944.543,42		7.575.630,46	

Period	Net asset value End of period (in the currency of the class)		
Year	Of the class	Of one share	
		Capitalization	Distribution
2012 - 06	4.136.528,87	1.755,74	

2.4.5 PERFORMANCE FIGURES

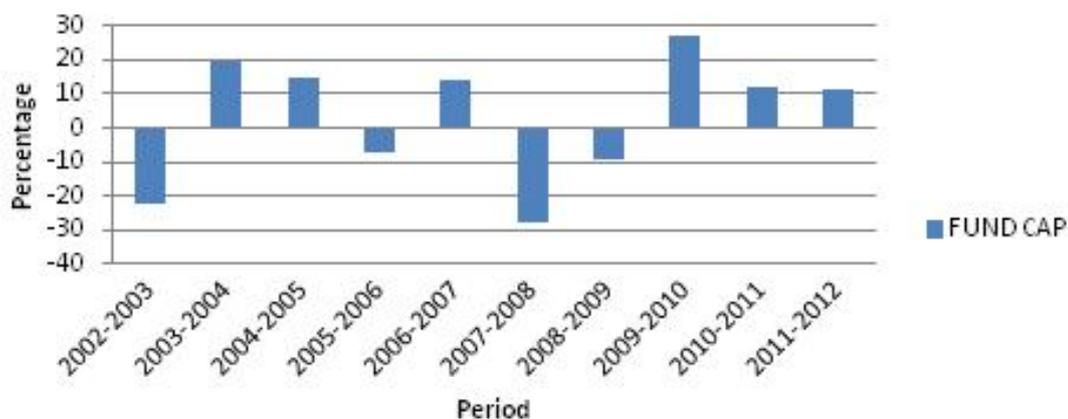
Classic Shares



BE0170813936

KBC Equity Fund - Medical Technologies - CAP:

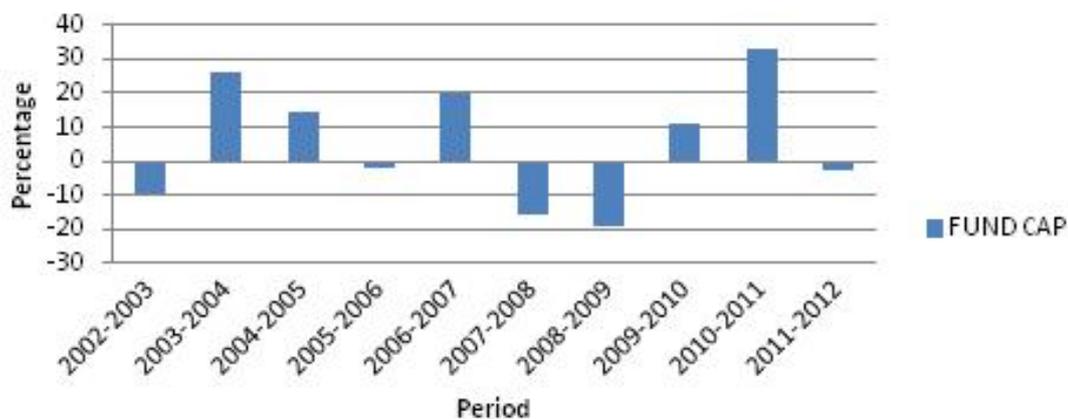
Annual performance on 30/06/2012 (in EUR)



BE0170813936

KBC Equity Fund - Medical Technologies - CAP:

Annual performance on 30/06/2012 (in USD)



Cap Div	ISIN code	Currency	1 Year		3 Years*		5 Years*		10 Years*		Since launch*	
			Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Launch Date	Share classes
CAP	BE0170813936	EUR	11.13%		16.59%		0.83%		1.57%		30/04/1999	3.04%
CAP	BE0170813936	USD	-2.73%		12.76%		-0.42%		4.15%		30/04/1999	4.36%
DIV	BE0170812920	EUR	11.11%		16.59%		0.83%		1.57%		30/04/1999	3.03%
DIV	BE0170812920	USD	-2.75%		12.76%		-0.42%		4.15%		30/04/1999	4.36%

Risk warning: Past performance is not a guide to future performance.

* Return on annual basis.

Institutional B Shares

The cumulative returns are shown where they relate to a period of at least one year.

Classic Shares

- The bar chart shows the performance for full financial years.
- The figures do not take account of any restructuring.
- Calculated in USD and in EUR.
- The return is calculated as the change in the net asset value between two dates expressed as a percentage. In the case of units that pay dividends, the dividend is incorporated geometrically in the return.
- Calculation method for date D, where NAV stands for net asset value:

Capitalisation units (CAP)

Return on date D over a period of X years:

$$[\text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where $Y = D - X$

Return on date D since the start date S of the unit:

$$[\text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where $F = 1$ if the unit has existed for less than one year on date D

where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D

Distribution units (DIV)

Return on date D over a period of X years:

$$[C * \text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where $Y = D - X$

Return on date D since the start date S of the unit:

$$[C * \text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where $F = 1$ if the unit has existed for less than one year on date D

where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D

where C is a factor that is determined for all N dividends between the calculation date D and the reference date.

For dividend i on date Di with value Wi:

$$C_i = [W_i / \text{NIW}(D_i)] + 1$$

$i = 1 \dots N$

from which $C = C_0 * \dots * C_N$.

- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the n^{th} square root of 1 plus the total return of the unit.
- The return figures shown above do not take account of the fees and charges associated with the issue and redemption of units.

These are the performance figures for capitalisation and distribution shares.

2.4.6 COSTS

Total expense ratio (TER): *

Classic Shares Distribution: 1.707%
Classic Shares Capitalization: 1.707%
Institutional B Shares Capitalization: Not applicable

Percentage calculated at the end of the financial year: 31 December

* The following costs have not been included in the TER:

- Transaction charges
- Interest payments on loans taken out
- Payments in respect of financial derivatives
- Fees and charges paid directly by the investor
- Any soft commissions

SOFT COMMISSIONS

The management company or the appointed manager, as the case may be, is the recipient of soft commissions.

The recipient has laid down an internal policy as regards accepting soft commissions and avoiding possible conflicts of interest in this respect, and has put appropriate internal controls in place to ensure this policy is observed.

For more information, please see the 'General' section of the annual report.

Broker	Commission gross in EUR paid during the period: 1-01-12 - 30-06-12	CSA Credits in EUR accrued during the period: 1-01-12 - 30-06-12	Percentage
CITI	804	503	62.50%
CSFBSAS	1,262	752	59.59%
DEUTSCHE	1,658	1,026	61.84%
HSBC	363	181	50.00%
JP MORGAN	1,516	842	55.56%
MERRILL	2,250	1,392	61.88%
MORGAN STANLEY	8,154	5,040	61.81%
NOMURA	3,818	2,346	61.44%
SOCGEN	113	57	50.00%
UBSWDR	1,174	640	54.53%

FEE-SHARING AGREEMENTS AND REBATES:

The management company may share its fee with the distributor, and institutional and/or professional parties.

In principle, the percentage share amounts to between 35% and 60% if the distributor is an entity of KBC Group NV or to between 35% and 70% if the distributor is not an entity of KBC Group NV. However, in a small number of cases, the distributor's fee is less than 35%. Investors may, on request, obtain more information on these cases.

If the management company invests the assets of the undertaking for collective investment in units of undertakings for collective investment that are not managed by an entity of KBC Group NV, and receives a fee for doing so, it will pay this fee to the undertaking for collective investment.

Fee-sharing does not affect the amount of the management fee paid by the sub-fund to the management company. This management fee is subject to the limitations laid down in the articles of association. The limitations may only be amended after approval by the general meeting of shareholders.

The management company has concluded a distribution agreement with the distributor in order to facilitate the wider distribution of the sub-fund's units by using multiple distribution channels. It is in the interests of the holders of units, the sub-fund and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund to be maximised in this way. In this respect, there is therefore no question of any conflict of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: 1.35% per annum calculated on the basis of the average total net assets of the sub-fund, excluding those assets invested in investment undertakings managed by a financial institution of the KBC group.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the average total net assets of the sub-fund.

Auditor's fee: 1 700 EUR per year. This fee is not including VAT and will be increased at the end of the 3-year mandate.

The custody fee is calculated on the value of the securities held in custody by the custodian on the final banking day of the preceding calendar year, except on those assets invested in investment undertakings managed by a financial institution of the KBC group. The custody fee is paid at the beginning of the calendar year.

Social, ethical and environmental aspects:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

Exercising voting rights

If necessary, relevant and in the interest of the shareholders, the management company will exercise the voting rights attached to the shares in the Bevek's portfolio.

The management company will adhere to the following criteria when determining how it stands relative to the items on the agenda that are put to the vote:

- Shareholder value may not be adversely affected.
- Corporate governance rules, especially with regard to the rights of minority shareholders, must be respected.
- The minimum standards with regard to sustainable business and corporate social responsibility must be met.

The list of companies for which voting rights are exercised is available at the registered office of the Bevek.

Securities lending

In accordance with the Royal Decree of 7 March 2006 concerning securities lending, the undertaking for collective investment has taken out securities loans with a principal to whom the full title of the loaned securities was transferred, without recording this transfer of ownership in the accounts.

For the period from 1 January 2012 to 30 June 2012, the fee for securities lent comes to 504.36 USD. KBC Asset Management NV receives 50% of the net fee received for securities lent.

The detailed list of securities lending transactions carried out can be obtained from the registered office of the collective investment undertaking at 2 Havenlaan, 1080 Brussels.

TABLE OF CONTENTS

- 2. Information on KBC Equity Fund Luxury & Tourism
 - 2.1. Management report
 - 2.1.1. Launch date and subscription price
 - 2.1.2. Stock exchange listing
 - 2.1.3. Aim and distinctive features of the investment policy
 - 2.1.4. Financial portfolio management
 - 2.1.5. Distributors
 - 2.1.6. Index and benchmark
 - 2.1.7. Policy conducted during the financial year
 - 2.1.8. Future policy
 - 2.1.9. Synthetic risk and reward indicator (SRRI)
 - 2.2. Balance sheet
 - 2.3. Profit and loss account
 - 2.4. Composition of the assets and key figures
 - 2.4.1. Composition of the assets
 - 2.4.2. Change in the composition of the assets
 - 2.4.3. Value of commitments in respect of financial derivatives positions
 - 2.4.4. Evolution of the number of subscriptions, repayments and the net asset value
 - 2.4.5. Return figures
 - 2.4.6. Expenses
 - 2.4.7. Notes to the financial statements and other data

2 INFORMATION ON KBC EQUITY FUND LUXURY & TOURISM

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Classic Shares :

Launch date: 25 June 1998

Initial subscription price: 100 XEU

Currency: EUR

Institutional B Shares :

Launch date: 25 November 2011

Initial subscription price: 90.08 EUR

Currency: EUR

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

The main objective of this sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. To this end, the assets are invested, either directly or indirectly via correlated financial instruments, primarily in shares.

SUB-FUND'S INVESTMENT POLICY:

PERMITTED ASSET CLASSES:

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the sub-fund's object.

The sub-fund shall invest no more than 10% of its assets in units of other undertakings for collective investment.

RESTRICTIONS OF THE INVESTMENT POLICY:

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

PERMITTED DERIVATIVES TRANSACTIONS:

Derivates may be used either for hedging purposes or to achieve investment objectives.

Changes will be made to the investments at regular intervals to comply with the sub-fund's investment strategy. **In addition, listed and unlisted derivates may be used to achieve the objectives:** these may be forward contracts, options or swaps on securities, indices, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions. **Such derivatives may also be used to hedge the assets against exchange-rate fluctuations.** Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions.

STRATEGY SELECTED

At least 75% of the assets are invested in share of companies associated with themes such as tourism and leisure and companies in the luxury goods sector.

LENDING FINANCIAL INSTRUMENTS:

The sub-fund may lend financial instruments within the limits set by law and regulations.

This lending does not affect the sub-fund's risk profile since:

- it takes place within the framework of a securities lending system managed by a principal. In addition, the sub-fund has a relationship only with the principal of the securities lending system which acts as counterparty and to which title of the loaned securities is transferred. The choice of principal is subject to strict selection criteria. The return of securities similar to the securities that have been lent is guaranteed by the principal.
- through a margin management system, the sub-fund is always guaranteed financial security, the actual value of which always exceeds the actual value of the securities that have been lent, in case the principal does not return similar securities.

The return of securities similar to the securities that have been lent can be requested at any time, which means that the lending of securities does not affect the management of the sub-fund's assets. By lending securities, the sub-fund can generate an additional return. The principal pays a fee to the management company. After deducting the fee for the margin management and clearing services of KBC Bank, most of this fee is paid to the sub-fund.

The relationship with the counterparty or counterparties is governed by standard international agreements.

More information is provided on the terms and conditions governing securities lending in the annual or half-yearly report for the sub-fund.

VOLATILITY OF THE NET ASSET VALUE:

The volatility of the net asset value may be high due to the composition of the portfolio.

GENERAL STRATEGY FOR HEDGING THE EXCHANGE RATE RISK:

In order to protect its assets against exchange rate fluctuations and within the limitations laid down in the articles of association, the sub-fund may perform transactions relating to the sale of forward currency contracts, as well as the sale of call options and the purchase of put options on currencies. The transactions in question may relate solely to contracts traded on a regulated market that operates regularly, is recognised and is open to the public or that are traded with a recognised, prime financial institution specialising in such transactions and dealing in the over-the-counter (OTC) market in options. With the same objective, the sub-fund may also sell currencies forward or exchange them in private transactions with prime financial institutions specialising in such transactions. The hedging objective of the aforementioned transactions suggests that there is a direct link between these transactions and the assets to be hedged, which implies that the transactions carried out in a particular currency may in principle not exceed, in terms of volume, either the valuation value of all the assets in the same currency or the holding period of those assets.

SOCIAL, ETHICAL AND ENVIRONMENTAL ASPECTS:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

THE EUROPEAN SAVINGS DIRECTIVE AND TAX ON DEBT CLAIM RETURNS OBTAINED THROUGH THE REDEMPTION OF OWN UNITS OR IN THE EVENT OF FULL OR PARTIAL DISTRIBUTION OF EQUITY CAPITAL.

The following information is of a general character and is not intended to cover all aspects of an investment in a UCITS. In certain cases entirely different rules might even apply. Moreover, both tax law and the interpretation of it can change. Investors who wish to have more information about the tax implications – in both Belgium and abroad – of acquiring, holding and transferring units should seek the advice of their usual financial and tax advisers.

This UCITS shall invest a maximum of 15% of its assets directly or indirectly in debt instruments as intended by the European Savings Directive.

A. European Savings Directive (Directive 2003/48/EC)

The European Savings Directive has been implemented in Belgium through:

- The Law of 17 May 2004 transposing into Belgian law Directive 2003/48/EC of 3 June 2003 of the Council of the European Union on taxation of savings income in the form of interest payments and amending Income Tax Code 1992 on withholding tax;
- The Royal Decree of 27 September 2009 implementing Article 338bis § 2 of Income Tax Code 1992;
- The Royal Decree of 27 September 2009 concerning the entry into effect of Article 338bis § 2, paragraphs one to three, of Income Tax Code 1992;

Since this UCITS invests a maximum of 15% of its assets directly or indirectly in debt claims as intended by the European Savings Directive, the income of this UCITS does not fall within the scope of this directive.

B. Tax on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital (Article 19bis Income Tax Code 1992).

The income from this UCITS is not subject to the tax on debt instrument returns as intended by Article 19bis, Income Tax Code 1992.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company has delegated the intellectual management, to KBC Fund Management Limited, Joshua Dawson House, Dawson Street, Dublin 2, IRELAND..

2.1.5 DISTRIBUTORS

KBC Asset Management S.A., 5, Place de la Gare, L-1616 Luxembourg.

2.1.6 INDEX AND BENCHMARK

See 'Sub-fund's investment policy'.

2.1.7 POLICY PERSUED DURING THE FINANCIAL YEAR

KBC Equity Luxury & Tourism invests in shares of companies related to the luxury and tourism industries such as Automobiles, Consumer Durables, Luxury Retail, Personal Products, Recreation, Travel & Accommodation. The fund has gained over 9.22%, slightly ahead of the broad market MSCI World All Countries that has increased by 7.9%.

The first six months of the year were quite turbulent for equity markets. The changing situation in Europe was the primary concern for investors over the period, however there was also negative news concerns with regard to growth in China. Throughout the first quarter, the situation in Europe continued to evolve. Towards the beginning of the year, there was positive news from Greece as the country secured acceptance of their debt swap offer. The ECB continued to extend liquidity to European banks through the LTRO. In Russia, despite some unrest, Putin won the Russian presidential election. Markets were largely strong over this period, with both emerging and developed markets rising and with Emerging Asia outperforming.

Moving into the second quarter, the situation in Europe worsened. In May, French socialist, Francois Hollande won the French presidential election. Following parliamentary elections in Greece, it was not possible to form a government. Anti-austerity parties gained seats in this election, causing growing fears that the country would not remain in the euro. A second election was called for mid-June with the uncertainty continuing in the meantime. At this stage, concern spread to the situation in Spain, with growth disappointing further and banks coming under more pressure. Despite initially stating that the country did not need a bailout, by the end of June, Spain had requested assistance from Europe and the IMF. In June, the second Greek election took place, with the New Democracy winning narrowly and forming a government. Throughout this period of uncertainty, markets were very weak, with most regions reversing most of the gains achieved in Q1. On the final day of the quarter, EU leaders agreed that Europe would support troubled banks directly, without the need for local governments to add to their debt levels. This saw a significant rally on the final day of the first half.

While the volatility globally continued, Asian investors were also concerned about weakening growth in China. Growth was slower than most expected, with the official growth target being lowered to 7.5%. Most domestic activity metrics were weak – industrial production, investment and retail sales. On the positive side, inflation continued to fall, leaving room for policy makers to make changes if needed. While there was some slowdown in employment growth, there was no mass unemployment as was seen in 2008/2009. Following this slowdown, Chinese authorities began to take steps to boost growth. Initially the focus was on increasing investment, with particular focus on water and other environmental areas, utilities, railways and social housing. However at the beginning of June, the People's Bank of China took the decision to lower lending and deposit rates by 25bps. They also took steps to liberalise the interest rate regime, seen as a significant positive.

The Luxury and Tourism theme has had a strong performance to date, and the fund also outperformed the broad market over the first six months of this year. Most sectors in the fund had strong gains over the year so far with the Consumer Durables sector and Automobiles sector producing strong gains. Walt Disney was the most outstanding stock in the fund and was the top contributor to performance for the past six months. Walt Disney has grown steadily over the year continually improving month after month. In May Walt Disney closed at an all time high after they posted a 21 percent earnings growth. Automobiles was the strongest sector in the fund with many of the names in the sector comprising the top 20 attributing names in the fund over the first half. Toyota, Honda, Volkswagen and BMW all had double digit growth in their share price. Despite the outlook for European autos appearing more cautious going forward, the first six months was not seen as a struggle for the industry. In January, BMW its share price soar after they announced records sales for the past year. BMW maintained their top rank in luxury car sales in 2011 and announced plans to invest \$900 million into their South Carolina plant to expand capacity. During February, Toyota announced their third quarter results and raised their full year profit forecast by 11 percent. Toyota predicted record deliveries for 2012 as they release new versions of their luxury Lexus brand. March saw Toyota's share price hit a new high as rising consumer confidence accelerated sales in the US.

In terms of laggard performances in the fund, the Luxury Retail and Personal Products sectors disappointed. The luxury retail theme was the only negative performing theme in the fund over the first half. The most disappointing names from this section of the fund were Jewellery retailer Chow Tai Fook and Tiffany. Since its introduction to the fund in May, newly listed Chow Tai Fook has underperformed in relation to expectations. The Hong Kong listed jeweller plunged to a record low mid May amid concerns of slowing economic growth in China. The plummeting gold prices from their record highs and weaker than expected expansion in China affected Chow Tai Fook directly. However by the end of June there was a turnaround in events for the company as their share price recovered slightly with the annual results announcement. Chow Tai Fook is positive on its outlook for the coming years with plans in place to double sales within three years by opening further outlets.

From the personal products theme, poor performance came from the Japanese electronics producers Sony, Panasonic and Sharp. Sony's shares plummeted to levels seen last August after they announced a new company 'turnaround' plan to shed 10,000 jobs and concentrate on games, mobile products and digital imaging. The aim of the new strategy for the company is to recover from four straight years of losses. Sony plans to reduce the number of TV models it manufactures as demand for such products has dropped. Sony posted a record 520 billion yen loss in the year ended March 31. Shares in fellow Japanese electronic producer Sharp also suffered as they too posted a significant loss. Both companies who were once the stalwart names in electronics have been beaten by better able companies such as Apple and Samsung who have proven their innovation and ability to realise consumer's ever-changing demands.

2.1.8 FUTURE POLICY

On a sector level, momentum appears to be slowing, especially in the US luxury market. Whilst there are still positive growth figures throughout leading US department stores, the figures are not ahead of expectations. There has also been a slowdown in the robust Europe tourist traffic which has driven much of the sectors strong sales. US consumers have grown increasingly pessimistic recently. The Reuters/University of Michigan survey of consumer sentiment dropped from 79.3 in May to 73.2 in June, which is the lowest level of consumer sentiment seen this year. However job gains are expected to pick up in the next few months and should result in a pick-up in income growth which will in turn support consumer spending. The long term fundamentals for the sector are very positive. The growing middle class population in China is extremely supportive to the sector. By 2015 it is estimated that there will be 1 billion people considered as middle class consumers. The recent rate cuts in China are viewed positively by the sector and are seen as a potential boost for luxury consumption and investment. The Emerging Asia consumer is one of the key drivers of growth, especially in respect of the travelling consumer. Both Prada and LVMH have reported double digit growth in Chinese spending abroad and underlying revenue exposure to the Chinese consumer is averaging 30%. Whilst growth in the sector may no longer be in double digit territory, the growth figures remain strong. The sector is considered to be much cheaper compared to historic averages and the further depreciation of the euro is of further support to the sector.

Overall, the markets were very volatile during the first half of 2012 and while some concerns eased towards the end of the period, the volatility is likely to continue going forward. Globally, while recent moves by policy makers have been positive, we still expect turbulence in markets going forward. Europe has clearly made some steps forward, however the problems are not yet resolved and the growth outlook continues to be a concern. Budgetary cuts to control spending across the region have negative implications on demand in the context of international trade. This is a concern for Asia, where has is driven by both domestic and international factors.

We do continue to believe however, that the global economic picture is stronger than currently perceived. Falling inflation (triggered by another significant drop in the oil price) and very accommodating monetary policies: the first rate cut in China, ECB likely to cut further, and the Fed announced continuation of "Operation Twist" and additional measures if needed, should jump start the global economy in the coming months. Our stance on the Euro crisis remains unchanged: all actions needed to safeguard the union will be taken because the costs and political risks of a break-up are immense.

Emerging markets - especially Asia - remain our focus for growth in the equities portfolio. The MSCI Emerging Asia index is cheaper than traditional bourses. Given the region's better economic fundamentals (higher growth, healthy public finances, no credit problems, high savings surpluses, balance-of-payments surpluses in most cases, and no dependence on foreign funding), Asia would now actually merit a higher P/E.

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

Classic Shares: 7 on a scale of 1 (lowest risk) to 7 (highest risk).

Institutional B Shares: 7 on a scale of 1 (lowest risk) to 7 (highest risk).

The value of a share can decrease or increase and the investor may not get back the amount invested.

In accordance with Commission Regulation (EU) No. 583/2010, a synthetic risk and reward indicator has been calculated. This indicator provides a quantitative measure of the sub-fund's potential return and the risk involved, calculated in the currency in which the sub-fund is denominated. It is given as a figure between 1 and 7. The higher the figure, the greater the potential return, but also the more difficult it is to predict this return. Losses are possible too. The lowest figure does not mean that the investment is entirely free of risk. However, it does indicate that, compared with the higher figures, this product will generally provide a lower, but more predictable return.

The synthetic risk and reward indicator is assessed regularly and can therefore go up or down based on data from the past. Data from the past is not always a reliable indicator of future risk and return.

The most recent indicator can be found under the 'Risk and reward profile' heading in the 'Key Investor Information' document.

2.2 BALANCE SHEET

Balance sheet layout	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
TOTAL NET ASSETS	47.214.430,45	18.769.271,55
II. Securities, money market instruments, UCIs and derivatives		
A. Bonds and other debt instruments		
a) Bonds		
a) Collateral received in the form of bonds	1.451.954,42	891.772,96
C. Shares and similar instruments		
a) Shares	46.614.207,79	18.744.443,97
Of which securities lent	1.373.076,33	861.045,25
D. Other securities	1.141,50	1.675,33
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable		13.961,37
b) Tax assets	676,31	386,46
B. Payables		
a) Accounts payable (-)	-24.692,01	-6.719,38
c) Borrowings (-)		-11.732,25
d) Collateral (-)	-1.451.954,42	-891.772,96
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	635.035,70	30.227,09
VI. Accruals and deferrals		
A. Expense to be carried forward	5.949,18	7.744,15
B. Accrued income	25.381,10	17.037,86
C. Accrued expense (-)	-43.269,12	-27.753,05
TOTAL SHAREHOLDERS' EQUITY	47.214.430,45	18.769.271,55
A. Capital	45.789.061,76	19.169.748,10
B. Income equalization	137.728,11	-3.366,61
D. Result for the period	1.287.640,58	-397.109,94

Off-balance-sheet headings

I	Collateral (+/-)		
I.A	Collateral (+/-)		
I.A.A	Securities/market instruments	1.451.954,42	891.772,96
IX	Financial instruments lent	1.373.076,33	861.045,25

2.3 PROFIT AND LOSS ACCOUNT

Income Statement	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
I. Net gains(losses) on investments		
C. Shares and similar instruments		
a) Shares	1.205.876,48	306.031,93
D. Other securities		323,89
H. Foreign exchange positions and transactions		
b) Other foreign exchange positions and transactions	4.279,37	-647.395,51
II. Investment income and expenses		
A. Dividends	166.043,59	185.459,00
B. Interests		
a) Securities and money market instruments	3.763,36	14.657,88
b) Cash at bank and in hand and deposits	345,85	425,03
C. Interest on borrowings (-)	-696,95	-204,21
III. Other income		
A. Income received to cover the acquisition and realization of assets, to discourage withdrawals and for delivery charges	115.323,27	
B. Other		11.693,68
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-72.596,68	-36.909,75
B. Financial expenses (-)	-102,36	-2.163,00
C. Custodian's fee (-)	-5.601,82	-6.575,86
D. Manager's fee (-)		
a) Financial management		
Classic Shares	-48.123,42	-114.501,89
Institutional B Shares	-48.336,26	
b) Administration and accounting management	-6.832,90	-8.235,40
F. Formation and organisation expenses (-)	-1.354,62	-80.983,28
G. Remuneration, social security charges and pension		-3,13
H. Services and sundry goods (-)	-2.272,61	-2.089,01
J. Taxes		
Classic Shares	-2.112,52	-7.537,72
Institutional B Shares	-1.904,85	
K. Other expenses (-)	-18.056,35	-9.102,59
Income and expenditure for the period		
Subtotal II + III + IV	77.484,73	-56.070,25
V. Profit (loss) on ordinary activities before tax	1.287.640,58	-397.109,94
VII. Result for the period	1.287.640,58	-397.109,94

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC EQUITY FUND LUXURY & TOURISM

Name	Quantity on 30/06/2012	Currency	Price in currency	Evaluation (in the currency of the sub-fund)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
Shares							
Exchange-listed shares							
<u>Australia</u>							
OROTONGROUP -	6.791,00	AUD	7,300	40.042,24		0,09	0,09
QANTAS AIRWAYS TLD -	153.414,00	AUD	1,075	133.209,52		0,29	0,28
<u>Austria</u>							
WOLFORD AG -	813,00	EUR	27,510	22.365,63		0,05	0,05
<u>Belgium</u>							
ROULARTA MEDIA GROUP (BRU) STRIP-VVPR	1.200,00	EUR	0,009	10,80			
VAN DE VELDE -	1.481,00	EUR	34,100	50.502,10		0,11	0,11
<u>Bermuda</u>							
MANDARIN ORIENTAL INTL LTD -	71.000,00	USD	1,290	72.169,25		0,16	0,15
ORIENT EXPRESS HOTELS LTD -A-	8.748,00	USD	8,370	57.695,03		0,12	0,12
PEACE MARK HOLDINGS LTD -	66.823,00	HKD	1,500	10.182,50		0,02	0,02
<u>Cayman Islands</u>							
EGANAGOLDPFEIL HOLDINGS LTD -	82.000,00	HKD	0,660	5.497,88		0,01	0,01
PARKSON RETAIL GROUP LTD -	194.000,00	HKD	6,860	135.195,76		0,29	0,29
<u>China</u>							
XINYU HENGDELI HOLDINGS LTD -	300.000,00	HKD	2,440	74.361,53		0,16	0,16
<u>Denmark</u>							
BANG & OLUFSEN_AS -	9.234,00	DKK	63,000	78.250,03		0,17	0,17
PANDORA A/S -	8.836,00	DKK	54,900	65.250,24		0,14	0,14
<u>France</u>							
AIR FRANCE-KLM (PAR)	21.168,00	EUR	3,759	79.570,51		0,17	0,17
CHRISTIAN DIOR -	8.074,00	EUR	108,250	874.010,50		1,88	1,85
CLUB MEDITERRANEE (PAR)	2.423,00	EUR	13,500	32.710,50		0,07	0,07
HERMES INTL. (PAR)	5.200,00	EUR	242,250	1.259.700,00		2,70	2,67
INTERPARFUMS -	3.892,00	EUR	20,190	78.579,48		0,17	0,17
L'OREAL -	15.890,00	EUR	92,240	1.465.693,60		3,14	3,10
LANSON BCC -	779,00	EUR	39,990	31.152,21		0,07	0,07
LAURENT-PERRIER GROUP (PAR)	560,00	EUR	67,500	37.800,00		0,08	0,08
LVMH-MOET H.L.VUIT. -	17.872,00	EUR	119,850	2.141.959,20		4,60	4,54
PERNOD-RICARD -	13.621,00	EUR	84,260	1.147.705,46		2,46	2,43
PINAULT-PRINTEMPS-REDOUTE -	8.683,00	EUR	112,250	974.666,75		2,09	2,06
REMY COINTREAU SA -	4.142,00	EUR	86,580	358.614,36		0,77	0,76
VRANKEN-POMMERY MONOPOLE (PAR)	1.729,00	EUR	21,850	37.778,65		0,08	0,08
<u>Germany</u>							
BAYERISCHE MOTOREN WERKE AG -	21.921,00	EUR	56,930	1.247.962,53		2,68	2,64
DAIMLER AG -	36.441,00	EUR	35,345	1.288.007,15		2,76	2,73
DEUTSCHE LUFTHANSA AG REG	31.124,00	EUR	9,113	283.633,01		0,61	0,60

GERRY WEBER INTL AG -	3.176,00	EUR	32,535	103.331,16		0,22	0,22
HUGO BOSS AG -	3.807,00	EUR	77,770	296.070,39		0,64	0,63
PORSCHE AUTOMOBIL HOLDING SE PREF	13.245,00	EUR	39,145	518.475,53		1,11	1,10
POWERLAND AG -	3.743,00	EUR	6,469	24.213,47		0,05	0,05
TUI AG PREF	17.821,00	EUR	4,713	83.990,37		0,18	0,18
VOLKSWAGEN AG PREF	14.528,00	EUR	124,600	1.810.188,80		3,88	3,83
<u>Greece</u>							
FOLLIE FOLLIE GROUP -	8.365,00	EUR	5,650	47.262,25		0,10	0,10
<u>Hong Kong</u>							
CATHAY PACIFIC AIRWAYS -	265.445,00	HKD	12,460	335.992,68		0,72	0,71
CHINA TRAVEL INTL INV HK LTD. -	1.507,00	HKD	1,430	218,92			
CHOW TAI FOOK JEWELLERY GROUP -	715.800,00	HKD	9,600	698.071,88		1,50	1,48
EMPEROR WATCH & JEWELLERY LTD -	440.000,00	HKD	0,700	31.288,73		0,07	0,07
HONG KONG & SHANGHAI HOTEL -	103.667,00	HKD	10,300	108.471,33		0,23	0,23
LOCCITANE INTERNATIONAL SA -	90.250,00	HKD	21,350	195.741,23		0,42	0,42
PCD STORES GROUP LTD -	118.000,00	HKD	0,720	8.630,81		0,02	0,02
PORTS DESIGN LTD -	39.900,00	HKD	8,050	32.629,17		0,07	0,07
PRADA SPA -	121.800,00	HKD	51,550	637.842,09		1,37	1,35
SHANGRI-LA ASIA LTD -	213.252,00	HKD	14,780	320.187,79		0,69	0,68
<u>Italy</u>							
DAVIDE CAMPARI - MILANO SPA -	56.787,00	EUR	5,490	311.760,63		0,67	0,66
FIAT SPA -	81.669,00	EUR	3,968	324.062,59		0,70	0,69
IMMSI SPA (MIL)	85.379,00	EUR	0,410	34.988,31		0,08	0,07
LUXOTTICA GROUP SPA -	23.944,00	EUR	27,620	661.333,28		1,42	1,40
MARIELLA BURANI SPA -	524,00	EUR	2,523	1.321,79		0,00	0,00
SAFILO SPA -	9.470,00	EUR	4,658	44.111,26		0,10	0,09
SALVATORE FERRAGAMO ITALIA SPA -	10.017,00	EUR	16,400	164.278,80		0,35	0,35
TOD'S SPA -	1.848,00	EUR	78,950	145.899,60		0,31	0,31
YOOXSPA -	3.818,00	EUR	11,380	43.448,84		0,09	0,09
<u>Japan</u>							
ACCORDIA GOLF CO LTD -	405,00	JPY	52.900,000	211.579,10		0,45	0,45
ALL NIPPON AIRWAYS -	174.000,00	JPY	226,000	388.346,83		0,83	0,82
CITIZEN HOLDINGS CO LTD -	23.300,00	JPY	464,000	106.766,74		0,23	0,23
DR CI:LABO CO LTD -	34,00	JPY	272.200,000	91.396,41		0,20	0,19
HONDA MOTOR CO -	55.800,00	JPY	2.749,000	1.514.854,83		3,25	3,21
ISETAN MITSUKOSHI HOLDINGS LTD -	27.470,00	JPY	842,000	228.419,32		0,49	0,48
KAO CORP -	24.600,00	JPY	2.194,000	533.008,10		1,14	1,13
KOSE CORP -	6.035,00	JPY	1.885,000	112.344,21		0,24	0,24
PANASONIC CORPORATION -	114.400,00	JPY	643,000	726.438,87		1,56	1,54
SHARP CORP -	58.000,00	JPY	402,000	230.258,74		0,49	0,49
SHISEIDO CO -	21.753,00	JPY	1.255,000	269.603,15		0,58	0,57
SONY CORP -	47.010,00	JPY	1.123,000	521.353,25		1,12	1,10
TAKASHIMAYA CORP -	23.188,00	JPY	610,000	139.686,75		0,30	0,30
TOYOTA MOTOR_CREDIT -	47.145,00	JPY	3.190,000	1.485.211,83		3,19	3,15
YAMAHA MOTORS -	33.100,00	JPY	755,000	246.795,38		0,53	0,52
<u>Malaysia</u>							
GENTING BERHAD -	247.600,00	MYR	9,430	579.386,09		1,24	1,23
MALAYSIAN AIRLINES -	233.800,00	MYR	1,090	63.237,80		0,14	0,13
<u>Singapore</u>							
SINGAPORE AIRLINES LTD -	78.478,00	SGD	10,370	506.199,45		1,09	1,07
<u>South Korea</u>							
LG FASHION CORP -	2.860,00	KRW	28.600,000	56.274,81		0,12	0,12

<u>Switzerland</u>							
COMPAGNIE FINANCIERE RICHEMONT "A"	28.683,00	CHF	51,850	1.238.158,06		2,66	2,62
KUONI REISEN HOLDING "B"	280,00	CHF	290,000	67.601,88		0,15	0,14
LINDT & SPRUENGLI AG -	15,00	CHF	34.795,000	434.521,08		0,93	0,92
THE SWATCH GROUP AG -	2.678,00	CHF	373,500	832.729,47		1,79	1,76
THE SWATCH GROUP AG REG	15.479,00	CHF	65,750	847.308,20		1,82	1,80
<u>U.K.</u>							
BURBERRY GROUP PLC -	23.014,00	GBP	13,250	376.882,34		0,81	0,80
CARNIVAL PLC PLC	50.489,00	GBP	21,820	1.361.599,28		2,92	2,88
DIAGEO -	71.570,00	GBP	16,420	1.452.452,60		3,12	3,08
INTERCONTINENTAL HOTELS GROUP PLC -	19.632,00	GBP	15,350	372.452,35		0,80	0,79
INTERNAT CONSOLIDATED AIRLINES GROUP -	125.942,00	EUR	1,974	248.609,51		0,53	0,53
MULBERRY GROUP -	4.146,00	GBP	14,810	75.889,58		0,16	0,16
SIGNET GROUP PLC -	5.896,00	GBP	27,970	203.820,44		0,44	0,43
TUI TRAVEL PLC -	76.163,00	GBP	1,695	159.555,41		0,34	0,34
<u>U.S.A.</u>							
ARCTIC CAT INC -	6.794,00	USD	36,560	195.720,31		0,42	0,42
BRUNSWICK -	14.284,00	USD	22,220	250.090,99		0,54	0,53
CALLAWAY GOLF CO -	42.925,00	USD	5,910	199.895,00		0,43	0,42
CARNIVAL CORP CORP	54.750,00	USD	34,270	1.478.435,51		3,17	3,13
COACH INC. -	14.624,00	USD	58,480	673.872,45		1,45	1,43
ELIZABETH ARDEN INC -	3.373,00	USD	38,810	103.148,79		0,22	0,22
ESTEE LAUDER -	17.517,00	USD	54,120	747.001,84		1,60	1,58
EXPEDIA INC. -	8.630,00	USD	48,070	326.880,55		0,70	0,69
FIFTH & PACIFIC CO INC -	8.722,00	USD	10,730	73.742,86		0,16	0,16
FOSSIL INC -	3.502,00	USD	76,540	211.207,22		0,45	0,45
HARLEY DAVIDSON -	11.345,00	USD	45,730	408.799,03		0,88	0,87
HOST HOTELS & RESORTS INC -	48.531,00	USD	15,820	604.964,48		1,30	1,28
KENNETH COLE PRODUCTIONS INC -	3.339,00	USD	15,050	39.596,53		0,09	0,08
MACY'S INC -	28.703,00	USD	34,350	776.887,60		1,67	1,65
MARRIOTT INTERNATIONAL -	22.316,00	USD	39,200	689.297,30		1,48	1,46
NORDSTROM -	14.450,00	USD	49,690	565.771,41		1,21	1,20
PHILLIPS VAN HEUSEN -	3.898,00	USD	77,790	238.929,49		0,51	0,51
POLARIS INDUSTRIES INC -	5.138,00	USD	71,480	289.389,52		0,62	0,61
POLO RALPH LAUREN CORP -	4.774,00	USD	140,060	526.866,63		1,13	1,12
ROYAL CARIBBEAN CRUISES LTD -	14.810,00	USD	26,030	303.761,96		0,65	0,64
SAKS INCORPORATED -	11.061,00	USD	10,650	92.821,41		0,20	0,20
SAMSONITE -	97.800,00	HKD	12,960	128.760,03		0,28	0,27
SOTHEBY'S -	4.706,00	USD	33,360	123.703,54		0,27	0,26
STARWOOD HOTELS & RESORTS -	13.345,00	USD	53,040	557.732,88		1,20	1,18
THE JONES GROUP INC -	7.723,00	USD	9,560	58.176,57		0,13	0,12
TIFFANY & CO -	8.804,00	USD	52,950	367.324,72		0,79	0,78
TRUE RELIGION APPAREL INC -	2.511,00	USD	28,980	57.338,89		0,12	0,12
VF CORP -	5.607,00	USD	133,450	589.594,32		1,27	1,25
WALT DISNEY -	30.973,00	USD	48,500	1.183.665,98		2,54	2,51
Total shares				46.614.207,79		100,00	98,73
Rights							
<u>France</u>							
INTERPARFUMS CP 18/06/12	761,00	EUR	1,500	1.141,50		0,00	0,00
Total rights				1.141,50		0,00	0,00
TOTAL SECURITIES PORTFOLIO				46.615.349,29		100,00	98,73

COLLATERAL RECEIVED						
<u>Belgium</u>						
KBC GROUP COLLATERAL EUR	1.451.954,42	EUR	1,000	1.451.954,42		3,08
TOTAL RECEIVED COLLATERAL				1.451.954,42		3,08
CASH AT BANK AND IN HAND						
Demand accounts						
<u>Belgium</u>						
KBC GROUP AUD	12.386,70	AUD	1,000	10.005,01		0,02
KBC GROUP CAD	4.052,87	CAD	1,000	3.132,65		0,01
KBC GROUP CHF	10.096,39	CHF	1,000	8.405,60		0,02
KBC GROUP DKK	41.857,84	DKK	1,000	5.630,29		0,01
KBC GROUP EURO	401.908,84	EUR	1,000	401.908,84		0,85
KBC GROUP GBP	2.952,17	GBP	1,000	3.648,71		0,01
KBC GROUP HKD	134.592,28	HKD	1,000	13.672,80		0,03
KBC GROUP JPY	823.681,00	JPY	1,000	8.134,32		0,02
KBC GROUP MXN	6.478,87	MXN	1,000	380,26		0,00
KBC GROUP MYR	557,15	MYR	1,000	138,25		
KBC GROUP NOK	1.090,29	NOK	1,000	144,53		
KBC GROUP NZD	10.009,23	NZD	1,000	6.339,37		0,01
KBC GROUP SEK	5.432,82	SEK	1,000	620,22		0,00
KBC GROUP SGD	10.419,83	SGD	1,000	6.481,20		0,01
KBC GROUP TRY	2.142,24	TRY	1,000	933,28		0,00
KBC GROUP USD	209.985,76	USD	1,000	165.460,37		0,35
Total demand accounts				635.035,70		1,35
TOTAL CASH AT BANK AND IN HAND				635.035,70		1,35
OTHER RECEIVABLES AND PAYABLES						
Receivables						
<u>Belgium</u>						
KBC GROUP WHT TO BE RECOVERED EUR	676,31	EUR	1,000	676,31		0,00
Total receivables				676,31		0,00
Payables						
<u>Belgium</u>						
KBC GROUP COUNTERPART ENTRY COLLATERAL IN EUR	-1.451.954,42	EUR	1,000	-1.451.954,42		-3,08
KBC GROUP EUR PAYABLE	-24.692,01	EUR	1,000	-24.692,01		-0,05
Payables				-1.476.646,43		-3,13
TOTAL RECEIVABLES AND PAYABLES				-1.475.970,12		-3,13
OTHER						
Interest receivable		EUR		23.462,16		0,05
Accrued interest		EUR		1.918,94		0,00
Expenses payable		EUR		-43.269,12		-0,09
Expenses to be carried forward		EUR		5.949,18		0,01
TOTAL OTHER				-11.938,84		-0,03
TOTAL NET ASSETS				47.214.430,45		100,00

Geographic breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Australia	5,59	0,43	0,52	0,37
Austria	0,32	0,11	0,14	0,05
Belgium	0,00	0,15	0,18	0,11
Bermuda	0,33	0,32	0,36	0,30
Brazil	2,14	0,00	0,00	0,00
Canada	0,29	0,00	0,00	0,00
Switzerland	0,49	8,47	7,36	7,34
Chile	2,96	0,00	0,00	0,00
China	0,00	0,25	0,23	0,16
Cayman Islands	0,00	0,42	0,49	0,30
Germany	2,73	13,32	12,07	12,13
Denmark	0,00	0,48	0,26	0,31
Spain	1,49	0,00	0,00	0,00
France	5,13	19,92	19,20	18,28
U.K.	10,07	8,97	9,28	9,12
Gibraltar	0,32	0,00	0,00	0,00
Greece	1,34	0,11	0,12	0,10
Hong Kong	5,64	2,36	2,48	5,08
Ireland	1,77	0,00	0,00	0,00
Italy	1,18	4,06	3,35	3,71
Japan	4,80	14,53	14,73	14,60
South Korea	2,35	0,22	0,16	0,12
Luxembourg	0,44	0,00	0,00	0,00
Mexico	0,98	0,00	0,00	0,00
Malaysia	2,60	1,42	1,72	1,38
New Zealand	0,27	0,00	0,00	0,00
Singapore	1,55	1,29	1,03	1,09
Turkey	0,93	0,00	0,00	0,00
Taiwan	0,15	0,00	0,00	0,00
U.S.A.	44,14	23,17	26,32	25,45
Total	100,00	100,00	100,00	100,00

Sector breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Consum(cycl)	92,47	78,32	76,24	77,83
Cons.goods	1,89	18,86	20,67	19,15
Pharma	0,00	1,30	1,15	1,42
Financials	0,14	0,00	0,00	0,00
Technology	3,51	0,43	0,71	0,30
Real est.	1,99	1,09	1,23	1,30
Total	100,00	100,00	100,00	100,00

Currency breakdown (as a % of net assets)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
AUD	3,06	0,43	0,53	0,39
BRL	2,14	0,00	0,00	0,00
CAD	0,30	0,02	0,02	0,01
CHF	0,50	8,46	7,34	7,26
DKK	0,00	0,49	0,29	0,32
EUR	14,35	38,24	35,49	35,27
GBP	10,62	8,27	8,73	8,48
HKD	5,62	3,08	3,29	5,79
JPY	4,78	14,53	14,70	14,43
KRW	2,33	0,22	0,16	0,12
MXN	0,98	0,00	0,00	0,00
MYR	2,59	1,42	1,72	1,36
NZD	0,28	0,03	0,04	0,01
SGD	1,58	1,31	1,06	1,09
TRY	0,93	0,00	0,01	0,00
TWD	0,15	0,00	0,00	0,00
USD	49,79	23,50	26,62	25,47
Total	100,00	100,00	100,00	100,00

**2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC EQUITY FUND LUXURY & TOURISM
(IN THE CURRENCY OF THE SUB-FUND)**

	1st half of year	Year
Purchases	42.399.725,69	42.399.725,69
Sales	10.708.013,60	10.708.013,60
Total 1	53.107.739,29	53.107.739,29
Subscriptions	44.625.353,86	44.625.353,86
Redemptions	12.636.189,27	12.636.189,27
Total 2	57.261.543,13	57.261.543,13
Monthly average of total assets	14.527.449,17	14.527.449,17
Turnover rate	-28,59 %	-28,59 %

	1st half of year	Year
Purchases	42.399.725,69	42.399.725,69
Sales	10.708.013,60	10.708.013,60
Total 1	53.107.739,29	53.107.739,29
Subscriptions	44.625.353,86	44.625.353,86
Redemptions	12.636.189,27	12.636.189,27
Total 2	57.261.543,13	57.261.543,13
Monthly average of total assets	17.373.390,10	17.373.390,10
Corrected turnover rate	-23,91 %	-23,91 %

The table above shows the capital volume of portfolio transactions. This volume (adjusted to take account of total subscriptions and redemptions) is also compared to the average net assets at the beginning and end of the period.

A figure close to 0% implies that the transactions relating to the securities or transactions relating to the assets (excluding deposits and cash) in a given period only involve subscriptions and redemptions.

A negative percentage shows that subscriptions and redemptions entailed few, if any, transactions in the portfolio.

Active asset management may result in high turnover rates (monthly percentage >50%).

The detailed list of transactions is available for consultation free of charge at the registered office of the Bevek or fund at Havenlaan 2, 1080 Brussels.

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

NAME	Currency	Value in currency	In the currency of the sub-fund	Lot-size	Transaction date
KBC COLLATERAL EUR	EUR	1.451.954,42	1.451.954,42	N/A	29.06.2012

2.4.4 CHANGES OF THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND THE NET ASSET VALUE

Classic Shares

Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2010 - 06	100.764,79	506,00	127.108,91	807,00	115.872,75	1.800,00	117.672,75
2011 - 06	211.870,52	23.907,92	158.671,19	14.176,06	169.072,07	11.531,87	180.603,94
2012 - 06	35.822,81	8.172,09	141.372,97	9.940,03	63.521,91	9.763,94	73.285,84

Period	Amounts received and paid by the UCI (in the currency of the class)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2010 - 06	8.076.653,18	41.311,76	10.337.831,97	62.351,47
2011 - 06	12.485.560,29	1.022.743,16	14.370.223,69	1.077.991,85
2012 - 06	3.669.622,27	696.129,88	13.519.315,99	920.521,92

Period	Net asset value End of period (in the currency of the class)			
Year	Of the class	Of one share		
		Capitalization	Distribution	
2010 - 06	10.334.898,71	88,01	76,37	
2011 - 06	18.769.271,53	104,81	90,96	
2012 - 06	7.548.890,95	104,86	90,95	

Institutional B Shares

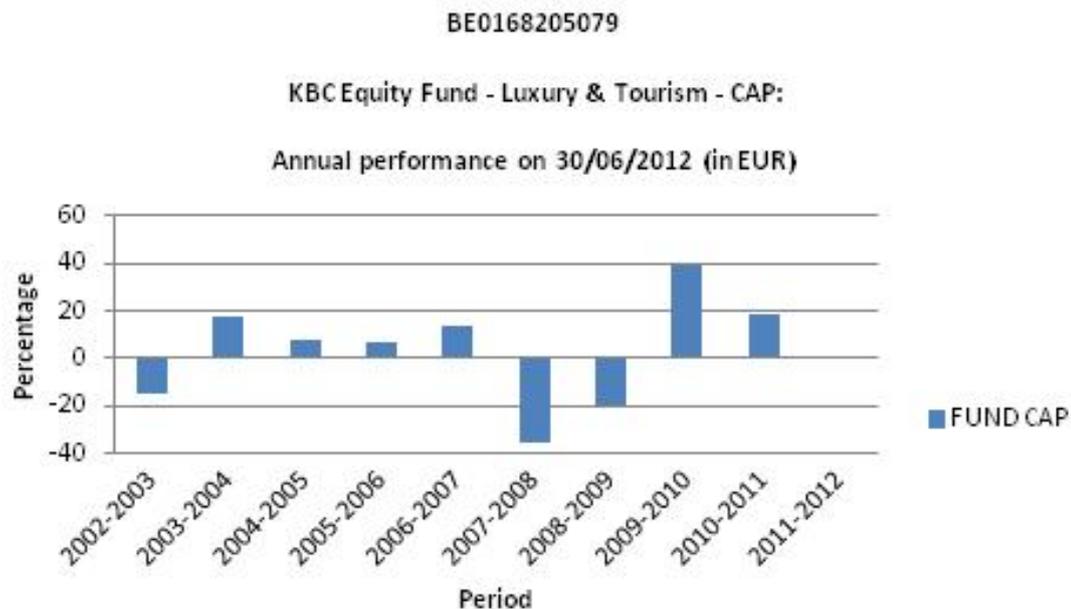
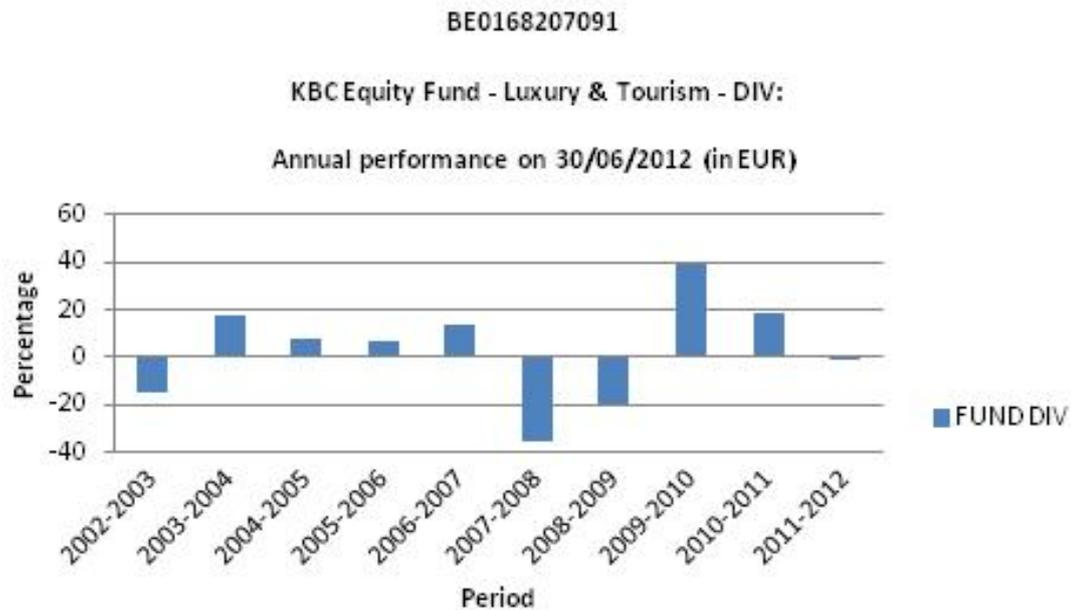
Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2012 - 06	470.881,00		92.728,00		378.153,00		378.153,00

Period	Amounts received and paid by the UCI (in the currency of the class)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2012 - 06	48.752.143,71		9.839.632,41	

Period	Net asset value End of period (in the currency of the class)			
Year	Of the class	Of one share		
		Capitalization	Distribution	
2012 - 06	39.665.539,48	104,89		

2.4.5 PERFORMANCE FIGURES

Classic Shares



Cap Div	ISIN code	Cur-rency	1 Year		3 Years*		5 Years*		10 Years*		Since launch*	
			Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Launch Date	Share classes
CAP	BE0168205079	EUR	0.05%		18.47%		-3.00%		1.22%		02/07/1998	-0.18%
DIV	BE0168207091	EUR	-0.01%		18.45%		-3.01%		1.21%		02/07/1998	-0.19%

Risk warning: Past performance is not a guide to future performance.

* Return on annual basis.

Institutional B Shares

The cumulative returns are shown where they relate to a period of at least one year.

Classic Shares

- The bar chart shows the performance for full financial years.
- The figures do not take account of any restructuring.
- Calculated in EUR (ex XEU).
- The return is calculated as the change in the net asset value between two dates expressed as a percentage. In the case of units that pay dividends, the dividend is incorporated geometrically in the return.
- Calculation method for date D, where NAV stands for net asset value:

Capitalisation units (CAP)

Return on date D over a period of X years:

$$[\text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where $Y = D - X$

Return on date D since the start date S of the unit:

$$[\text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where $F = 1$ if the unit has existed for less than one year on date D

where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D

Distribution units (DIV)

Return on date D over a period of X years:

$$[C * \text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where $Y = D - X$

Return on date D since the start date S of the unit:

$$[C * \text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where $F = 1$ if the unit has existed for less than one year on date D

where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D

where C is a factor that is determined for all N dividends between the calculation date D and the reference date.

For dividend i on date Di with value Wi:

$$C_i = [W_i / \text{NIW}(D_i)] + 1$$

$i = 1 \dots N$

from which $C = C_0 * \dots * C_N$.

- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the n^{th} square root of 1 plus the total return of the unit.
- The return figures shown above do not take account of the fees and charges associated with the issue and redemption of units.

These are the performance figures for capitalisation and distribution shares.

2.4.6 COSTS

Total expense ratio (TER): *

Classic Shares Distribution: 2.284%
Classic Shares Capitalization: 2.284%
Institutional B Shares Capitalization: Not applicable

Percentage calculated at the end of the financial year: 31 December

* The following costs have not been included in the TER:

- Transaction charges
- Interest payments on loans taken out
- Payments in respect of financial derivatives
- Fees and charges paid directly by the investor
- Any soft commissions

SOFT COMMISSIONS

The management company or the appointed manager, as the case may be, is the recipient of soft commissions.

The recipient has laid down an internal policy as regards accepting soft commissions and avoiding possible conflicts of interest in this respect, and has put appropriate internal controls in place to ensure this policy is observed.

For more information, please see the 'General' section of the annual report.

	Commission gross in EUR paid during the period: 1-01-12 -	CSA Credits in EUR accrued during the period: 1-01-12 -	
Broker	30-06-12	30-06-12	Percentage
CITI	674	421	62.50%
CSFBSAS	59	25	41.67%
EQ CSA MACQUARIE	324	202	62.50%
MERRILL	545	340	62.50%
MORGAN STANLEY	3,531	2,042	57.82%
NOMURA	7,166	3,824	53.36%
UBSWDR	29,676	18,548	62.50%

FEE-SHARING AGREEMENTS AND REBATES:

The management company may share its fee with the distributor, and institutional and/or professional parties.

In principle, the percentage share amounts to between 35% and 60% if the distributor is an entity of KBC Group NV or to between 35% and 70% if the distributor is not an entity of KBC Group NV. However, in a small number of cases, the distributor's fee is less than 35%. Investors may, on request, obtain more information on these cases.

If the management company invests the assets of the undertaking for collective investment in units of undertakings for collective investment that are not managed by an entity of KBC Group NV, and receives a fee for doing so, it will pay this fee to the undertaking for collective investment.

Fee-sharing does not affect the amount of the management fee paid by the sub-fund to the management company. This management fee is subject to the limitations laid down in the articles of association. The limitations may only be amended after approval by the general meeting of shareholders.

The management company has concluded a distribution agreement with the distributor in order to facilitate the wider distribution of the sub-fund's units by using multiple distribution channels. It is in the interests of the holders of units, the sub-fund and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund to be maximised in this way. In this respect, there is therefore no question of any conflict of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: 1.35% per annum calculated on the basis of the average total net assets of the sub-fund, excluding those assets invested in investment undertakings managed by a financial institution of the KBC group.

KBC Fund Management Limited receives a fee from the management company of max. 1.35% calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the average total net assets of the sub-fund.

Auditor's fee: 1 700 EUR per year. This fee is not including VAT and will be increased at the end of the 3-year mandate.

The custody fee is calculated on the value of the securities held in custody by the custodian on the final banking day of the preceding calendar year, except on those assets invested in investment undertakings managed by a financial institution of the KBC group. The custody fee is paid at the beginning of the calendar year.

Social, ethical and environmental aspects:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

Exercising voting rights

If necessary, relevant and in the interest of the shareholders, the management company will exercise the voting rights attached to the shares in the Bevek's portfolio.

The management company will adhere to the following criteria when determining how it stands relative to the items on the agenda that are put to the vote:

- Shareholder value may not be adversely affected.
- Corporate governance rules, especially with regard to the rights of minority shareholders, must be respected.
- The minimum standards with regard to sustainable business and corporate social responsibility must be met.

The list of companies for which voting rights are exercised is available at the registered office of the Bevek.

Securities lending

In accordance with the Royal Decree of 7 March 2006 concerning securities lending, the undertaking for collective investment has taken out securities loans with a principal to whom the full title of the loaned securities was transferred, without recording this transfer of ownership in the accounts.

For the period from 1 January 2012 to 30 June 2012, the fee for securities lent comes to 1,844.42 EUR. KBC Asset Management NV receives 50% of the net fee received for securities lent.

The detailed list of securities lending transactions carried out can be obtained from the registered office of the collective investment undertaking at 2 Havenlaan, 1080 Brussels.

Overview of securities lent as at 30/06/2012

Name	Currency	Quantity	Price	Value in currency of the portfolio
CHOW TAI FOOK JEWELLERY GROUP	HKD	147.399	9,600	143.748,39
L'OCCITANE INT SA	HKD	10.500	21,350	22.773,22
PERNOD-RICARD	EUR	13.620	84,260	1.147.621,20
SHANGRI-LA ASIA	HKD	39.251	14,780	58.933,52
			Total	1.373.076,33

Details of collateral received for securities lent

Name	Currency	Nominal value	Currency fund	Value in Currency fund
FRANCE 2001 3% 25/07/2012	EUR	64.000	EUR	81.831,62
OAT FRANCE 2003 4% 25/04/14	EUR	995.000	EUR	1.067.407,15
OAT FRANCE 2005 3% 25/10/15	EUR	242.000	EUR	263.335,20
NEDERLAND 2009 4.00% 15/07/19	EUR	33.000	EUR	39.380,45
			Total	1.451.954,42

For the valuation of the collateral received, indicative prices have been used in this detail list by the Collateral Management Division of KBC Bank.

TABLE OF CONTENTS

- 2. Information on KBC Equity Fund Millennium
 - 2.1. Management report
 - 2.1.1. Launch date and subscription price
 - 2.1.2. Stock exchange listing
 - 2.1.3. Aim and distinctive features of the investment policy
 - 2.1.4. Financial portfolio management
 - 2.1.5. Distributors
 - 2.1.6. Index and benchmark
 - 2.1.7. Policy conducted during the financial year
 - 2.1.8. Future policy
 - 2.1.9. Synthetic risk and reward indicator (SRRI)
 - 2.2. Balance sheet
 - 2.3. Profit and loss account
 - 2.4. Composition of the assets and key figures
 - 2.4.1. Composition of the assets
 - 2.4.2. Change in the composition of the assets
 - 2.4.3. Value of commitments in respect of financial derivatives positions
 - 2.4.4. Evolution of the number of subscriptions, repayments and the net asset value
 - 2.4.5. Return figures
 - 2.4.6. Expenses
 - 2.4.7. Notes to the financial statements and other data

2 INFORMATION ON KBC EQUITY FUND MILLENNIUM

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Classic Shares :

Launch date: 30 April 1998

Initial subscription price: 5000 BEF

Currency: EUR

Institutional B Shares :

Launch date: 25 November 2011

Initial subscription price: 77.97 EUR

Currency: EUR

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

The main objective of this sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. To this end, the assets are invested, either directly or indirectly via correlated financial instruments, primarily in shares.

SUB-FUND'S INVESTMENT POLICY:

PERMITTED ASSET CLASSES:

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the sub-fund's object.

The sub-fund shall invest no more than 10% of its assets in units of other undertakings for collective investment.

RESTRICTIONS OF THE INVESTMENT POLICY:

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

PERMITTED DERIVATIVES TRANSACTIONS:

Derivates may be used either for hedging purposes or to achieve investment objectives.

Changes will be made to the investments at regular intervals to comply with the sub-fund's investment strategy. **In addition, listed and unlisted derivates may be used to achieve the objectives:** these may be forward contracts, options or swaps on securities, indices, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions. **Such derivatives may also be used to hedge the assets against exchange-rate fluctuations.** Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions.

STRATEGY SELECTED

The sub-fund invests primarily in shares of companies operating in areas which, according to the manager, fit with the theme 'challenges and opportunities that will apply during this and subsequent decades'. The manager focuses mainly on shares of emerging market companies, companies involved in urban development, those involved in prospecting and mining of natural resources and companies whose business focuses on long-term trends of demographics, globalisation, healthcare, technology and innovation.

RISK CONCENTRATION

New economy shares.

LENDING FINANCIAL INSTRUMENTS:

The sub-fund may lend financial instruments within the limits set by law and regulations.

This lending does not affect the sub-fund's risk profile since:

- it takes place within the framework of a securities lending system managed by a principal. In addition, the sub-fund has a relationship only with the principal of the securities lending system which acts as counterparty and to which title of the loaned securities is transferred. The choice of principal is subject to strict selection criteria. The return of securities similar to the securities that have been lent is guaranteed by the principal.
- through a margin management system, the sub-fund is always guaranteed financial security, the actual value of which always exceeds the actual value of the securities that have been lent, in case the principal does not return similar securities.

The return of securities similar to the securities that have been lent can be requested at any time, which means that the lending of securities does not affect the management of the sub-fund's assets. By lending securities, the sub-fund can generate an additional return. The principal pays a fee to the management company. After deducting the fee for the margin management and clearing services of KBC Bank, most of this fee is paid to the sub-fund.

The relationship with the counterparty or counterparties is governed by standard international agreements.

More information is provided on the terms and conditions governing securities lending in the annual or half-yearly report for the sub-fund.

VOLATILITY OF THE NET ASSET VALUE:

The volatility of the net asset value may be high due to the composition of the portfolio.

GENERAL STRATEGY FOR HEDGING THE EXCHANGE RATE RISK:

In order to protect its assets against exchange rate fluctuations and within the limitations laid down in the articles of association, the sub-fund may perform transactions relating to the sale of forward currency contracts, as well as the sale of call options and the purchase of put options on currencies. The transactions in question may relate solely to contracts traded on a regulated market that operates regularly, is recognised and is open to the public or that are traded with a recognised, prime financial institution specialising in such transactions and dealing in the over-the-counter (OTC) market in options. With the same objective, the sub-fund may also sell currencies forward or exchange them in private transactions with prime financial institutions specialising in such transactions. The hedging objective of the aforementioned transactions suggests that there is a direct link between these transactions and the assets to be hedged, which implies that the transactions carried out in a particular currency may in principle not exceed, in terms of volume, either the valuation value of all the assets in the same currency or the holding period of those assets.

SOCIAL, ETHICAL AND ENVIRONMENTAL ASPECTS:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

THE EUROPEAN SAVINGS DIRECTIVE AND TAX ON DEBT CLAIM RETURNS OBTAINED THROUGH THE REDEMPTION OF OWN UNITS OR IN THE EVENT OF FULL OR PARTIAL DISTRIBUTION OF EQUITY CAPITAL.

The following information is of a general character and is not intended to cover all aspects of an investment in a UCITS. In certain cases entirely different rules might even apply. Moreover, both tax law and the interpretation of it can change. Investors who wish to have more information about the tax implications – in both Belgium and abroad – of acquiring, holding and transferring units should seek the advice of their usual financial and tax advisers.

This UCITS shall invest a maximum of 15% of its assets directly or indirectly in debt instruments as intended by the European Savings Directive.

A. European Savings Directive (Directive 2003/48/EC)

The European Savings Directive has been implemented in Belgium through:

- The Law of 17 May 2004 transposing into Belgian law Directive 2003/48/EC of 3 June 2003 of the Council of the European Union on taxation of savings income in the form of interest payments and amending Income Tax Code 1992 on withholding tax;
- The Royal Decree of 27 September 2009 implementing Article 338bis § 2 of Income Tax Code 1992;
- The Royal Decree of 27 September 2009 concerning the entry into effect of Article 338bis § 2, paragraphs one to three, of Income Tax Code 1992;

Since this UCITS invests a maximum of 15% of its assets directly or indirectly in debt claims as intended by the European Savings Directive, the income of this UCITS does not fall within the scope of this directive.

B. Tax on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital (Article 19bis Income Tax Code 1992).

The income from this UCITS is not subject to the tax on debt instrument returns as intended by Article 19bis, Income Tax Code 1992.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company has delegated the intellectual management, to KBC Fund Management Limited, Joshua Dawson House, Dawson Street, Dublin 2, IRELAND..

2.1.5 DISTRIBUTORS

KBC Asset Management S.A., 5, Place de la Gare, L-1616 Luxembourg.

2.1.6 INDEX AND BENCHMARK

See 'Sub-fund's investment policy'.

2.1.7 POLICY PERSUED DURING THE FINANCIAL YEAR

KBC Equity Fund Millennium is a fund of funds and investment trends include China & India, Climate Change, Urbanisation, Environmental pressures, Asian Infrastructure, Demographic transitions and long term growth. During the first 6 months of 2012, the fund has gained just over 5.30%, behind the broad market MSCI World All Countries that has increased by 7.9%.

The first six months of the year were quite turbulent for equity markets. The changing situation in Europe was the primary concern for investors over the period, however there was also negative news concerns with regard to growth in China. Throughout the first quarter, the situation in Europe continued to evolve. Towards the beginning of the year, there was positive news from Greece as the country secured acceptance of their debt swap offer. The ECB continued to extend liquidity to European banks through the LTRO. In Russia, despite some unrest, Putin won the Russian presidential election. Markets were largely strong over this period, with both emerging and developed markets rising and with Emerging Asia outperforming.

Moving into the second quarter, the situation in Europe worsened. In May, French socialist, Francois Hollande won the French presidential election. Following parliamentary elections in Greece, it was not possible to form a government. Anti-austerity parties gained seats in this election, causing growing fears that the country would not remain in the euro. A second election was called for mid-June with the uncertainty continuing in the meantime. At this stage, concern spread to the situation in Spain, with growth disappointing further and banks coming under more pressure. Despite initially stating that the country did not need a bailout, by the end of June, Spain had requested assistance from Europe and the IMF. In June, the second Greek election took place, with the New Democracy winning narrowly and forming a government. Throughout this period of uncertainty, markets were very weak, with most regions reversing most of the gains achieved in Q1. On the final day of the quarter, EU leaders agreed that Europe would support troubled banks directly, without the need for local governments to add to their debt levels. This saw a significant rally on the final day of the first half.

While the volatility globally continued, Asian investors were also concerned about weakening growth in China. Growth was slower than most expected, with the official growth target being lowered to 7.5%. Most domestic activity metrics were weak – industrial production, investment and retail sales. On the positive side, inflation continued to fall, leaving room for policy makers to make changes if needed. While there was some slowdown in employment growth, there was no mass unemployment as was seen in 2008/2009. Following this slowdown, Chinese authorities began to take steps to boost growth. Initially the focus was on increasing investment, with particular focus on water and other environmental areas, utilities, railways and social housing. However at the beginning of June, the People's Bank of China took the decision to lower lending and deposit rates by 25bps. They also took steps to liberalise the interest rate regime, seen as a significant positive.

The Millennium theme has had a strong performance to date, however the fund underperformed the broad market over the first six months of this year. Most sectors in the fund had positive results over the year so far with the Technology and New Asia themes outperforming. Strong names came in the form of the Elster Group, Samsung Electronics and Pure Technologies. Stocks such as Turk Hava Yollari also led the gains. Turkish Hava Yollari otherwise known as Turkish Airlines ended the first half of the year with its share price on a ten month high. The airline is Europe's fifth biggest and plans to purchase at least 15 jumbo airliners along with many prospective acquisitions being considered. Semiconductors were another strong sector in the fund driven by the strong performance of Samsung Electronics. Samsung which is Asia's largest consumer electronics maker posted first quarter profits that beat analysts' estimates. Much of these gains are attributed to their successful manufacturing of smart phones. Operating profit rose to a quarterly record after their introduced their 'Galaxy Note' product which was seen as a direct competitor to Apple's similar products. Elster Group was the top performing stock for the fund over the past six months after its share price surged in June after the US gas company confirmed that they were in acquisition talks with Melrose. Figures of \$2.3 billion were being cited for the bid. The offer was 49 percent higher than Elster's closing price on the day previous to the bid speculation.

In terms of laggard performances within the fund, both the Energy and Materials sectors disappointed over the first half detracting 31bps and 36bps respectively. With regards to the Energy sector, leading Oil producers Gazprom and Petrobras were the most disappointing names for the fund. The global economic woes hurt demand for Oil for the past six months. Europe continues to be Gazprom's primary export market and the ongoing instability has heavily affected orders for crude oil. Fuel demand in Europe has reduced by 12 percent for the first quarter of 2012. In terms of the materials sector, Newcrest Mining was the worst performing name. The best performing sectors in the fund were utilities, Banks, Food and Beverage and Healthcare.

On a regional basis, all sectors of the fund were in positive territory over the first six months of the year. Emerging Markets which are a key focus for the fund, was the best performing region, followed closely by North America. Despite the ongoing fiscal worries within Europe, the regional picks performed well. Pacific whilst being in positive territory was the least impressive of the four regions.

2.1.8 FUTURE POLICY

Overall, the markets were very volatile during the first half of 2012 and while some concerns eased towards the end of the period, the volatility is likely to continue going forward. Globally, while recent moves by policy makers have been positive, we still expect turbulence in markets going forward. Europe has clearly made some steps forward, however the problems are not yet resolved and the growth outlook continues to be a concern. Budgetary cuts to control spending across the region have negative implications on demand in the context of international trade. This is a concern for Asia, where has is driven by both domestic and international factors.

Emerging markets - especially Asia - remain our focus for growth in the equities portfolio. The MSCI Emerging Asia index is cheaper than traditional bourses. Given the region's better economic fundamentals (higher growth, healthy public finances, no credit problems, high savings surpluses, balance-of-payments surpluses in most cases, and no dependence on foreign funding), Asia would now actually merit a higher P/E. We highlight two sectors in the portfolio: Energy and Technology. The valuation of oil companies has not tracked the rise in oil prices in recent years. A catch-up exercise is likely. Despite good results in recent quarters, analysts' earnings forecasts for Technology companies for the coming 12 months remain very modest. The sector is trading very cheaply in historical terms.

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

Classic Shares: 6 on a scale of 1 (lowest risk) to 7 (highest risk).

Institutional B Shares: 6 on a scale of 1 (lowest risk) to 7 (highest risk).

The value of a share can decrease or increase and the investor may not get back the amount invested.

In accordance with Commission Regulation (EU) No. 583/2010, a synthetic risk and reward indicator has been calculated. This indicator provides a quantitative measure of the sub-fund's potential return and the risk involved, calculated in the currency in which the sub-fund is denominated. It is given as a figure between 1 and 7. The higher the figure, the greater the potential return, but also the more difficult it is to predict this return. Losses are possible too. The lowest figure does not mean that the investment is entirely free of risk. However, it does indicate that, compared with the higher figures, this product will generally provide a lower, but more predictable return.

The synthetic risk and reward indicator is assessed regularly and can therefore go up or down based on data from the past. Data from the past is not always a reliable indicator of future risk and return.

The most recent indicator can be found under the 'Risk and reward profile' heading in the 'Key Investor Information' document.

2.2 BALANCE SHEET

Balance sheet layout	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
TOTAL NET ASSETS	73.770.114,48	32.107.632,60
II. Securities, money market instruments, UCIs and derivatives		
A. Bonds and other debt instruments		
a) Bonds	311.541,90	
a) Collateral received in the form of bonds	2.273.014,35	165.599,40
C. Shares and similar instruments		
a) Shares	68.867.147,55	15.462.481,14
Of which securities lent	1.801.601,46	154.585,92
b) Closed-end undertakings for collective investment		340.680,64
D. Other securities	230,90	3.962,18
E. Open-end undertakings for collective investment	4.212.321,46	16.151.521,39
F. Derivative financial instruments		
j) Foreign exchange		
Futures and forward contracts (+/-)	-3.936,41	
m) Financial indices		
Futures and forward contracts (+/-)	9.230,95	
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable	25.237,59	21.761,44
B. Payables		
a) Accounts payable (-)	-126.096,36	-31.401,40
c) Borrowings (-)	-32.955,85	-4,16
d) Collateral (-)	-2.273.014,35	-165.599,40
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	337.179,47	159.893,09
VI. Accruals and deferrals		
A. Expense to be carried forward	11.512,72	10.551,15
B. Accrued income	232.837,40	25.905,08
C. Accrued expense (-)	-74.136,84	-37.717,95
TOTAL SHAREHOLDERS' EQUITY	73.770.114,48	32.107.632,60
A. Capital	74.114.957,41	34.026.423,89
B. Income equalization	-23.755,13	10.345,78
D. Result for the period	-321.087,80	-1.929.137,07

Off-balance-sheet headings

I	Collateral (+/-)		
I.A	Collateral (+/-)		
I.A.A	Securities/market instruments	2.273.014,35	165.599,40
III	Notional amounts of futures and forward contracts		
III.A	Purchased futures and forward contracts	631.904,50	
IX	Financial instruments lent	1.801.601,46	154.585,92

2.3 PROFIT AND LOSS ACCOUNT

Income Statement	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
I. Net gains(losses) on investments		
A. Bonds and other debt instruments		
a) Bonds	-22.946,70	
C. Shares and similar instruments		
a) Shares	-1.532.947,22	120.100,19
b) Closed-end undertakings for collective investment	7.496,64	4.164,80
D. Other securities	-6.340,15	-68.062,49
E. Open-end undertakings for collective investment	-268.776,78	-61.116,91
F. Derivative financial instruments		
l) Financial indices		
Futures and forward contracts	19.242,58	
G. Receivables, deposits, cash at bank and in hand and payables		0,26
H. Foreign exchange positions and transactions		
a) Derivative financial instruments		
Futures and forward contracts	-4.558,47	
b) Other foreign exchange positions and transactions	1.021.943,70	-1.687.770,80
II. Investment income and expenses		
A. Dividends	999.433,97	200.069,13
B. Interests		
a) Securities and money market instruments	38.431,54	10.848,07
b) Cash at bank and in hand and deposits	2.312,03	550,00
c) Collateral (+/-)		0,49
C. Interest on borrowings (-)	-1.271,50	-2.408,74
III. Other income		
A. Income received to cover the acquisition and realization of assets, to discourage withdrawals and for delivery charges	168.693,46	

IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-204.093,15	-96.507,85
B. Financial expenses (-)	-531,50	-3.344,44
C. Custodian's fee (-)	-10.019,39	-8.424,48
D. Manager's fee (-)		
a) Financial management		
Classic Shares	-186.755,17	-136.965,55
Institutional B Shares	-258.085,26	
b) Administration and accounting management	-34.175,31	-16.744,84
E. Administrative expenses (-)		0,01
F. Formation and organisation expenses (-)	-5.883,06	-180.144,23
G. Remuneration, social security charges and pension	-6,16	-6,33
H. Services and sundry goods (-)	-6.310,37	6.225,92
J. Taxes		
Classic Shares	-7.408,74	-2.991,37
Institutional B Shares	-2.235,52	
K. Other expenses (-)	-26.297,27	-6.607,91
Income and expenditure for the period		
Subtotal II + III + IV	465.798,60	-236.452,12
V. Profit (loss) on ordinary activities before tax	-321.087,80	-1.929.137,07
VII. Result for the period	-321.087,80	-1.929.137,07

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC EQUITY FUND MILLENNIUM

Name	Quantity on 30/06/2012	Currency	Price in currency	Evaluation (in the currency of the sub-fund)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
Investment funds							
Open-end funds							
UCITS registered with the FSMA							
<u>Belgium</u>							
HORIZON ACCESS FD CHINA KAP	2.591,03	USD	622,210	1.270.321,31	4,12	1,73	1,72
HORIZON ACCESS INDIA FD KAP	4.066,45	USD	918,170	2.942.000,15	2,63	4,01	3,99
Total investment funds				4.212.321,46		5,74	5,71
Bonds							
Corporate bonds							
<u>Ireland</u>							
D-STAR FINANCE PLC SUB 14/05/13	489.000,00	EUR	63,710	311.541,90		0,42	0,42
Total bonds				311.541,90		0,42	0,42
Shares							
Exchange-listed shares							
<u>Australia</u>							
BHP BILLITON LTD -	4.399,00	AUD	31,450	111.747,14		0,15	0,15
CERAMIC FUEL CELLS LTD -	520.000,00	GBP	0,051	32.937,83		0,05	0,05
COCHLEAR LTD -	2.276,00	AUD	65,840	121.038,60		0,17	0,16
FORTESCUE METALS GROUP -	31.797,00	AUD	4,900	125.847,34		0,17	0,17
ILUKA RESOURCES LTD -	10.601,00	AUD	11,320	96.929,30		0,13	0,13
NATIONAL AUSTRALIA BANK -	6.324,00	AUD	23,540	120.243,09		0,16	0,16
NEWCREST MINING -	15.498,00	AUD	22,610	283.033,63		0,39	0,38
QANTAS AIRWAYS TLD -	118.756,00	AUD	1,075	103.115,95		0,14	0,14
<u>Austria</u>							
ERSTE GROUP BANK AG -	7.458,00	EUR	14,945	111.459,81		0,15	0,15
RAIFFEISEN BANK INTL -	4.679,00	EUR	25,750	120.484,25		0,16	0,16
<u>Belgium</u>							
DEVGEN -	13.393,00	EUR	8,180	109.554,74		0,15	0,15
DEVGEN STRIP-VVPR	51.700,00	EUR	0,000	5,17			
ROULARTA MEDIA GROUP (BRU) STRIP-VVPR	5.000,00	EUR	0,009	45,00			
SIPEF (BRU)	1.938,00	EUR	56,900	110.272,20		0,15	0,15
TELENET STRP-VVPR	44.850,00	EUR	0,001	44,85			
THROMBOGENICS NV -	5.419,00	EUR	21,300	115.424,70		0,16	0,16
THROMBOGENICS NV STRIP-VVPR	162.400,00	EUR	0,007	1.136,80		0,00	0,00
<u>Bermuda</u>							
COVIDIEN LTD -	4.389,00	USD	53,500	185.022,06		0,25	0,25
<u>Brazil</u>							
ALL AMERICA LATINA LOGISTICA -	30.458,00	BRL	8,480	100.833,04		0,14	0,14

AMBEV-CIA DE BEBIDAS DAS AMERICAS CP 02/05/11	23,00	BRL	74,870	672,27		0,00	0,00
AMBEV-CIA DE BEBIDAS DAS AMERICAS PREF	8.403,00	BRL	77,300	253.582,63		0,35	0,34
BANCO BRADESCO S.A. PREF	18.200,00	BRL	29,940	212.730,04		0,29	0,29
BANCO DO BRASIL SA -	12.800,00	BRL	19,530	97.592,82		0,13	0,13
BM&F BOVESPA SA -	30.500,00	BRL	10,250	122.047,63		0,17	0,17
BRADESCAR S.A. PREF	11.600,00	BRL	32,940	149.171,97		0,20	0,20
BRF - BRASIL FOODS SA -	9.100,00	BRL	30,390	107.963,69		0,15	0,15
CIA DE CONCESSOES RODOVIARIAS -	17.500,00	BRL	16,330	111.565,49		0,15	0,15
CIA DE SANEAMENTO DE MINAS GER -	6.600,00	BRL	43,500	112.082,76		0,15	0,15
COMPANHIA BRASILEIRA DE MEIOS -	4.940,00	BRL	59,080	113.939,18		0,16	0,15
COSAN SA INDUSTRIA COMERCIO -	9.700,00	BRL	30,990	117.354,28		0,16	0,16
CSN-CIA SIDERURGICA NACIONAL S.A. -	23.100,00	BRL	11,380	102.626,59		0,14	0,14
ENERGIAS DO BRASIL SA -	22.700,00	BRL	12,890	114.231,11		0,16	0,16
GERDAU SA -	17.066,00	USD	8,760	117.798,57		0,16	0,16
INVESTIMENTOS ITAU SA -	493,00	BRL	8,400	1.616,71		0,00	0,00
ITAU UNIBANCO HOLDINGS SA PREF PREF	20.700,00	BRL	28,290	228.617,22		0,31	0,31
ITAUSA-INVESTIMENTOS ITAU SA -	32.099,00	BRL	8,500	106.516,30		0,15	0,14
LOJAS RENNEN SA -	4.600,00	BRL	56,350	101.194,61		0,14	0,14
OGX PETROLEO E GAS PARTICIPACO -	29.200,00	BRL	5,500	62.697,64		0,09	0,09
PETROBRAS-PETROLEO BRASILEIRO S.A. -	33.200,00	BRL	18,900	244.965,84		0,33	0,33
PETROBRAS-PETROLEO BRASILEIRO S.A. PREF	44.600,00	BRL	18,250	317.763,03		0,43	0,43
REDECARD SA -	9.300,00	BRL	32,850	119.268,01		0,16	0,16
TELEF BRASIL PREF	5.700,00	BRL	49,980	111.218,43		0,15	0,15
TIM PARTICIPACOES SA -	26.600,00	BRL	11,160	115.891,47		0,16	0,16
ULTRAPAR PARTICIPACOES SA -	6.300,00	BRL	45,200	111.169,24		0,15	0,15
VALE SA -	36.800,00	BRL	40,130	576.530,94		0,79	0,78
<u>Canada</u>							
AGRIUM INC -	1.595,00	USD	88,470	111.188,76		0,15	0,15
BARRICK GOLD CORP -	646,00	CAD	38,350	19.149,06		0,03	0,03
BARRICK GOLD CORP -	2.802,00	USD	37,570	82.949,44		0,11	0,11
CANADIAN NATURAL RESOURCES LTD -	4.761,00	CAD	27,310	100.500,80		0,14	0,14
CENOVUS ENERGY INC -	4.471,00	CAD	32,370	111.865,72		0,15	0,15
CENTERRA GOLD INC -	11.125,00	CAD	7,120	61.225,12		0,08	0,08
ELDORADO GOLD CORP -	13.616,00	CAD	12,540	131.976,53		0,18	0,18
ENBRIDGE INC. -	3.435,00	CAD	40,660	107.955,25		0,15	0,15
FIRST QUANTUM MINERALS LTD -	9.190,00	CAD	18,000	127.860,87		0,17	0,17
FRANCO-NEVADA CORP -	3.313,00	CAD	46,040	117.897,99		0,16	0,16
GOLDCORP INC -	6.659,00	CAD	38,330	197.286,55		0,27	0,27
IAMGOLD CORP -	11.195,00	CAD	12,040	104.183,81		0,14	0,14
KINROSS GOLD -	21.971,00	CAD	8,310	141.123,87		0,19	0,19
MAPLE LEAF FOODS INC -	11.906,00	CAD	11,710	107.763,68		0,15	0,15
PACIFIC RUBIALES ENERGY CORP -	5.711,00	CAD	21,560	95.172,30		0,13	0,13
PURE TECHNOLOGIES LTD -	35.706,00	CAD	4,540	125.298,74		0,17	0,17
SAPUTO INC -	3.304,00	CAD	42,330	108.103,05		0,15	0,15
SUNCOR ENERGY INC -	7.417,00	CAD	29,440	168.777,96		0,23	0,23
TALISMAN ENERGY INC. -	12.343,00	CAD	11,670	111.337,44		0,15	0,15
TECK RESOURCES CLASS B	7.453,00	CAD	31,530	181.637,17		0,25	0,25
ULTRA PETROLEUM CORP -	6.639,00	USD	23,070	120.685,31		0,16	0,16
YAMANA GOLD INC -	9.453,00	CAD	15,710	114.787,73		0,16	0,16
<u>Cayman Islands</u>							
BAIDU.COM INC -	1.340,00	USD	114,980	121.403,51		0,17	0,17
CHAODA MODERN AGRICULTURE HLDS -	170.000,00	HKD	1,100	18.996,73		0,03	0,03
PARKSON RETAIL GROUP LTD -	154.500,00	HKD	6,860	107.668,79		0,15	0,15
TENCENT HOLDINGS -	10.500,00	HKD	226,000	241.065,44		0,33	0,33
XINAO GAS HOLDINGS LTD -	38.000,00	HKD	27,100	104.614,07		0,14	0,14

<u>Chile</u>							
BANCO SANTANDER CHILE ADR	1.984,00	USD	77,490	121.141,09		0,17	0,16
ENERSIS SA SP ADR	7.562,00	USD	18,700	111.424,95		0,15	0,15
SOC QUIMICA MINERA CHILE SA ADR "B"	3.682,00	USD	55,670	161.513,62		0,22	0,22
<u>China</u>							
ANHUI CONCH CEMENT CO LTD -	48.500,00	HKD	20,950	103.219,79		0,14	0,14
BANK OF CHINA LTD - H -	616.000,00	HKD	2,940	183.977,73		0,25	0,25
CHINA COAL ENERGY CO -	146.000,00	HKD	6,340	94.032,79		0,13	0,13
CHINA COMMUNICATIONS CONST-H -	177.000,00	HKD	6,770	121.730,43		0,17	0,17
CHINA CONSTRUCTION BANK -	368.000,00	HKD	5,290	197.761,03		0,27	0,27
CHINA LIFE INSURANCE CO -	55.000,00	HKD	19,960	111.521,97		0,15	0,15
CHINA MERCHANTS BANK CO LTD -	73.500,00	HKD	14,460	107.967,45		0,15	0,15
CHINA RAILWAY CONSTRUCTION CORP -	182.000,00	HKD	6,410	118.513,18		0,16	0,16
CHINA SHENHUA ENERGY COMPANY LTD -	44.500,00	HKD	27,050	122.282,55		0,17	0,17
DATANG INTER POWER GENERATION CO LTD -	392.000,00	HKD	3,040	121.058,94		0,17	0,16
DONGFANG ELECTRIC CORP LTD -	61.400,00	HKD	15,680	97.802,88		0,13	0,13
DONGYUE GROUP -	225.000,00	HKD	3,590	82.056,73		0,11	0,11
FUJIAN ZIJIN MINING IND -	386.000,00	HKD	2,600	101.952,50		0,14	0,14
FUSHAN INTERNATIONAL ENERGY GROUP -	430.000,00	HKD	1,990	86.927,81		0,12	0,12
GIANT INTERACTIVE GROUP -	12.978,00	USD	4,830	49.392,28		0,07	0,07
GUANGZHOU R&F PROPERTIES -	106.400,00	HKD	10,180	110.033,93		0,15	0,15
HUANENG POWER INTL "H"	198.000,00	HKD	5,820	117.064,55		0,16	0,16
IND & COMM BK OF CHINA -	488.000,00	HKD	4,290	212.673,97		0,29	0,29
JIANGSU EXPRESSWAY COMP LTD -	156.000,00	HKD	7,240	114.736,18		0,16	0,16
PERFECT WORLD CO LTD -	14.621,00	USD	10,020	115.438,04		0,16	0,16
PETROCHINA COMPANY LIMITID -	234.000,00	HKD	9,950	236.524,51		0,32	0,32
PICC PROPERTY & CASUALTY -H-	130.000,00	HKD	8,670	114.498,47		0,16	0,16
PING AN INSURANCE GROUP CO -	21.000,00	HKD	61,700	131.626,00		0,18	0,18
SHANGAI ELECTRIC GROUP CO LTD -	334.000,00	HKD	3,130	106.200,86		0,15	0,14
SINOPEC-CHINA PETROL & CHEM CORP. "A"	232.000,00	HKD	6,880	162.148,76		0,22	0,22
WANT WANT CHINA HOLDINGS LTD -	114.000,00	HKD	9,500	110.018,49		0,15	0,15
WUXI PHARMATECH CAYMAN INC -	11.077,00	USD	14,120	123.242,64		0,17	0,17
ZHEJIANG EXPRESSWAY CO. -	210.000,00	HKD	5,110	109.012,78		0,15	0,15
<u>Colombia</u>							
BANCOLOMBIA SA -	2.815,00	USD	61,840	137.167,76		0,19	0,19
ECOPETROL SA -	4.674,00	USD	55,790	205.470,38		0,28	0,28
<u>Czech Republic</u>							
CEZ A.S. -	3.865,00	CZK	696,900	105.491,66		0,14	0,14
TELEFONICA CZECH REPUBLIC -	7.362,00	CZK	385,000	111.008,11		0,15	0,15
<u>Denmark</u>							
NOVO NORDISK A/S "B"	930,00	DKK	848,500	106.142,39		0,15	0,14
NOVOZYMES A/S "B"	5.215,00	DKK	151,800	106.482,97		0,15	0,14
<u>Finland</u>							
UPONOR OYJ -	15.095,00	EUR	7,065	106.646,18		0,15	0,15
<u>France</u>							
ESSILOR (PAR)	1.567,00	EUR	73,300	114.861,10		0,16	0,16
GDF SUEZ STRIP VVPR	2.604,00	EUR	0,001	2,60			
HERMES INTL. (PAR)	416,00	EUR	242,250	100.776,00		0,14	0,14
L'OREAL -	1.143,00	EUR	92,240	105.430,32		0,14	0,14
LVMH-MOET H.L.VUIT. -	1.654,00	EUR	119,850	198.231,90		0,27	0,27
NATUREX -	2.309,00	EUR	46,630	107.668,67		0,15	0,15
PERNOD-RICARD -	1.296,00	EUR	84,260	109.200,96		0,15	0,15
PINAULT-PRINTEMPS-REDOUTE -	1.752,00	EUR	112,250	196.662,00		0,27	0,27

SAINT GOBAIN -	3.970,00	EUR	29,100	115.527,00		0,16	0,16
SANOFI -	3.835,00	EUR	59,740	229.102,90		0,31	0,31
SCHNEIDER ELECTRIC SA -	4.151,00	EUR	43,730	181.523,23		0,25	0,25
SUEZ ENVIRONNEMENT SA -	18.581,00	EUR	8,465	157.288,17		0,21	0,21
TECHNIP SA (PAR)	1.426,00	EUR	81,950	116.860,70		0,16	0,16
TOTAL -	7.618,00	EUR	35,500	270.439,00		0,37	0,37
VEOLIA ENVIRONNEMENT (PAR)	11.554,00	EUR	9,984	115.355,14		0,16	0,16
VILMORIN & CIE -	1.351,00	EUR	83,630	112.984,13		0,15	0,15
<u>Germany</u>							
BAYER AG -	3.313,00	EUR	56,780	188.112,14		0,26	0,26
BAYERISCHE MOTOREN WERKE AG -	2.138,00	EUR	56,930	121.716,34		0,17	0,17
BAYWA AG -	3.988,00	EUR	28,750	114.655,00		0,16	0,16
DAIMLER AG -	4.278,00	EUR	35,345	151.205,91		0,21	0,21
FRESENIUS SE & CO KGAA (FRA)	1.434,00	EUR	81,780	117.272,52		0,16	0,16
K+S AG (FRA)	3.234,00	EUR	36,000	116.424,00		0,16	0,16
KWS SAAT AG -	631,00	EUR	205,060	129.392,86		0,18	0,18
SAP AG -	3.925,00	EUR	46,545	182.689,13		0,25	0,25
VOLKSWAGEN AG PREF	1.113,00	EUR	124,600	138.679,80		0,19	0,19
<u>Hong Kong</u>							
BEIJING ENTERPRISES WATER GROUP LTD -	698.000,00	HKD	1,450	102.815,99		0,14	0,14
BELLE INTERNATIONAL HOLDINGS -	81.000,00	HKD	13,120	107.958,31		0,15	0,15
CHEUNG KONG INFRASTRUCTURE -	24.000,00	HKD	46,750	113.980,37		0,16	0,16
CHINA EVERBRIGHT INTL -	338.000,00	HKD	3,630	124.640,89		0,17	0,17
CHINA LIANSU GROUP HOLDINGS LT -	275.000,00	HKD	3,330	93.028,10		0,13	0,13
CHINA MERCHANTS HLDGS INTL -	52.000,00	HKD	23,450	123.874,93		0,17	0,17
CHINA MOBILE LTD. -	6.972,00	USD	54,670	300.338,22		0,41	0,41
CHINA MOBILE LTD. -	17.500,00	HKD	84,750	150.665,90		0,21	0,20
CHINA OVERSEAS LAND & INVEST LTD -	68.000,00	HKD	17,980	124.204,07		0,17	0,17
CHINA RESOURCES POWER HOLDINGS CO -	72.000,00	HKD	15,900	116.296,55		0,16	0,16
CHINA YURUN FOOD GROUP LTD -	141.000,00	HKD	6,750	96.685,22		0,13	0,13
CLP -	38.500,00	HKD	65,750	257.154,25		0,35	0,35
CNOOC LTD -	261.000,00	HKD	15,400	408.317,93		0,56	0,55
COSCO PACIFIC -	116.000,00	HKD	10,500	123.732,70		0,17	0,17
EMPEROR WATCH & JEWELLERY LTD -	1.330.000,00	HKD	0,700	94.577,30		0,13	0,13
GUANGDONG INVESTMENT -	198.000,00	HKD	5,580	112.237,14		0,15	0,15
HONG KONG CHINA GAS -	119.020,00	HKD	16,420	198.531,91		0,27	0,27
MTR CORPORATION -	41.000,00	HKD	26,450	110.165,79		0,15	0,15
ORIENTAL WATCH HOLDINGS -	434.000,00	HKD	2,050	90.381,76		0,12	0,12
PORTS DESIGN LTD -	132.000,00	HKD	8,050	107.946,12		0,15	0,15
POWER ASSETS HOLDINGS LTD -	29.000,00	HKD	58,100	171.163,58		0,23	0,23
SHANGRI-LA ASIA LTD -	68.500,00	HKD	14,780	102.849,51		0,14	0,14
VINDA INTERNATIONAL HOLDINGS LTD -	87.000,00	HKD	11,460	101.284,06		0,14	0,14
WEST CHINA CEMENT LTD -	592.000,00	HKD	1,500	90.209,07		0,12	0,12
<u>Hungary</u>							
MAGYAR OLAJ-ES GAZIPARI RT. -	1.889,00	HUF	16.300,000	107.750,21		0,15	0,15
<u>Indonesia</u>							
INDO TAMBANGRAYA MEGAH PT -	40.500,00	IDR	35.950,000	122.149,65		0,17	0,17
PERUSAHAAN GAS NEGARA PT -	516.000,00	IDR	3.525,000	152.597,40		0,21	0,21
PT ASTRA INTL REG	292.000,00	IDR	6.850,000	167.807,64		0,23	0,23
PT BANK CENTRAL ASIA TBK -	249.000,00	IDR	7.300,000	152.496,73		0,21	0,21
PT BANK MANDIRI -	182.500,00	IDR	7.200,000	110.238,60		0,15	0,15
PT BANK RAKYAT INDONESIA -	212.500,00	IDR	6.350,000	113.206,40		0,15	0,15
PT UNITED TRACTORS -	58.000,00	IDR	21.350,000	103.887,71		0,14	0,14
SEMEN GRESIK FOREIGN	112.000,00	IDR	11.300,000	106.178,06		0,15	0,14
VALE INDONESIA TBK -	505.500,00	IDR	2.675,000	113.444,45		0,16	0,15

<u>Ireland</u>							
GLANBIA PLC -	18.451,00	EUR	5,840	107.753,84		0,15	0,15
<u>Israel</u>							
ISRAEL CHEMICALS LTD -	13.210,00	ILS	42,000	111.894,97		0,15	0,15
TEVA PHARMA ADR	4.718,00	USD	39,440	146.621,95		0,20	0,20
<u>Italy</u>							
ENI -	7.544,00	EUR	16,780	126.588,32		0,17	0,17
PARMALAT SPA -	74.556,00	EUR	1,494	111.386,66		0,15	0,15
PRYSMIAN SPA -	8.746,00	EUR	11,740	102.678,04		0,14	0,14
SAIPEM (MIL)	3.462,00	EUR	34,990	121.135,38		0,17	0,16
<u>Japan</u>							
CANON INC -	3.400,00	JPY	3.165,000	106.270,99		0,15	0,14
EBARA CORP -	62.000,00	JPY	306,000	187.359,27		0,26	0,25
EISAI CO. -	3.300,00	JPY	3.490,000	113.736,91		0,16	0,15
FUJI OIL CO LTD -	12.000,00	JPY	1.041,000	123.365,59		0,17	0,17
GREEINC -	6.700,00	JPY	1.581,000	104.608,93		0,14	0,14
HITACHI -	24.000,00	JPY	487,000	115.425,64		0,16	0,16
HONDA MOTOR CO -	7.200,00	JPY	2.749,000	195.465,14		0,27	0,27
INPEX CORP -	24,00	JPY	444.500,000	105.352,56		0,14	0,14
ITOHAM FOODS INC. -	56.000,00	JPY	317,000	175.311,08		0,24	0,24
KUBOTA CORP -	17.000,00	JPY	730,000	122.555,80		0,17	0,17
KURITA WATER INDUSTR. -	16.500,00	JPY	1.837,000	299.333,40		0,41	0,41
MEIJI HOLDINGS CO LTD -	4.900,00	JPY	3.655,000	176.866,48		0,24	0,24
NIPPON MEAT PACKERS -	12.000,00	JPY	1.053,000	124.787,68		0,17	0,17
NIPPON SUISAN KAISHA LTD -	53.800,00	JPY	216,000	114.762,00		0,16	0,16
ORGANO CORPORATION -	23.000,00	JPY	507,000	115.159,00		0,16	0,16
PANASONIC CORPORATION -	18.500,00	JPY	643,000	117.474,82		0,16	0,16
SONY CORP -	10.500,00	JPY	1.123,000	116.447,76		0,16	0,16
TDK CORP -	3.100,00	JPY	3.200,000	97.965,63		0,13	0,13
TERUMO CORP. -	3.699,00	JPY	3.260,000	119.086,90		0,16	0,16
TOKYO ELECTRON -	3.000,00	JPY	3.695,000	109.470,67		0,15	0,15
TOYOTA MOTOR_CREDIT -	6.400,00	JPY	3.190,000	201.619,59		0,28	0,27
<u>Jersey/The Channel Islands</u>							
RANDGOLD RESOURCES LTD ADR	1.975,00	USD	90,010	140.075,45		0,19	0,19
SHIRE LTD -	4.685,00	GBP	18,320	106.079,84		0,15	0,14
<u>Malaysia</u>							
AIRASIA BHD -	122.000,00	MYR	3,570	108.077,12		0,15	0,15
ALLIANCE FINANCIAL GROUP BHD -	107.800,00	MYR	4,160	111.280,18		0,15	0,15
DIGI.COM BHD -	111.700,00	MYR	4,250	117.800,69		0,16	0,16
GENTING BERHAD -	45.700,00	MYR	9,430	106.938,39		0,15	0,15
IOI CORP BERHAD -	86.400,00	MYR	5,190	111.272,24		0,15	0,15
KUALA LUMPUR KEPONG BERHAD -	18.800,00	MYR	22,940	107.018,04		0,15	0,15
LAFARGE MALAYAN CEMENT BHD -	60.800,00	MYR	7,300	110.136,73		0,15	0,15
MISC BERHAD LOCAL	103.500,00	MYR	4,610	118.398,72		0,16	0,16
PETRONAS GAS BHD -	27.900,00	MYR	18,000	124.618,48		0,17	0,17
TENAGA NASIONAL (BHD) -	67.600,00	MYR	6,740	113.060,87		0,15	0,15
YTL POWER INTERNATIONAL BHD -	260.200,00	MYR	1,760	113.638,55		0,16	0,15
<u>Mexico</u>							
AMERICA MOVIL S.A. DE C.V. ADR "L"	12.870,00	USD	26,060	264.275,63		0,36	0,36
FEMSA -	17.400,00	MXN	119,030	121.557,56		0,17	0,17
GRUPO FIN.INBURSA 'O'	65.100,00	MXN	30,330	115.885,66		0,16	0,16
GRUPO TELEvisa S.A. -CPO-	37.400,00	MXN	57,410	126.018,83		0,17	0,17
GRUPOMEXICO SA -B-	49.489,00	MXN	39,590	114.992,75		0,16	0,16

IND. PENOLES SA -CP-	4.500,00	MXN	574,470	151.724,65		0,21	0,21
WAL-MART DE MEXICO SA DE CV "V"	52.700,00	MXN	35,750	110.576,53		0,15	0,15
<u>Netherlands</u>							
AALBERTS INDUSTRIES (AMS)	9.134,00	EUR	12,240	111.800,16		0,15	0,15
ASML HOLDING NV -	2.984,00	EUR	40,065	119.553,96		0,16	0,16
NUTRECO NV -	2.100,00	EUR	54,930	115.353,00		0,16	0,16
WOLTERS KLUWER -	9.194,00	EUR	12,530	115.200,82		0,16	0,16
<u>Norway</u>							
STATOIL -	6.012,00	NOK	141,400	112.688,14		0,15	0,15
YARA INTL ASA -	3.495,00	NOK	258,800	119.900,58		0,16	0,16
<u>Peru</u>							
CIA DE MINAS BUENAVENTURA SA -	7.303,00	USD	37,980	218.554,83		0,30	0,30
SOUTHERN COPPER CORP (NYSE)	6.208,00	USD	31,510	154.136,06		0,21	0,21
<u>Philippines</u>							
ABOITIZ EQUITY VENTURES INC -	118.600,00	PHP	48,950	108.571,29		0,15	0,15
MANILA ELECTRIC CY -	24.770,00	PHP	253,400	117.384,36		0,16	0,16
MANILA WATER CO -	243.900,00	PHP	24,550	111.980,12		0,15	0,15
<u>Poland</u>							
ASSECO POLAND SA -	9.427,00	PLN	48,800	108.622,40		0,15	0,15
BANK PEKAO SA -	3.238,00	PLN	151,500	115.828,53		0,16	0,16
KGHM POLSKA MIEDZ SA -	3.183,00	PLN	145,000	108.975,96		0,15	0,15
POLSKI KONCERN NAFTOWY ORLEN SA -	12.662,00	PLN	37,410	111.844,88		0,15	0,15
POWOSZECHNA KASA OSZCZEDNOSCI BANK -	14.661,00	PLN	34,600	119.774,89		0,16	0,16
POWSZECHNY BANK KREDYTOWY SA -	1.431,00	PLN	334,000	112.852,76		0,15	0,15
<u>Portugal</u>							
JERONIMO MARTINS -	8.016,00	EUR	13,325	106.813,20		0,15	0,15
<u>Russia</u>							
GAZPROM ADR NEW	66.182,00	USD	9,430	491.762,87		0,67	0,67
LUKOIL -	5.919,00	USD	55,750	260.014,38		0,35	0,35
MAGNIT OSJC -	4.968,00	USD	30,080	117.750,72		0,16	0,16
MOBILE TELESYSTEMS ADR	8.284,00	USD	17,200	112.272,32		0,15	0,15
NOVATEK OAO -	1.312,00	USD	106,000	109.583,17		0,15	0,15
ROSNEFT OIL COMPANY -	21.547,00	USD	6,260	106.283,37		0,15	0,14
SBERBANK OF RUSSIA ADR	23.864,00	USD	10,750	202.141,68		0,28	0,27
SURGUTNEFTEGAZ OIL ADR NEW	16.382,00	USD	8,270	106.752,14		0,15	0,15
TATNEFT -	4.080,00	USD	33,550	107.859,11		0,15	0,15
URALKALI -	4.413,00	USD	38,280	133.109,79		0,18	0,18
<u>Singapore</u>							
GOLDEN AGRI-RESOURCES LTD -	265.000,00	SGD	0,670	110.437,27		0,15	0,15
PETRA FOODS LTD -	74.000,00	SGD	2,500	115.071,22		0,16	0,16
SEMBICORP INDUSTRIES LTD -	37.000,00	SGD	5,130	118.063,07		0,16	0,16
SOUND GLOBAL LTD -	307.000,00	SGD	0,570	108.844,93		0,15	0,15
<u>South Africa</u>							
AFRICAN BANK INVESTMENTS LIMITED -	31.995,00	ZAR	36,310	111.931,64		0,15	0,15
AFRICAN RAINBOW MINERALS GOLD LTD. -	6.298,00	ZAR	166,020	100.741,30		0,14	0,14
ANGLOGOLD ASHANTI LTD -	3.954,00	ZAR	279,000	106.288,27		0,15	0,14
ASTRAL FOODS LTD -	9.400,00	ZAR	113,000	102.341,27		0,14	0,14
GOLD FIELDS LTD -	10.328,00	ZAR	103,850	103.339,71		0,14	0,14
HARMONY S.AFR. REGD	14.478,00	ZAR	76,500	106.712,30		0,15	0,15
IMPALA PLATINUM HOLDINGS LTD. -	14.358,00	ZAR	135,250	187.100,83		0,26	0,25
KUMBA RESOURCES LTD -	3.111,00	ZAR	548,580	164.431,29		0,22	0,22
MTN GROUP LTD. -	11.917,00	ZAR	140,920	161.802,07		0,22	0,22

NASPERS LTD N	2.420,00	ZAR	434,990	101.423,62		0,14	0,14
REUNERT LTD -	17.464,00	ZAR	68,000	114.418,73		0,16	0,16
SASOL LTD -	4.164,00	ZAR	342,400	137.369,07		0,19	0,19
<u>South Korea</u>							
DONGBU INSURANCE CO LTD -	4.058,00	KRW	41.950,000	117.118,63		0,16	0,16
DOOSAN HEAVY INDS & CONSTRUCTION CO -	3.065,00	KRW	57.500,000	121.249,60		0,17	0,16
GLOVISO CO LTD -	718,00	KRW	217.500,000	107.439,92		0,15	0,15
HYUNDAI MOBIS -	578,00	KRW	274.500,000	109.157,14		0,15	0,15
HYUNDAI MOTOR -	1.440,00	KRW	232.500,000	230.338,97		0,31	0,31
HYUNDAI SECURITIES -	18.030,00	KRW	8.490,000	105.313,83		0,14	0,14
HYUNDAI SECURITIES PREF	5,00	KRW	7.780,000	26,76			
KB FINANCIAL GROUP INC -	5.340,00	KRW	36.900,000	135.565,63		0,19	0,18
KIA MOTORS CORP. -	2.120,00	KRW	74.700,000	108.952,81		0,15	0,15
KOREA ELECTRIC POWER (KEPCO) CORP -	6.870,00	KRW	25.650,000	121.234,46		0,17	0,16
KOREA GAS CORP -	3.800,00	KRW	40.500,000	105.881,62		0,14	0,14
KT CORPORATION -	5.660,00	KRW	30.350,000	118.183,57		0,16	0,16
KT&G CORPORATION -	2.224,00	KRW	81.200,000	124.243,25		0,17	0,17
MAEIL DAIRY INDUSTRY CO LTD -	7.674,00	KRW	20.500,000	108.232,49		0,15	0,15
NHN CORP -	698,00	KRW	250.000,000	120.054,21		0,16	0,16
POSCO -	455,00	KRW	363.500,000	113.788,35		0,16	0,15
SAMSUNG ELECTRONICS -	1.205,00	KRW	1.201.000,000	995.662,22		1,36	1,35
SAMSUNG ENGINEERING CO LTD -	827,00	KRW	179.500,000	102.129,67		0,14	0,14
SAMSUNG FIRE & MARINE INSURANCE CO -	712,00	KRW	226.000,000	110.705,81		0,15	0,15
SAMSUNG HEAVY INDUSTRIES CO, LTD -	4.490,00	KRW	37.300,000	115.222,46		0,16	0,16
SHINHAN FINANCIAL GROUP CO LTD. -	4.800,00	KRW	39.700,000	131.103,33		0,18	0,18
SK CORP LTD -	1.192,00	KRW	132.500,000	108.661,10		0,15	0,15
SK ENERGY CO LTD -	1.156,00	KRW	138.000,000	109.753,63		0,15	0,15
SK TELECOM CO LTD -	1.299,00	KRW	125.000,000	111.712,34		0,15	0,15
WOONGJIN COWAY CO LTD -	4.700,00	KRW	35.600,000	115.114,45		0,16	0,16
WOORI -	13.240,00	KRW	12.450,000	113.406,86		0,16	0,15
<u>Spain</u>							
EBRO FOODS SA (MAD)	8.697,00	EUR	13,570	118.018,29		0,16	0,16
<u>Sweden</u>							
ERICSSON "B"	16.103,00	SEK	63,050	115.907,77		0,16	0,16
GETINGE AB B	5.516,00	SEK	171,000	107.681,49		0,15	0,15
<u>Switzerland</u>							
ABB LTD -	11.805,00	CHF	15,450	151.843,86		0,21	0,21
ACTELION LTD -	3.501,00	CHF	38,900	113.382,09		0,15	0,15
ARYZTA AG -	2.892,00	EUR	39,250	113.511,00		0,16	0,15
COMPAGNIE FINANCIERE RICHEMONT "A"	5.092,00	CHF	51,850	219.806,19		0,30	0,30
EMMI AG -	671,00	CHF	193,900	108.318,61		0,15	0,15
NESTLE AG REG	2.361,00	CHF	56,550	111.155,60		0,15	0,15
NOVARTIS AG ADR	4.488,00	USD	55,900	197.682,77		0,27	0,27
ROCHE HOLDING GENOTS	1.154,00	CHF	163,600	157.178,04		0,21	0,21
SULZER FRERES (NOM)	1.138,00	CHF	112,000	106.111,64		0,15	0,14
SYNGENTA (NOM)	424,00	CHF	323,300	114.123,30		0,16	0,16
THE SWATCH GROUP AG REG	4.706,00	CHF	65,750	257.602,71		0,35	0,35
<u>Taiwan</u>							
ASUSTEK COMPUTER INC -	13.000,00	TWD	271,500	93.063,79		0,13	0,13
CHICONY ELECTRONICS CO LTD -	72.000,00	TWD	54,800	104.035,27		0,14	0,14
COMPAL ELECTRONICS -	145.000,00	TWD	27,350	104.566,57		0,14	0,14
FUBON FINANCIAL HOLDING CO -	140.000,00	TWD	29,800	110.004,85		0,15	0,15
HON HAI PRECISION GDR	23.749,00	USD	6,040	113.028,10		0,15	0,15
HTC CORPORATION -	13.000,00	TWD	389,500	133.511,40		0,18	0,18
KGI SECURITIES CO LTD -	319.000,00	TWD	13,050	109.766,23		0,15	0,15

LARGAN PRECISION CO LTD -	7.000,00	TWD	618,000	114.065,43		0,16	0,16
MEGA FINANCIAL HOLD CO -	980,00	TWD	21,850	564,61		0,00	0,00
MSTAR SEMICONDUCTOR INC -	23.000,00	TWD	199,000	120.683,65		0,16	0,16
NOVATEK MICROELECTRONICS CORP -	46.000,00	TWD	91,400	110.859,16		0,15	0,15
PHISON ELECTRONICS CORP -	17.000,00	TWD	240,000	107.579,05		0,15	0,15
PRESIDENT CHAIN STORE CORP -	27.000,00	TWD	158,500	112.839,35		0,15	0,15
RICHTEK TECHNOLOGY CORP -	24.000,00	TWD	175,000	110.743,14		0,15	0,15
SHIN KONG FINANCIAL HOLDING CO -	768,00	TWD	8,580	173,75			
SIMPLO TECHNOLOGY CO LTD -	19.000,00	TWD	203,500	101.949,61		0,14	0,14
TAISHIN_FINANCIAL HOLD CO -	333.000,00	TWD	11,400	100.095,98		0,14	0,14
TAIWAN SEMICONDUCTOR -	295.000,00	TWD	81,300	632.382,88		0,86	0,86
TECO ELECTRIC AND MACHINERY CO -	215.000,00	TWD	19,300	109.411,58		0,15	0,15
TSRC CORP -	58.000,00	TWD	73,300	112.098,42		0,15	0,15
U-MING MARINE TRANSPORT CORP -	91.000,00	TWD	47,500	113.973,15		0,16	0,15
UNITED MICRO ELECTRONICS -	317.000,00	TWD	12,900	107.824,27		0,15	0,15
WINSTRON CORPORATION -	101.047,00	TWD	36,500	97.248,71		0,13	0,13
<u>Thailand</u>							
ADVANCED INFO SERVICE PUBLIC CO LTD LOCAL	25.000,00	THB	184,500	114.439,61		0,16	0,16
BANK OF AYUDHYA PCL -	151.000,00	THB	29,500	110.519,51		0,15	0,15
CHAROEN POKHAND FOODS PCL -	164.300,00	THB	38,500	156.941,68		0,21	0,21
KASIKORNBANK PLC LOC	27.500,00	THB	162,000	110.531,92		0,15	0,15
KHON KAEN SUGAR INDUSTRY PCL -	342.800,00	THB	12,700	108.015,11		0,15	0,15
RATCHABURI ELEC GEN HOLDING PUBLIC FOREIGN	98.800,00	THB	43,750	107.244,49		0,15	0,15
SIAM COMM. BK. PUBL. CO. LOCAL	30.500,00	THB	147,000	111.239,02		0,15	0,15
<u>Turkey</u>							
AKBANK T.A.S. -	49.003,00	TRY	6,620	141.326,07		0,19	0,19
BIM BIRLESIK MAGAZALAR AS -	3.661,00	TRY	74,500	118.822,21		0,16	0,16
EMLAK KONUT GAYRIMENKUL YATIRI -	113.706,00	TRY	2,220	109.970,95		0,15	0,15
HACI OMER SABANCI HOLDING S.A -	33.650,00	TRY	7,600	111.414,13		0,15	0,15
KOC HOLDING A.S. -	38.843,00	TRY	6,900	116.762,53		0,16	0,16
TOFAS TURK OTOMOBIL FABRIKASI AS -	35.855,00	TRY	7,740	120.901,67		0,17	0,16
TUPRAS-TURKIYE PETROL RAF. A.S. -	6.521,00	TRY	38,700	109.942,80		0,15	0,15
TURK HAVA YOLLARI AO -	87.397,00	TRY	3,180	121.078,01		0,17	0,16
TURK TELEKOMUNIKASYON AS -	37.345,00	TRY	7,380	120.068,88		0,16	0,16
TURKIYE GARANTI BANKASI A.S. -	64.127,00	TRY	7,100	198.353,97		0,27	0,27
TURKIYE HALK BANKASI -	20.822,00	TRY	14,150	128.357,28		0,18	0,17
<u>U.K.</u>							
ANGLO AMERICAN PLC PLC	3.947,00	GBP	20,885	101.882,46		0,14	0,14
ANTOFAGASTA PLC -	7.948,00	GBP	10,880	106.877,07		0,15	0,15
ARM HOLDG -	16.644,00	GBP	5,055	103.986,43		0,14	0,14
AVANGARDCO INVESTMENTS PUBLIC -	13.587,00	USD	9,950	106.524,82		0,15	0,14
BG GROUP PLC -	13.313,00	GBP	13,000	213.903,10		0,29	0,29
BILLITON PLC -	9.478,00	GBP	18,060	211.559,36		0,29	0,29
BP PLC -	37.399,00	GBP	4,220	195.037,80		0,27	0,26
CARNIVAL PLC PLC	4.672,00	GBP	21,820	125.995,60		0,17	0,17
DAIRY CREST GROUP PLC -	28.268,00	GBP	3,301	115.328,97		0,16	0,16
DIAGEO -	5.530,00	GBP	16,420	112.226,67		0,15	0,15
FRESNILLO PLC -	9.209,00	GBP	14,570	165.832,57		0,23	0,23
GENUS PLC -	7.056,00	GBP	12,410	108.225,14		0,15	0,15
GLAXOSMITHKLINE PLC -	16.495,00	GBP	14,470	294.997,71		0,40	0,40
GLENCORE INTERNATIONAL PLC -	25.278,00	GBP	2,956	92.336,09		0,13	0,13
INVENSYS PLC -	34.700,00	GBP	2,227	95.509,70		0,13	0,13
NEW BRITAIN PALM OIL LTD -	11.031,00	GBP	7,650	104.297,55		0,14	0,14
RIO TINTO PLC -	8.798,00	GBP	30,190	328.280,34		0,45	0,45
ROYAL DUTCH SHELL PLC -B-	14.709,00	GBP	22,250	404.492,96		0,55	0,55

SEVERN TRENT -	5.931,00	GBP	16,530	121.170,97		0,17	0,16
SIG PLC -	94.000,00	GBP	0,968	112.460,76		0,15	0,15
STANDARD CHARTERED -	6.624,00	GBP	13,845	113.347,27		0,15	0,15
TATE&LYLE PLC -	13.880,00	GBP	6,475	111.077,74		0,15	0,15
UNILEVER PLC -	4.112,00	GBP	21,440	108.962,16		0,15	0,15
UNITED UTILITIES WATER PLC -	19.848,00	GBP	6,750	165.583,98		0,23	0,22
VODAFONE GROUP PLC -	49.428,00	GBP	1,793	109.504,00		0,15	0,15
WEIR GROUP PLC (THE) -	6.831,00	GBP	15,300	129.173,53		0,18	0,18
XSTRATA PLC -	15.647,00	GBP	7,986	154.439,43		0,21	0,21
<u>U.S.A.</u>							
ABERCROMBIE & FITCH -	4.352,00	USD	34,140	117.072,95		0,16	0,16
ACCENTURE LTD "A"	2.355,00	USD	60,090	111.505,75		0,15	0,15
ADOBE SYSTEMS -	4.288,00	USD	32,370	109.370,86		0,15	0,15
AECOM TECHNOLOGY CORP -	13.882,00	USD	16,450	179.937,67		0,25	0,24
AES CORP -	11.959,00	USD	12,830	120.899,83		0,17	0,16
AETNA INC NEW	3.483,00	USD	38,770	106.402,89		0,15	0,14
AGILENT TECHNOLOGIES -	5.023,00	USD	39,240	155.308,90		0,21	0,21
ALICO INC -	5.071,00	USD	30,540	122.030,05		0,17	0,17
ALTERA CORP. -	4.809,00	USD	33,840	128.229,90		0,18	0,17
AMAZON COMM. INC. -	628,00	USD	228,350	112.996,45		0,15	0,15
AMERICAN TOWER CORP CL A	2.138,00	USD	69,910	117.774,47		0,16	0,16
AMERICAN WATER WORKS INC. -	4.184,00	USD	34,280	113.015,14		0,15	0,15
AMERISOURCEBERGEN CORP -	3.480,00	USD	39,350	107.901,66		0,15	0,15
AMGEN -	109,00	USD	73,040	6.273,23		0,01	0,01
ANADARKO PETROLEUM -	3.620,00	USD	66,200	188.829,88		0,26	0,26
APACHE CORP. -	1.888,00	USD	87,890	130.751,18		0,18	0,18
APPLE INC -	1.634,00	USD	584,000	751.915,53		1,02	1,02
BAKER HUGHES INC -	3.491,00	USD	41,100	113.056,58		0,15	0,15
BAXTER INTL INC -	3.730,00	USD	53,150	156.212,67		0,21	0,21
BECTON DICKINSON -	2.011,00	USD	74,750	118.447,92		0,16	0,16
BOEING -	1.951,00	USD	74,300	114.222,13		0,16	0,16
BOSTON SCIENTIFIC -	22.251,00	USD	5,670	99.411,53		0,14	0,14
CALGON CARBON CORP -	14.189,00	USD	14,220	158.984,78		0,22	0,22
CALIFORNIA WATER SERVICE GROUP -	9.880,00	USD	18,470	143.789,77		0,20	0,20
CAMERON INTERNATIONAL CORP -	3.242,00	USD	42,710	109.105,52		0,15	0,15
CARDINAL HEALTH INC -	3.293,00	USD	42,000	108.979,59		0,15	0,15
CARNIVAL CORP CORP	4.808,00	USD	34,270	129.832,29		0,18	0,18
CATERPILLAR INC -	1.610,00	USD	84,910	107.718,15		0,15	0,15
CELGENE CORPORATION -	1.976,00	USD	64,160	99.897,69		0,14	0,14
CERNER CORP -	1.759,00	USD	82,660	114.568,54		0,16	0,16
CHEVRON CORP -	5.052,00	USD	105,500	419.971,63		0,57	0,57
CIGNA CORP. -	3.245,00	USD	44,000	112.504,92		0,15	0,15
CISCO SYSTEMS INC -	17.468,00	USD	17,170	236.329,34		0,32	0,32
CIT GROUP INC. -	3.971,00	USD	35,640	111.517,17		0,15	0,15
CITRIX SYSTEMS INC -	1.833,00	USD	83,940	121.237,11		0,17	0,16
COGNIZANT TECHNOLOGY SOLUTIONS CORP. -	2.180,00	USD	60,000	103.065,16		0,14	0,14
CONOCOPHILLIPS -	2.578,00	USD	55,880	113.512,44		0,16	0,15
COOPER INDUSTRIES LTD A	2.065,00	USD	68,180	110.938,22		0,15	0,15
CORNING INC -	10.691,00	USD	12,930	108.923,36		0,15	0,15
COVANCE INC -	2.969,00	USD	47,850	111.942,83		0,15	0,15
CSX -	6.246,00	USD	22,360	110.046,93		0,15	0,15
CUBIST PHARMACEUTICALS INC -	3.332,00	USD	37,910	99.532,05		0,14	0,14
DANAHER CORPORATION -	4.064,00	USD	52,080	166.774,19		0,23	0,23
DEANFOODS CO -	8.345,00	USD	17,030	111.981,21		0,15	0,15
DEERE & COMPANY -	1.773,00	USD	80,870	112.979,68		0,15	0,15
DENTSPLY INTERNATIONAL INC -	3.659,00	USD	37,810	109.011,73		0,15	0,15
DEVON ENERGY -	2.530,00	USD	57,990	115.605,31		0,16	0,16

EATON CORP. -	4.270,00	USD	39,630	133.338,67		0,18	0,18
EBAY INC. -	4.707,00	USD	42,010	155.812,05		0,21	0,21
EDWARDS LIFESCIENCES CORP. -	1.605,00	USD	103,300	130.641,01		0,18	0,18
ELSTER GROUP SE -	16.277,00	USD	20,300	260.360,18		0,36	0,35
EMC CORPORATION -	6.976,00	USD	25,630	140.883,21		0,19	0,19
EMERSON ELECTRIC CO -	5.059,00	USD	46,580	185.681,36		0,25	0,25
EOG RESOURCES INC. -	1.510,00	USD	90,110	107.214,64		0,15	0,15
EQUINIX INC -	851,00	USD	175,650	117.782,80		0,16	0,16
EXPEDITORS INTL OF WASHINGTON INC. -	3.518,00	USD	38,750	107.416,67		0,15	0,15
EXPRESS SCRIPTS INC. "A"	5.032,00	USD	55,830	221.366,76		0,30	0,30
EXXON MOBIL CORP -	6.123,00	USD	85,570	412.847,77		0,56	0,56
FLOWSERVE CORP -	2.416,00	USD	114,750	218.450,87		0,30	0,30
FLUOR CORPORATION NEW	2.705,00	USD	49,340	105.164,84		0,14	0,14
FREEPORT-MCMORAN COPPER & GOLD, INC. -	7.394,00	USD	34,070	198.497,82		0,27	0,27
FRESH DEL MONTE PRODUCE INC -	5.578,00	USD	23,470	103.156,30		0,14	0,14
F5 NETWORKS INC -	1.386,00	USD	99,560	108.730,72		0,15	0,15
GENERAL ELEC CAP CORP -	12.988,00	USD	20,840	213.277,06		0,29	0,29
GILEAD SCIENCES -	2.948,00	USD	51,280	119.118,62		0,16	0,16
GOOGLE INC -A-	726,00	USD	580,070	331.834,23		0,45	0,45
GUESS INC -	7.114,00	USD	30,370	170.240,47		0,23	0,23
HALLIBURTON CY -	4.940,00	USD	28,390	110.508,71		0,15	0,15
HEWLETT PACKARD -	7.816,00	USD	20,110	123.851,36		0,17	0,17
HISOFT TECHNOLOGY INTERNATIONAL -	10.128,00	USD	14,330	114.359,97		0,16	0,16
HUMANA INC. -	1.892,00	USD	77,440	115.449,12		0,16	0,16
I.B.M. -	2.530,00	USD	195,580	389.896,30		0,53	0,53
IDEX CORPORATION -	5.167,00	USD	38,980	158.702,75		0,22	0,22
INSITUFORM TECHN. CORP. -	8.219,00	USD	17,890	115.859,99		0,16	0,16
INTEL CORP -	14.710,00	USD	26,650	308.897,25		0,42	0,42
INTUITIVE SURGICAL INC -	256,00	USD	553,790	111.709,27		0,15	0,15
ISOFTSTONE HOLDINGS LTD -	23.277,00	USD	5,700	104.545,66		0,14	0,14
ITRON INC -	5.965,00	USD	41,240	193.835,47		0,26	0,26
JOHNSON & JOHNSON -	3.059,00	USD	67,560	162.844,57		0,22	0,22
JOHNSON CONTROLS -	5.780,00	USD	27,710	126.202,66		0,17	0,17
KELLOGG CO. -	2.725,00	USD	49,330	105.920,93		0,14	0,14
MACY'S INC -	3.685,00	USD	34,350	99.739,78		0,14	0,14
MARATHON OIL CORP. -	5.568,00	USD	25,570	112.184,82		0,15	0,15
MASTERCARD INC -	327,00	USD	430,110	110.823,39		0,15	0,15
MCKESSON CORP -	1.576,00	USD	93,750	116.421,09		0,16	0,16
MEDTRONIC INC -	6.244,00	USD	38,730	190.552,45		0,26	0,26
MERCK & CO -	10.104,00	USD	41,750	332.394,61		0,45	0,45
METLIFE INC. -	4.553,00	USD	30,850	110.676,90		0,15	0,15
MICROSOFT CORP -	16.228,00	USD	30,590	391.154,77		0,53	0,53
MONSANTO NEW	1.901,00	USD	82,780	123.997,15		0,17	0,17
MYLAN LABORATORIES -	6.519,00	USD	21,370	109.771,52		0,15	0,15
NATIONAL-OILWELL VARCO INC -	3.281,00	USD	64,440	166.596,52		0,23	0,23
NEWMONT MINING CORP HOLDING CO -	3.159,00	USD	48,510	120.749,42		0,17	0,16
NIKE "B"	1.387,00	USD	87,780	95.934,80		0,13	0,13
NOBLE ENERGY INC -	2.041,00	USD	84,820	136.409,75		0,19	0,19
NORTHWEST PIPE COMPANY -	5.853,00	USD	24,260	111.885,41		0,15	0,15
OCCID. PETROLEUM -	2.643,00	USD	85,770	178.622,73		0,24	0,24
ORACLE CORP -	11.122,00	USD	29,700	260.281,62		0,36	0,35
PEABODY ENERGY CORP -	5.748,00	USD	24,520	111.055,83		0,15	0,15
PENTAIR INC. -	4.201,00	USD	38,280	126.715,22		0,17	0,17
PFIZER -	11.258,00	USD	23,000	204.029,63		0,28	0,28
PICO HOLDINGS INC -	6.257,00	USD	22,410	110.487,25		0,15	0,15
PLUM CREEK TIMBER CO INC -	3.664,00	USD	39,700	114.617,29		0,16	0,16
POTLATCH CORPORATION -	4.651,00	USD	31,940	117.053,77		0,16	0,16
PRICELINE.COM INC. -	203,00	USD	664,520	106.293,88		0,15	0,14

QUALCOMM CORP -	6.342,00	USD	55,680	278.246,44		0,38	0,38
RAYONIER INC -	3.260,00	USD	44,900	115.336,85		0,16	0,16
REGENRON PHARMACEUTICALS -	1.218,00	USD	114,220	109.620,96		0,15	0,15
SALESFORCE.COM INC. -	1.019,00	USD	138,260	111.013,27		0,15	0,15
SCHLUMBERGER -	7.253,00	USD	64,910	370.965,43		0,51	0,50
SOUTHWESTERN ENERGY CO -	4.758,00	USD	31,930	119.709,20		0,16	0,16
SPECTRA ENERGY CORP -	4.759,00	USD	29,060	108.972,14		0,15	0,15
SPX CORPORATION -	2.146,00	USD	65,320	110.453,64		0,15	0,15
ST JUDE MEDICAL INC. -	3.759,00	USD	39,910	118.211,09		0,16	0,16
STRYKER CORPORATION -	3.129,00	USD	55,100	135.850,52		0,19	0,18
TEXAS INSTRUMENTS -	4.781,00	USD	28,690	108.082,02		0,15	0,15
THE MOSAIC COMPANY -	2.822,00	USD	54,760	121.765,60		0,17	0,17
THERMO ELECTRONIC -	2.678,00	USD	51,910	109.538,24		0,15	0,15
TYSON FOODS INC -A-	6.895,00	USD	18,830	102.303,09		0,14	0,14
UNION PACIFIC CORPORATION -	1.197,00	USD	119,310	112.531,77		0,15	0,15
UNITEDHEALTH GROUP INC. -	7.662,00	USD	58,500	353.184,93		0,48	0,48
VALERO ENERGY CORPORATION -	5.768,00	USD	24,150	109.760,62		0,15	0,15
VALMONT INDUSTRIES -	1.170,00	USD	120,970	111.523,84		0,15	0,15
VARIAN MEDICAL SYSTEMS -	2.299,00	USD	60,770	110.086,07		0,15	0,15
VEECO INSTRUMENTS INC -	4.407,00	USD	34,360	119.316,46		0,16	0,16
VISA INC -	1.389,00	USD	123,630	135.310,12		0,18	0,18
WALT DISNEY -	2.941,00	USD	48,500	112.393,43		0,15	0,15
WATERS CORP -	1.704,00	USD	79,470	106.703,08		0,15	0,15
WELLPOINT INC -	2.759,00	USD	63,790	138.678,28		0,19	0,19
XYLEM INC/NY -	5.421,00	USD	25,170	107.514,44		0,15	0,15
ZIMMER HOLDINGS INC. -	2.109,00	USD	64,360	106.953,94		0,15	0,15
3M CO -	2.271,00	USD	89,600	160.335,36		0,22	0,22
<u>Zaire</u>							
GROWTHPOINT PROPERTIES LTD -	50.908,00	ZAR	23,000	112.812,80		0,15	0,15
Total shares				68.867.147,55		93,83	93,35
Options and futures							
Exchange-listed futures							
<u>U.S.A.</u>							
STAND & POORS EMINI SEP 12	6,00	USD	1.356,500	320.660,31		0,44	0,44
Suspense accounts (futures)							
<u>U.S.A.</u>							
STAND & POORS SEP 12	-395.235,00	USD	1,000	-311.429,36		-0,42	-0,42
Total options and futures				9.230,95		0,01	0,01
Rights							
<u>France</u>							
NATUREX CP 15/06/12	2.309,00	EUR	0,100	230,90			
Total rights				230,90			
Forward contracts		EUR		-3.936,41			-0,01
TOTAL SECURITIES PORTFOLIO				73.396.536,35		100,00	99,49
COLLATERAL RECEIVED							
<u>Belgium</u>							
KBC GROUP COLLATERAL EUR	2.273.014,35	EUR	1,000	2.273.014,35			3,08
TOTAL RECEIVED COLLATERAL				2.273.014,35			3,08

CASH AT BANK AND IN HAND						
Demand accounts						
<u>Belgium</u>						
KBC GROUP AUD	2.007,56	AUD	1,000	1.621,55		0,00
KBC GROUP CAD	7.747,68	CAD	1,000	5.988,54		0,01
KBC GROUP CHF	12.418,22	CHF	1,000	10.338,61		0,01
KBC GROUP CZK	10.013,04	CZK	1,000	392,16		0,00
KBC GROUP DKK	22.339,95	DKK	1,000	3.004,94		0,00
KBC GROUP EURO	224.523,88	EUR	1,000	224.523,88		0,30
KBC GROUP GBP	-26.182,72	GBP	1,000	-32.360,30		-0,04
KBC GROUP HKD	336.289,95	HKD	1,000	34.162,62		0,05
KBC GROUP HUF	3.915.664,65	HUF	1,000	13.702,63		0,02
KBC GROUP JPY	1.963,00	JPY	1,000	19,39		
KBC GROUP MXN	16.368,18	MXN	1,000	960,68		0,00
KBC GROUP MYR	424,07	MYR	1,000	105,23		
KBC GROUP NOK	8.729,76	NOK	1,000	1.157,21		0,00
KBC GROUP NZD	1.622,67	NZD	1,000	1.027,72		0,00
KBC GROUP PLN	4.393,21	PLN	1,000	1.037,31		0,00
KBC GROUP SEK	12.585,48	SEK	1,000	1.436,78		0,00
KBC GROUP SGD	1.391,31	SGD	1,000	865,40		0,00
KBC GROUP TRY	1.883,45	TRY	1,000	820,53		0,00
KBC GROUP USD	45.705,74	USD	1,000	36.014,29		0,05
KBC GROUP ZAR	-4.166,93	ZAR	1,000	-401,48		0,00
Total demand accounts				304.417,69		0,41
Managed futures accounts						
<u>Belgium</u>						
KBC GROUP USD FUT REK	-246,29	USD	1,000	-194,07		
Total managed futures accounts				-194,07		
TOTAL CASH AT BANK AND IN HAND				304.223,62		0,41
OTHER RECEIVABLES AND PAYABLES						
Receivables						
<u>Belgium</u>						
KBC GROUP EUR RECEIVABLE	25.237,59	EUR	1,000	25.237,59		0,03
KBC GROUP WHT TO BE RECOVERED EUR	0,00	EUR	1,000	0,00		
Total receivables				25.237,59		0,03
Payables						
<u>Belgium</u>						
KBC GROUP COUNTERPART ENTRY COLLATERAL IN EUR	-2.273.014,35	EUR	1,000	-2.273.014,35		-3,08
KBC GROUP EUR PAYABLE	-126.096,36	EUR	1,000	-126.096,36		-0,17
Payables				-2.399.110,71		-3,25
TOTAL RECEIVABLES AND PAYABLES				-2.373.873,12		-3,22

OTHER						
Interest receivable		EUR		229.616,99		0,31
Accrued interest		EUR		3.220,41		0,00
Expenses payable		EUR		-74.136,84		-0,10
Expenses to be carried forward		EUR		11.512,72		0,02
TOTAL OTHER				170.213,28		0,23
TOTAL NET ASSETS				73.770.114,48		100,00

Geographic breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Argentina	0,06	0,02	0,00	0,00
Australia	0,78	1,98	1,70	1,36
Austria	0,13	0,66	0,38	0,32
Belgium	3,40	1,24	1,32	0,47
Bermuda	0,51	0,20	0,23	0,25
Brazil	0,47	6,77	5,67	5,36
Canada	1,74	4,45	3,88	3,47
Switzerland	1,40	2,72	2,47	2,25
Chile	0,07	0,61	0,00	0,54
China	4,26	6,10	6,24	6,27
Colombia	0,00	0,19	0,00	0,47
Czech Republic	0,00	0,45	0,62	0,29
Cayman Islands	1,31	0,81	0,82	0,81
Germany	2,08	2,26	1,64	1,72
Denmark	0,55	0,47	0,49	0,29
Egypt	0,00	0,04	0,00	0,00
Spain	1,69	0,48	0,37	0,16
Finland	0,43	0,23	0,16	0,15
France	2,31	3,45	3,03	3,04
U.K.	5,10	5,60	6,35	5,60
Greece	0,01	0,01	0,10	0,00
Hong Kong	7,28	4,55	5,02	4,84
Hungary	0,02	0,29	0,38	0,15
India	7,45	4,64	3,92	4,13
Indonesia	0,52	0,86	1,08	1,42
Ireland	0,00	0,09	0,60	0,57
Israel	0,50	0,20	0,00	0,35
Italy	1,12	0,77	0,62	0,63
Jersey/The Channel Islands	7,92	0,24	0,21	0,34
Japan	2,57	1,84	2,66	4,01
South Korea	2,69	5,14	5,42	5,26
Croatia	0,00	0,01	0,00	0,00
Luxembourg	0,22	0,03	0,00	0,00
Mexico	0,41	1,69	1,48	1,37
Malaysia	1,12	2,29	2,14	1,69
Netherlands	0,76	0,46	0,39	0,63
Norway	0,23	0,52	0,40	0,32
New Zealand	0,00	0,01	0,00	0,00
Peru	0,00	0,13	0,33	0,51
Philippines	0,25	0,27	0,31	0,46
Poland	0,02	1,21	0,80	0,92
Portugal	0,01	0,09	0,00	0,15
Romania	0,00	0,07	0,00	0,00
Russia	0,44	3,46	2,92	2,38
Singapore	0,84	0,74	0,53	0,62
Sweden	0,37	0,74	0,61	0,30
Thailand	0,32	0,55	1,04	1,12
Turkey	0,06	1,55	1,31	1,90
Taiwan	1,81	3,53	3,99	3,84
U.S.A.	35,79	23,37	25,79	27,08
British Virgin Islands	0,24	0,00	0,00	0,00
South Africa	0,74	1,89	2,58	2,04

Congo	0,00	0,03	0,00	0,15
Total	100,00	100,00	100,00	100,00

Sector breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Cyclicals	23,28	37,11	34,94	35,15
Consum(cycl)	8,38	12,79	11,49	9,51
Cons.goods	2,56	6,59	8,48	10,15
Pharma	16,17	9,29	11,61	10,03
Financials	14,00	13,12	10,54	11,21
Technology	17,14	11,32	11,95	14,58
Telecomm.	7,74	3,07	3,38	2,85
Utilities	9,33	5,83	6,76	5,58
Real est.	1,28	0,84	0,85	0,94
Unit trusts	0,11	0,02	0,00	0,00
Various	0,01	0,02	0,00	0,00
Total	100,00	100,00	100,00	100,00

Currency breakdown (as a % of net assets)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
ARS	0,00	0,02	0,00	0,00
AUD	0,55	1,97	1,92	1,31
BRC	0,18	0,00	0,00	0,00
BRL	0,17	6,48	5,66	5,18
CAD	1,54	4,21	3,92	3,04
CHF	1,75	2,71	2,49	1,83
CNY	0,20	2,20	1,73	1,72
COP	0,00	0,10	0,00	0,00
CZK	0,00	0,54	0,73	0,29
DKK	0,55	0,47	0,49	0,29
EUR	11,63	9,82	7,71	7,69
GBP	5,52	5,37	6,17	5,59
HKD	12,12	9,08	10,45	9,25
HRK	0,00	0,01	0,00	0,00
HUF	0,02	0,29	0,40	0,17
IDR	0,46	1,07	1,14	1,55
ILS	0,00	0,00	0,00	0,15
INR	7,35	4,34	3,66	4,00
JPY	2,50	1,85	2,69	4,00
KRW	2,65	5,12	5,41	5,24
MXN	0,00	1,36	1,12	1,01
MYR	1,12	2,28	2,13	1,69
NOK	0,26	0,54	0,40	0,32
NZD	0,00	0,01	0,00	0,00
PEN	0,00	0,02	0,00	0,00
PHP	0,25	0,27	0,31	0,46
PLN	0,02	1,22	0,80	0,92
RON	0,00	0,06	0,00	0,00
SEK	0,38	0,76	0,61	0,31
SGD	0,84	0,75	0,54	0,62
THB	0,32	0,57	1,04	1,11
TRY	0,01	1,54	1,32	1,90
TWD	1,77	3,68	3,72	3,68
USD	47,12	29,37	30,81	34,49
ZAR	0,72	1,92	2,63	2,19
Total	100,00	100,00	100,00	100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC EQUITY FUND MILLENNIUM (IN THE CURRENCY OF THE SUB-FUND)

	1st half of year	Year
Purchases	86.132.103,87	86.132.103,87
Sales	39.311.727,37	39.311.727,37
Total 1	125.443.831,24	125.443.831,24
Subscriptions	65.251.301,11	65.251.301,11
Redemptions	18.370.406,40	18.370.406,40
Total 2	83.621.707,51	83.621.707,51
Monthly average of total assets	71.139.274,32	71.139.274,32
Turnover rate	58,79 %	58,79 %

	1st half of year	Year
Purchases	86.132.103,87	86.132.103,87
Sales	39.311.727,37	39.311.727,37
Total 1	125.443.831,24	125.443.831,24
Subscriptions	65.251.301,11	65.251.301,11
Redemptions	18.370.406,40	18.370.406,40
Total 2	83.621.707,51	83.621.707,51
Monthly average of total assets	70.079.633,58	70.079.633,58
Corrected turnover rate	59,68 %	59,68 %

The table above shows the capital volume of portfolio transactions. This volume (adjusted to take account of total subscriptions and redemptions) is also compared to the average net assets at the beginning and end of the period.

A figure close to 0% implies that the transactions relating to the securities or transactions relating to the assets (excluding deposits and cash) in a given period only involve subscriptions and redemptions.

A negative percentage shows that subscriptions and redemptions entailed few, if any, transactions in the portfolio.

Active asset management may result in high turnover rates (monthly percentage >50%).

The detailed list of transactions is available for consultation free of charge at the registered office of the Bevek or fund at Havenlaan 2, 1080 Brussels.

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

NAME	Currency	Value in currency	In the currency of the sub-fund	Lot-size	Transaction date
KBC COLLATERAL EUR	EUR	2.273.014,35	2.273.014,35	N/A	29.06.2012
STPOORS EMINI SEP 12	USD	406.950,00	320.660,31	50,00	13.06.2012
KBC AK-VK USD-EUR 121214-120615 1.255478	USD	395.000,00	311.244,19	N/A	15.06.2012

2.4.4 CHANGES OF THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND THE NET ASSET VALUE

Classic Shares

Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2010 - 06	2.250,32	287,56	25.123,13	1.215,00	191.049,20	15.527,26	206.576,46
2011 - 06	1.023.260,02	156.084,68	888.111,10	138.237,06	326.198,12	33.374,88	359.572,99
2012 - 06	35.280,09	1,00	87.190,67	5.869,49	274.287,53	27.506,39	301.793,92

Period	Amounts received and paid by the UCI (in the currency of the class)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2010 - 06	179.566,65	23.162,66	2.027.890,38	92.894,48
2011 - 06	5.799.210,16	818.566,81	65.000.740,41	9.884.607,62
2012 - 06	3.174.286,23	79,83	7.559.657,22	477.325,55

Period	Net asset value End of period (in the currency of the class)		
Year	Of the class	Of one share	
		Capitalization	Distribution
2010 - 06	17.544.434,80	85,42	78,86
2011 - 06	32.107.632,60	89,93	83,03
2012 - 06	26.368.787,90	87,99	81,23

Institutional B Shares

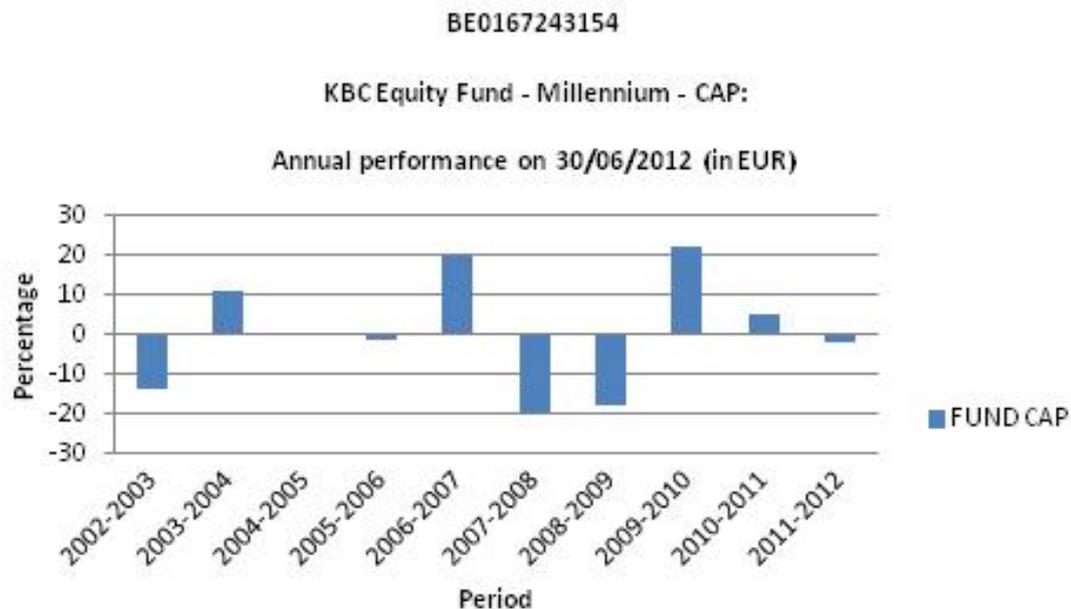
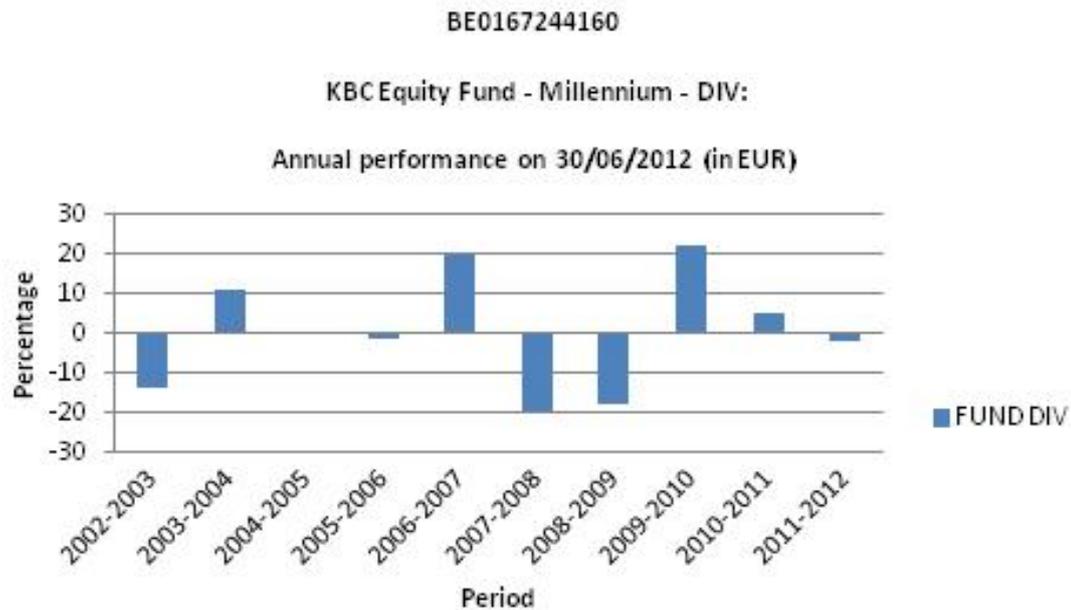
Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2012 - 06	686.474,00		147.471,00		539.003,00		539.003,00

Period	Amounts received and paid by the UCI (in the currency of the class)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2012 - 06	62.240.921,46		13.091.188,20	

Period	Net asset value End of period (in the currency of the class)		
Year	Of the class	Of one share	
		Capitalization	Distribution
2012 - 06	47.401.326,59	87,94	

2.4.5 PERFORMANCE FIGURES

Classic Shares



Cap Div	ISIN code	Currency	1 Year		3 Years*		5 Years*		10 Years*		Since launch*	
			Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Launch Date	Share classes
CAP	BE0167243154	EUR	-2.16%		7.98%		-3.55%		-0.51%		30/04/1998	-4.30%
DIV	BE0167244160	EUR	-2.17%		7.97%		-3.55%		-0.52%		30/04/1998	-4.30%

Risk warning: Past performance is not a guide to future performance.

* Return on annual basis.

Institutional B Shares

The cumulative returns are shown where they relate to a period of at least one year.

Classic Shares

- The bar chart shows the performance for full financial years.
- The figures do not take account of any restructuring.
- Calculated in EUR (ex BEF).
- The return is calculated as the change in the net asset value between two dates expressed as a percentage. In the case of units that pay dividends, the dividend is incorporated geometrically in the return.
- Calculation method for date D, where NAV stands for net asset value:

Capitalisation units (CAP)

Return on date D over a period of X years:

$$[\text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where $Y = D - X$

Return on date D since the start date S of the unit:

$$[\text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where $F = 1$ if the unit has existed for less than one year on date D

where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D

Distribution units (DIV)

Return on date D over a period of X years:

$$[C * \text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where $Y = D - X$

Return on date D since the start date S of the unit:

$$[C * \text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where $F = 1$ if the unit has existed for less than one year on date D

where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D

where C is a factor that is determined for all N dividends between the calculation date D and the reference date.

For dividend i on date Di with value Wi:

$$C_i = [W_i / \text{NIW}(D_i)] + 1$$

$i = 1 \dots N$

from which $C = C_0 * \dots * C_N$.

- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the n^{th} square root of 1 plus the total return of the unit.
- The return figures shown above do not take account of the fees and charges associated with the issue and redemption of units.

These are the performance figures for capitalisation and distribution shares.

2.4.6 COSTS

Total expense ratio (TER): *

Classic Shares Distribution: 2.057%
Classic Shares Capitalization: 2.057%
Institutional B Shares Capitalization: Not applicable

Percentage calculated at the end of the financial year: 31 December

* The following costs have not been included in the TER:

- Transaction charges
- Interest payments on loans taken out
- Payments in respect of financial derivatives
- Fees and charges paid directly by the investor
- Any soft commissions

SOFT COMMISSIONS

The management company or the appointed manager, as the case may be, is the recipient of soft commissions.

The recipient has laid down an internal policy as regards accepting soft commissions and avoiding possible conflicts of interest in this respect, and has put appropriate internal controls in place to ensure this policy is observed.

For more information, please see the 'General' section of the annual report.

	Commission gross in EUR paid during the period: 1-01-12 -	CSA Credits in EUR accrued during the period: 1-01-12 -	
Broker	30-06-12	30-06-12	Percentage
CITI	27,680	17,300	62.50%
CSFBSAS	11,909	7,258	60.95%
DEUTSCHE	675	169	25.00%
EQ CSA MACQUARIE	5,842	3,651	62.50%
HSBC	199	50	25.00%
MERRILL	2,949	1,843	62.50%
MORGAN STANLEY	9,326	5,762	61.79%
NOMURA	5,487	3,615	65.88%
UBSWDR	9,538	5,910	61.97%
WOOD	231	58	25.00%

FEE-SHARING AGREEMENTS AND REBATES:

The management company may share its fee with the distributor, and institutional and/or professional parties.

In principle, the percentage share amounts to between 35% and 60% if the distributor is an entity of KBC Group NV or to between 35% and 70% if the distributor is not an entity of KBC Group NV. However, in a small number of cases, the distributor's fee is less than 35%. Investors may, on request, obtain more information on these cases.

If the management company invests the assets of the undertaking for collective investment in units of undertakings for collective investment that are not managed by an entity of KBC Group NV, and receives a fee for doing so, it will pay this fee to the undertaking for collective investment.

Fee-sharing does not affect the amount of the management fee paid by the sub-fund to the management company. This management fee is subject to the limitations laid down in the articles of association. The limitations may only be amended after approval by the general meeting of shareholders.

The management company has concluded a distribution agreement with the distributor in order to facilitate the wider distribution of the sub-fund's units by using multiple distribution channels. It is in the interests of the holders of units, the sub-fund and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund to be maximised in this way. In this respect, there is therefore no question of any conflict of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: 1.35% per annum calculated on the basis of the average total net assets of the sub-fund, excluding those assets invested in investment undertakings managed by a financial institution of the KBC group.

KBC Fund Management Limited receives a fee from the management company of max. 1.35% calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the average total net assets of the sub-fund.

Auditor's fee: 1 700 EUR per year. This fee is not including VAT and will be increased at the end of the 3-year mandate.

The custody fee is calculated on the value of the securities held in custody by the custodian on the final banking day of the preceding calendar year, except on those assets invested in investment undertakings managed by a financial institution of the KBC group. The custody fee is paid at the beginning of the calendar year.

Social, ethical and environmental aspects:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

Exercising voting rights

If necessary, relevant and in the interest of the shareholders, the management company will exercise the voting rights attached to the shares in the Bevek's portfolio.

The management company will adhere to the following criteria when determining how it stands relative to the items on the agenda that are put to the vote:

- Shareholder value may not be adversely affected.
- Corporate governance rules, especially with regard to the rights of minority shareholders, must be respected.
- The minimum standards with regard to sustainable business and corporate social responsibility must be met.

The list of companies for which voting rights are exercised is available at the registered office of the Bevek.

Financial derivatives on financial indices

The following financial indices were used as the underlying for financial derivatives:

The **S&P 500** is an equity index computed by Standard & Poor's that is made up of 500 shares. The dividend is not reinvested. The S&P 500 serves primarily as a continuous indicator of market trends on the US stock markets. The value of the S&P 500 index is calculated on the basis of the market value of the shares of 500 companies at a given point in time, compared to the market value of the shares of 500 similar companies during the reference period from 1941 to 1943. The index is published daily in L'Echo, De Tijd, The Financial Times and The Wall Street Journal Europe.

Standard & Poor's has all proprietary rights with respect to the index. In no way Standard & Poor's endorses, sponsors or is otherwise involved in the issue and offering the shares of this undertaking for collective investment. Standard & Poor's disclaims any liability for the issue and offering of the shares of this undertaking for collective investment

The value and, if available for distribution, the composition of the aforementioned financial indices may be obtained from the branches providing the financial service.

Name	Maximum management fee
Horizon-Access Fund China-Classic Shares	1,50
Horizon-Access India Fund-Classic Shares	1,50
KBC Equity Fund-Millennium-Institutional B Shares	1,35
KBC Equity Fund-Millennium-Classic Shares	1,35

Securities lending

In accordance with the Royal Decree of 7 March 2006 concerning securities lending, the undertaking for collective investment has taken out securities loans with a principal to whom the full title of the loaned securities was transferred, without recording this transfer of ownership in the accounts.

For the period from 1 January 2012 to 30 June 2012, the fee for securities lent comes to 4,434.60 EUR. KBC Asset Management NV receives 50% of the net fee received for securities lent.

The detailed list of securities lending transactions carried out can be obtained from the registered office of the collective investment undertaking at 2 Havenlaan, 1080 Brussels.

Overview of securities lent as at 30/06/2012

Name	Currency	Quantity	Price	Value in currency of the portfolio
ANHUI CONCH CEMENT CO LTD -H-	HKD	38.999	20,950	82.999,35
BANK PEKAO SA	PLN	3.237	151,500	115.792,76
CENOVUS ENERGY INC	CAD	4.450	32,370	111.340,29
CHINA RAILWAY CONSTRUCTIO-H-	HKD	181.999	6,410	118.512,52
GLENCORE INTERNATIONAL PLC	GBP	18.815	2,956	68.727,89
GREE INC	JPY	6.699	1.581,000	104.593,31
GUANGZHOU R&F PROPERTIES COMP.LTD	HKD	97.199	10,180	100.518,68
IAMGOLD CORPORATION	CAD	11.100	12,040	103.299,71
KGHM POLSKA MIEDZ SA	PLN	3.182	145,000	108.941,73
MAGYAR OLAJ-ES (BUD)	HUF	1.888	16.300,000	107.693,17
PERNOD-RICARD	EUR	1.295	84,260	109.116,70
POLSKI KONCERN NAFTO	PLN	12.661	37,410	111.836,04
POWSZECHNA KASA OSZC	PLN	14.660	34,600	119.766,72
POWSZECHNY ZAKLAD UBEZPIECZEN SA	PLN	1.430	334,000	112.773,89
RAIFFEISEN BANK INTL	EUR	4.104	25,750	105.678,00
SAPUTO INC	CAD	3.300	42,330	107.972,17
SHANGRI-LA ASIA	HKD	28.251	14,780	42.417,54
SWATCH GROUP OP NAME	CHF	500	65,750	27.369,60
ZIJIN MINING GROUP CO -H-	HKD	159.967	2,600	42.251,39
Total				1.801.601,46

Details of collateral received for securities lent

Name	Currency	Nominal value	Currency fund	Value in Currency fund
FLEMISH 2009 3,875% 20/07/2016	EUR	950.000	EUR	1.062.780,20
BUNDESREPUB.DTL. 2011 2.25% 04/09/21	EUR	238.000	EUR	260.185,65
GERMANY 2009 2,25% 11/04/14	EUR	204.000	EUR	212.935,81
FRANCE 2001 3% 25/07/2012	EUR	454.000	EUR	580.493,03
FRANCE 2004 4% 25/04/55	EUR	32.000	EUR	34.898,27
NEDERLAND 2009 4.00% 15/07/19	EUR	102.000	EUR	121.721,39
Total				2.273.014,35

For the valuation of the collateral received, indicative prices have been used in this detail list by the Collateral Management Division of KBC Bank.

TABLE OF CONTENTS

- 2. Information on KBC Equity Fund Pharma Growth
 - 2.1. Management report
 - 2.1.1. Launch date and subscription price
 - 2.1.2. Stock exchange listing
 - 2.1.3. Aim and distinctive features of the investment policy
 - 2.1.4. Financial portfolio management
 - 2.1.5. Distributors
 - 2.1.6. Index and benchmark
 - 2.1.7. Policy conducted during the financial year
 - 2.1.8. Future policy
 - 2.1.9. Synthetic risk and reward indicator (SRRI)
 - 2.2. Balance sheet
 - 2.3. Profit and loss account
 - 2.4. Composition of the assets and key figures
 - 2.4.1. Composition of the assets
 - 2.4.2. Change in the composition of the assets
 - 2.4.3. Value of commitments in respect of financial derivatives positions
 - 2.4.4. Evolution of the number of subscriptions, repayments and the net asset value
 - 2.4.5. Return figures
 - 2.4.6. Expenses
 - 2.4.7. Notes to the financial statements and other data

2 INFORMATION ON KBC EQUITY FUND PHARMA GROWTH

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Classic Shares :

Launch date: 28 September 2001

Initial subscription price: 500 EUR

Currency: EUR

Institutional B Shares :

Launch date: 25 November 2011

Initial subscription price: 504.14 EUR

Currency: EUR

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

The main objective of this sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. To this end, the assets are invested, either directly or indirectly via correlated financial instruments, primarily in shares.

SUB-FUND'S INVESTMENT POLICY:

PERMITTED ASSET CLASSES:

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the sub-fund's object.

The sub-fund shall invest no more than 10% of its assets in units of other undertakings for collective investment.

RESTRICTIONS OF THE INVESTMENT POLICY:

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

PERMITTED DERIVATIVES TRANSACTIONS:

Derivates may be used either for hedging purposes or to achieve investment objectives.

Changes will be made to the investments at regular intervals to comply with the sub-fund's investment strategy. **In addition, listed and unlisted derivates may be used to achieve the objectives:** these may be forward contracts, options or swaps on securities, indices, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions. **Such derivatives may also be used to hedge the assets against exchange-rate fluctuations.** Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions.

STRATEGY SELECTED

At least 75% of the assets are invested in shares of companies in the pharmaceutical or biotechnology sector. The emphasis is on growth companies.

LENDING FINANCIAL INSTRUMENTS:

The sub-fund may lend financial instruments within the limits set by law and regulations.

This lending does not affect the sub-fund's risk profile since:

- it takes place within the framework of a securities lending system managed by a principal. In addition, the sub-fund has a relationship only with the principal of the securities lending system which acts as counterparty and to which title of the loaned securities is transferred. The choice of principal is subject to strict selection criteria. The return of securities similar to the securities that have been lent is guaranteed by the principal.
- through a margin management system, the sub-fund is always guaranteed financial security, the actual value of which always exceeds the actual value of the securities that have been lent, in case the principal does not return similar securities.

The return of securities similar to the securities that have been lent can be requested at any time, which means that the lending of securities does not affect the management of the sub-fund's assets. By lending securities, the sub-fund can generate an additional return. The principal pays a fee to the management company. After deducting the fee for the margin management and clearing services of KBC Bank, most of this fee is paid to the sub-fund.

The relationship with the counterparty or counterparties is governed by standard international agreements.

More information is provided on the terms and conditions governing securities lending in the annual or half-yearly report for the sub-fund.

GENERAL STRATEGY FOR HEDGING THE EXCHANGE RATE RISK:

In order to protect its assets against exchange rate fluctuations and within the limitations laid down in the articles of association, the sub-fund may perform transactions relating to the sale of forward currency contracts, as well as the sale of call options and the purchase of put options on currencies. The transactions in question may relate solely to contracts traded on a regulated market that operates regularly, is recognised and is open to the public or that are traded with a recognised, prime financial institution specialising in such transactions and dealing in the over-the-counter (OTC) market in options. With the same objective, the sub-fund may also sell currencies forward or exchange them in private transactions with prime financial institutions specialising in such transactions. The hedging objective of the aforementioned transactions suggests that there is a direct link between these transactions and the assets to be hedged, which implies that the transactions carried out in a particular currency may in principle not exceed, in terms of volume, either the valuation value of all the assets in the same currency or the holding period of those assets.

SOCIAL, ETHICAL AND ENVIRONMENTAL ASPECTS:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

THE EUROPEAN SAVINGS DIRECTIVE AND TAX ON DEBT CLAIM RETURNS OBTAINED THROUGH THE REDEMPTION OF OWN UNITS OR IN THE EVENT OF FULL OR PARTIAL DISTRIBUTION OF EQUITY CAPITAL.

The following information is of a general character and is not intended to cover all aspects of an investment in a UCITS. In certain cases entirely different rules might even apply. Moreover, both tax law and the interpretation of it can change. Investors who wish to have more information about the tax implications – in both Belgium and abroad – of acquiring, holding and transferring units should seek the advice of their usual financial and tax advisers.

This UCITS shall invest a maximum of 15% of its assets directly or indirectly in debt instruments as intended by the European Savings Directive.

A. European Savings Directive (Directive 2003/48/EC)

The European Savings Directive has been implemented in Belgium through:

- The Law of 17 May 2004 transposing into Belgian law Directive 2003/48/EC of 3 June 2003 of the Council of the European Union on taxation of savings income in the form of interest payments and amending Income Tax Code 1992 on withholding tax;
- The Royal Decree of 27 September 2009 implementing Article 338bis § 2 of Income Tax Code 1992;
- The Royal Decree of 27 September 2009 concerning the entry into effect of Article 338bis § 2, paragraphs one to three, of Income Tax Code 1992;

Since this UCITS invests a maximum of 15% of its assets directly or indirectly in debt claims as intended by the European Savings Directive, the income of this UCITS does not fall within the scope of this directive.

B. Tax on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital (Article 19bis Income Tax Code 1992).

The income from this UCITS is not subject to the tax on debt instrument returns as intended by Article 19bis, Income Tax Code 1992.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

There is no delegation of the portfolio.

2.1.5 DISTRIBUTORS

KBC Asset Management S.A., 5, Place de la Gare, L-1616 Luxembourg.

2.1.6 INDEX AND BENCHMARK

See 'Sub-fund's investment policy'.

2.1.7 POLICY PERSUED DURING THE FINANCIAL YEAR

KBC Equity Fund Pharma Growth invests worldwide in companies active in all aspects of health care. These are, in the first place, pharmaceutical companies, but also include manufacturers of generic drugs, biotechnology companies, companies active in medical technology (e.g. cardiovascular and orthopaedic technologies) and medical services such as distributors, hospital chains and health insurers. Our preference is for companies which – thanks in some cases to innovation – display above-average growth at an attractive valuation.

KBC Equity Fund Pharma invests worldwide in companies active in all aspects of health care. These are, in the first place, pharmaceutical companies, but also include manufacturers of generic drugs, biotechnology companies, companies active in medical technology (e.g. cardiovascular and orthopaedic technologies) and medical services such as distributors, hospital chains and health insurers. Our preference is for companies which – thanks in some cases to innovation – display above-average growth at an attractive valuation.

During the first half of the year the healthcare sector (MSCI World Healthcare) performed extremely well. Which is understandable; as a result of the continuing crisis in Europe and the impact this could have on the European and, by extension, world economy, investors have been taking refuge in safe havens: the United States, the emerging markets or the relatively stable healthcare sector.

Resorting to the stable health sector is self-evident. The pharmaceutical industry may have its challenges, but also has the resources to meet them. The most important challenges in the Pharmaceutical sector are: patent expiry, R&D productivity and governmental pressure on the price of medicinal drugs. A number of companies have managed in recent years gradually to build up a pipeline, either by developing drugs themselves, such as GlaxoSmithKline, or by means of takeovers and agreements, such as Bristol Myers Squibb's 'String of Pearls'. Others have proved less successful in doing so, but have taken a different tack: buying back their own shares, sometimes in combination with an attractive dividend yield, such as AstraZeneca and Pfizer. The combination of both mechanisms did at least generate some enthusiasm for this subsector.

Another subsector that has done extremely well is the Biotech sector. Here again we see two different approaches. On the one hand, there are the large, mature companies, with an existing franchise at their disposal. As long as the franchise is not under pressure and there are prospects for expanding it, such companies remain highly in vogue. Gilead for example has a strong anti-HIV franchise and also has the potential to become an important player in HCV (Hepatitis C) with still experimental drugs such as GS-7977. On the other hand, emerging Biotech companies have been the subject of greater interest. Initiatives taken in the early 2000s are now beginning to bear fruit. Ocriplasmin, manufactured by the Belgian company ThromboGenics, is on the point of being approved for the treatment of eye disorders. Human Genome Sciences has successfully developed Benlysta for Lupus, which it markets jointly with its partner GlaxoSmithKline. A breakthrough of this kind makes a biotech company an interesting takeover target, whereby interested parties will not hesitate to launch a hostile bid. Micromet was the subject of a friendly takeover by Amgen, while Human Genome Sciences is the object of a hostile bid by GlaxoSmithKline. In the US and Europe alone takeovers totalling 25 bn USD (source: Bloomberg) have already been announced in the first half of this year. The excellent performance of the biotech sector is therefore not surprising.

One subsector that was clearly doing less well is the highly diverse Healthcare Equipment. Try as it might, the sector was unable to shake off the various ills that have been plaguing it for some time: the general lack of innovation, lack of pricing power and the fact that it is a target for governments and/or clients that are cutting back. The small Dental Implants subsector, for example, is closely tied to customers' discretionary spending. In a weak economic climate, this is one of the first things to go. This has resulted in unprecedentedly low valuations for the sector – lower even than in the crisis year of 2008. The orthopaedic and cardiovascular players are more defensive in nature, but here too the sector faces a highly unfavourable combination of circumstances, which has been persisting for some years: no innovation and no pricing power. The utilisation rate has however stopped slowing and there are signs of stabilisation.

One subsector that has performed well is (medical) Services. Particularly prominent were the Managed Care companies, i.e. the American commercial health insurers. One of the implications of Obamacare has been the obligatory individual mandate, under which young and healthy customers are required to take out health insurance so as to make the extension of healthcare to other customers affordable: health insurers are obliged to include children living at home at the age of 26 in their parents' 'Health plans'. Similarly, they are no longer permitted to refuse insurance to people on account of their previous medical history. It used to be the case that customers with a chronic disorder were no longer able to take out a new contract when their old one expired other than on onerous and, for most people, unaffordable terms. Opponents of the legislation hope that the 'individual mandate' would be ruled unconstitutional. Had that been so, the whole plan could have collapsed, as the opponents wanted. A collapse of ObamaCare was regarded as potentially favourable for the health insurers, as a number of expensive commitments would then have been eliminated.

2.1.8 FUTURE POLICY

During the period ahead we think it remains advisable to seek out safe places, for example in healthcare. The 'euro' crisis has still not been resolved and some observers are beginning to fear that the malaise will spread to the economically strong euro countries. But we should also not be blind to the new challenges that are looming in the healthcare sector. A US survey commissioned by the government indicates that the costs of healthcare have been rising by nearly 4% a year and, given unchanged policies, will continue to do so in the coming years, with an outlier in 2014, when the costs of healthcare will rise by over 7% as ObamaCare comes fully on stream. By 2017 healthcare in the US will cost a mind-boggling 20% of GNP. Needless to say, measures are being planned to curb the rising costs in the US.

The US Supreme Court has now ruled on the constitutionality of ObamaCare. To widespread surprise, the law was upheld. The Court took the view that the fine attached to the requirement to buy health insurance should in fact be regarded as a tax. Since tax is a federal matter, ObamaCare is constitutional. This is of course grist to the Republican mill in the run-up to the forthcoming presidential elections. That would however appear to be bad news for the commercial health insurers in the US, although a qualification is in order. The commercial health insurers had already indicated that provided a few minor adjustments had been made, they would have continued to guarantee most of the elements of ObamaCare, even if the legislation had been struck down. That would appear to demonstrate that all in all, the implications as quantified by the Managed Care companies will remain limited. They will be obliged to provide wider access to healthcare, but as against this there will be a greater number of mandates.

The utilisation rate in the hospital sector has stabilised. An improvement in the economy does not necessarily lead to a rise in the utilisation rate, but does of course result in improved access to the health sector. We expect that an upturn of the hospital sector will be anticipated towards the end of the year. Election rhetoric could in this case put a spanner in the works. We have no idea in which direction the rhetoric will head, but what is clear is that healthcare is bound to be one of the top three election issues.

On the Equipment side we can only see further gloom and doom; as noted previously, the costs are going through the roof and measures must be taken to bring costs down. Equipment is particularly sensitive to such measures. The utilisation rate in the hospital sector has stabilised. An improvement in the economy does not necessarily lead to a rise in the utilisation rate, but does of course result in improved access to the health sector. The Sapien heart valve is minimally invasive for patients who are too weak to undergo a regular, invasive procedure. And that is the reason why the Boston Scientifics of this world simply do not succeed in achieving significant growth. They lack the flexibility of, for example, Johnson & Johnson, which could simply leave the playing field.

The Pharmaceutical sector also needs to be on its guard. It is in good shape and has a number of strong points, such as the dividend yield and traditional share buybacks. But it needs to keep a close watch on the situation in the periphery of Europe. Roche has decided not to deliver any drugs in Spain and Portugal to hospitals with payment arrears of more than 700 days. In some regions this applies to over a quarter of the hospitals. Although Roche is the only one to have gone public on this issue, there are known to be other players that have limited the access to drugs, for limited periods or otherwise. When Greece for example unilaterally slashed the price of drugs, Novo Nordisk simply stopped supplying the country. That situation has since been rectified, but in the meantime the sector is at risk of a change in perception under which they are labelled as villains. But the overall situation is not without importance. Some countries make use of a 'basket' of drugs, including ones from the local region, in order to determine the price. In this way, a loss of several tens of millions of euros in sales can indirectly result in a more significant loss of sales elsewhere through pressure on prices.

Spared to some extent from most of these tribulations is Biotechnology, especially emerging biotechnology. There has been a flood of new drugs that are on the point of approval, even for conditions for which it has so far been notoriously difficult to get anything approved. The prime example is obesity products. The fact that Arena's small molecule drug lorcaserin was approved for obesity was a breakthrough. It has been 13 years since anything was approved for this condition. But the drug also has its issues, as it is a 'Fen-Phen' derivative. 'Fen-Phen' or fenfluramine and dexfenfluramine was a weight-loss drug combination that was extraordinarily popular in the 1990s. The drug turned out, however, also to cause serious heart-valve damage. The fact that lorcaserin was associated with carcinogenicity, albeit only among rats, was also not exactly encouraging. Nevertheless, here we are in 2012 and the drug has been approved, despite its modest efficacy – an illustration of the present benevolence of the FDA. As such it is not surprising that we have long regarded biotechnology as a must have in any dynamic portfolio.

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

Classic Shares: 6 on a scale of 1 (lowest risk) to 7 (highest risk).

Institutional B Shares: 6 on a scale of 1 (lowest risk) to 7 (highest risk).

The value of a share can decrease or increase and the investor may not get back the amount invested.

In accordance with Commission Regulation (EU) No. 583/2010, a synthetic risk and reward indicator has been calculated. This indicator provides a quantitative measure of the sub-fund's potential return and the risk involved, calculated in the currency in which the sub-fund is denominated. It is given as a figure between 1 and 7. The higher the figure, the greater the potential return, but also the more difficult it is to predict this return. Losses are possible too. The lowest figure does not mean that the investment is entirely free of risk. However, it does indicate that, compared with the higher figures, this product will generally provide a lower, but more predictable return.

The synthetic risk and reward indicator is assessed regularly and can therefore go up or down based on data from the past. Data from the past is not always a reliable indicator of future risk and return.

The most recent indicator can be found under the 'Risk and reward profile' heading in the 'Key Investor Information' document.

2.2 BALANCE SHEET

Balance sheet layout	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
TOTAL NET ASSETS	22.253.927,25	24.031.378,18
II. Securities, money market instruments, UCIs and derivatives		
C. Shares and similar instruments		
a) Shares	22.133.623,51	23.059.295,02
b) Closed-end undertakings for collective investment		877.182,30
D. Other securities		6.973,37
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable	13.957,19	392.716,29
B. Payables		
a) Accounts payable (-)	-33.764,92	-379.872,09
c) Borrowings (-)	-2.932,61	-226.433,35
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	127.400,88	305.427,16
VI. Accruals and deferrals		
A. Expense to be carried forward	8.163,82	10.730,75
B. Accrued income	35.603,40	14.573,92
C. Accrued expense (-)	-28.124,02	-29.215,19
TOTAL SHAREHOLDERS' EQUITY	22.253.927,25	24.031.378,18
A. Capital	19.780.874,77	22.872.160,64
B. Income equalization	-17.070,86	-4.728,35
D. Result for the period	2.490.123,34	1.163.945,89

2.3 PROFIT AND LOSS ACCOUNT

Income Statement	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
I. Net gains(losses) on investments		
A. Bonds and other debt instruments		
b) Other debt instruments		
b1 With embedded derivative financial instruments		7.481,14
C. Shares and similar instruments		
a) Shares	2.028.051,16	2.113.859,76
b) Closed-end undertakings for collective investment	19.302,30	-14.789,22
D. Other securities	237,97	44.778,80
H. Foreign exchange positions and transactions		
b) Other foreign exchange positions and transactions	346.472,62	-859.079,00
II. Investment income and expenses		
A. Dividends	343.613,56	148.215,76
B. Interests		
a) Securities and money market instruments	2.365,84	21.475,36
b) Cash at bank and in hand and deposits	317,57	1.101,13
C. Interest on borrowings (-)	-953,67	-829,50
III. Other income		
A. Income received to cover the acquisition and realization of assets, to discourage withdrawals and for delivery charges	20.299,39	
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-82.255,44	-29.875,08
B. Financial expenses (-)	-314,90	-2.419,03
C. Custodian's fee (-)	-7.718,01	-9.135,40
D. Manager's fee (-)		
a) Financial management		
Classic Shares	-122.072,44	-150.399,76
Institutional B Shares	-33.315,41	
b) Administration and accounting management	-11.107,38	-10.918,29
F. Formation and organisation expenses (-)	-2.190,28	-74.917,44
G. Remuneration, social security charges and pension		-4,19
H. Services and sundry goods (-)	-3.039,73	-2.580,28
J. Taxes		
Classic Shares	-4.421,37	-9.041,63
Institutional B Shares	-79,49	
K. Other expenses (-)	-3.068,95	-8.977,24
Income and expenditure for the period		
Subtotal II + III + IV	96.059,29	-128.305,59
V. Profit (loss) on ordinary activities before tax	2.490.123,34	1.163.945,89
VII. Result for the period	2.490.123,34	1.163.945,89

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC EQUITY FUND PHARMA GROWTH

Name	Quantity on 30/06/2012	Currency	Price in currency	Evaluation (in the currency of the sub-fund)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
Bonds							
Other bonds							
<u>U.S.A.</u>							
PR PHARMACEUTICALS INC. 04/07 0.00 % 30/06	1.716,00	USD	0,000	0,00			
Total bonds				0,00			
Shares							
Exchange-listed shares							
<u>Australia</u>							
COCHLEAR LTD -	719,00	AUD	65,840	38.236,71		0,17	0,17
CSL LIMITED -	5.764,00	AUD	39,420	183.528,03		0,83	0,83
RAMSAY HEALTH CARE LTD -	1.661,00	AUD	22,610	30.334,16		0,14	0,14
SONIC HEALTHCARE LTD -	4.054,00	AUD	12,700	41.586,20		0,19	0,19
<u>Belgium</u>							
ABLYNX -	43.971,00	EUR	2,830	124.437,93		0,56	0,56
DEVGEN STRIP-VVPR	8.910,00	EUR	0,000	0,89			
GALAPAGOS GENOMICS NV -	16.065,00	EUR	12,400	199.206,00		0,90	0,90
THROMBOGENICS NV -	11.516,00	EUR	21,300	245.290,80		1,11	1,10
<u>Brazil</u>							
AMIL PARTICIPACOES SA -	1.608,00	BRL	20,100	12.617,92		0,06	0,06
DIAGNOSTICOS DA AMERICA -	3.000,00	BRL	13,210	15.471,40		0,07	0,07
ODONTOPREV SA -	3.435,00	BRL	10,200	13.678,31		0,06	0,06
<u>China</u>							
SHANDONG WEIGAO GP MEDICAL-H -	20.000,00	HKD	8,540	17.351,02		0,08	0,08
SIHUAN PHARMACEUTICAL HOLDINGS -	23.000,00	HKD	2,800	6.542,19		0,03	0,03
SINOPHARM GROUP CO -	10.000,00	HKD	21,300	21.637,99		0,10	0,10
<u>Denmark</u>							
NOVO NORDISK A/S "B"	9.154,00	DKK	848,500	1.044.760,71		4,72	4,70
<u>France</u>							
ESSILOR (PAR)	1.679,00	EUR	73,300	123.070,70		0,56	0,55
SANOFI -	15.598,00	EUR	59,740	931.824,52		4,21	4,19
STALLERGENES (PAR)	686,00	EUR	44,270	30.369,22		0,14	0,14
<u>Germany</u>							
BAYER AG -	15.756,00	EUR	56,780	894.625,68		4,04	4,02
DRAEGERWERK AG PREF	1.631,00	EUR	77,800	126.891,80		0,57	0,57
FRESENIUS SE & CO KGAA (FRA)	632,00	EUR	81,780	51.684,96		0,23	0,23
<u>Hong Kong</u>							
SHANGAI PHARMACEUTICALS HOLDING -	5.400,00	HKD	9,670	5.304,66		0,02	0,02

<u>Hungary</u>							
GEDEON RICHTER -	181,00	HUF	37.200,000	23.562,43		0,11	0,11
<u>India</u>							
CIPLA LTD -	4.212,00	INR	316,550	18.816,79		0,09	0,09
DR REDDY'S LABORATORIES LTD. -	1.210,00	INR	1.648,150	28.144,72		0,13	0,13
LUPIN LTD -	1.912,00	INR	537,150	14.494,33		0,07	0,07
PIRAMAL HEALTHCARE LTD -	861,00	INR	527,900	6.414,60		0,03	0,03
RANBAXY LABORATORIES LTD -	1.638,00	INR	490,550	11.339,97		0,05	0,05
SUN PHARMACEUTICAL INDS LTD -	3.982,00	INR	635,800	35.730,29		0,16	0,16
<u>Indonesia</u>							
PT KALBE FARMA FOREIGN	58.000,00	IDR	3.775,000	18.368,90		0,08	0,08
<u>Italy</u>							
DIASORIN SPA -	918,00	EUR	22,970	21.086,46		0,10	0,10
<u>Japan</u>							
ALFRESA HOLDINGS CORP -	500,00	JPY	4.220,000	20.837,45		0,09	0,09
ASTELLAS PHARMA INC -	4.800,00	JPY	3.465,000	164.250,44		0,74	0,74
CHUGAI PHARMACEUTICAL CO LTD -	2.800,00	JPY	1.507,000	41.670,95		0,19	0,19
DAIICHI SANKYO COMPANY LTD -	7.200,00	JPY	1.339,000	95.208,37		0,43	0,43
DAINIPPON SUMITOMO PHARMA CO L -	2.000,00	JPY	811,000	16.018,17		0,07	0,07
EISAI CO. -	2.700,00	JPY	3.490,000	93.057,48		0,42	0,42
HISAMITSU PHARM. -	800,00	JPY	3.920,000	30.969,78		0,14	0,14
KYOWA HAKKO KOGYO -	3.000,00	JPY	817,000	24.205,02		0,11	0,11
MEDICEO PALTAC HOLD CO LTD -	1.900,00	JPY	1.126,000	21.127,79		0,10	0,10
MIRACA HOLDINGS INC -	700,00	JPY	3.305,000	22.847,13		0,10	0,10
OLYMPUS CORP -	2.700,00	JPY	1.288,000	34.343,27		0,16	0,15
ONO PHARMACEUTICAL CO LTD -	900,00	JPY	4.995,000	44.395,62		0,20	0,20
OTSUKA HOLDINGS CO LTD -	4.000,00	JPY	2.443,000	96.504,05		0,44	0,43
SANTEN PHARMACEUTICAL CO LTD -	900,00	JPY	3.275,000	29.108,24		0,13	0,13
SHIONOGI & CO -	3.300,00	JPY	1.080,000	35.196,52		0,16	0,16
SUZUKEN CO LTD -	900,00	JPY	2.685,000	23.864,31		0,11	0,11
SYSMEX CORP -	900,00	JPY	3.140,000	27.908,35		0,13	0,13
TAISHO PHARM. -	400,00	JPY	6.710,000	26.506,02		0,12	0,12
TAKEDA PHARMACEUTICAL CO LTD -	8.700,00	JPY	3.615,000	310.591,55		1,40	1,40
TANABE SEIYAKU CO LTD -	2.900,00	JPY	1.145,000	32.791,82		0,15	0,15
TERUMO CORP. -	1.900,00	JPY	3.260,000	61.169,27		0,28	0,28
TSUMURA & CO -	800,00	JPY	2.106,000	16.638,36		0,08	0,08
<u>Jersey/The Channel Islands</u>							
SHIRE LTD -	7.232,00	GBP	18,320	163.750,14		0,74	0,74
<u>Norway</u>							
ALGETA ASA -	8.400,00	NOK	170,000	189.294,52		0,86	0,85
<u>South Africa</u>							
ASPEN PHARMA CARE HOLD LTD -	3.516,00	ZAR	125,850	42.633,07		0,19	0,19
LIFE HEALTHCARE GROUP HOLDINGS -	9.103,00	ZAR	31,130	27.302,86		0,12	0,12
NETWORK HEALTHCARE HOLD TLD -	11.179,00	ZAR	16,000	17.233,26		0,08	0,08
<u>South Korea</u>							
CELLTRION INC -	1.378,00	KRW	30.300,000	28.725,91		0,13	0,13
YUHAN CORPORATION -	110,00	KRW	133.500,000	10.103,13		0,05	0,05
<u>Sweden</u>							
GETINGE AB B	3.570,00	SEK	171,000	69.692,33		0,32	0,31
<u>Switzerland</u>							
ACTELION LTD -	11.140,00	CHF	38,900	360.775,92		1,63	1,62

LONZA AG -	574,00	CHF	39,380	18.818,73		0,09	0,09
NOVARTIS AG REG	12.824,00	CHF	52,900	564.783,42		2,55	2,54
ROCHE HOLDING GENOTS	4.179,00	CHF	163,600	569.191,52		2,57	2,56
STRAUMANN HOLDING AG REG	1.011,00	CHF	139,100	117.079,55		0,53	0,53
<u>U.K.</u>							
GLAXOSMITHKLINE PLC -	41.952,00	GBP	14,470	750.272,45		3,39	3,37
<u>U.S.A.</u>							
ABBOTT LAB. -	16.909,00	USD	64,470	858.973,47		3,88	3,86
AETNA INC NEW	6.053,00	USD	38,770	184.914,36		0,84	0,83
AGILENT TECHNOLOGIES -	12.503,00	USD	39,240	386.587,12		1,75	1,74
AMERISOURCEBERGEN CORP -	1.196,00	USD	39,350	37.083,44		0,17	0,17
AMGEN -	2.800,00	USD	73,040	161.147,27		0,73	0,72
BAXTER INTL INC -	5.160,00	USD	53,150	216.101,17		0,98	0,97
BIOMARIN PHARMACEUTICAL INC -	4.113,00	USD	39,580	128.274,01		0,58	0,58
BOSTON SCIENTIFIC -	45.490,00	USD	5,670	203.237,18		0,92	0,91
CARDINAL HEALTH INC -	4.477,00	USD	42,000	148.163,27		0,67	0,67
CATAMARAN CORP -	684,00	CAD	101,110	53.456,42		0,24	0,24
CELGENE CORPORATION -	5.683,00	USD	64,160	287.306,97		1,30	1,29
CERNER CORP -	1.548,00	USD	82,660	100.825,53		0,46	0,45
COMMUNITY HEALTH SYSTEMS INC -	839,00	USD	28,030	18.530,59		0,08	0,08
COVANCE INC -	6.881,00	USD	47,850	259.440,43		1,17	1,17
CUBIST PHARMACEUTICALS INC -	16.141,00	USD	37,910	482.156,89		2,18	2,17
DENTSPLY INTERNATIONAL INC -	3.201,00	USD	37,810	95.366,65		0,43	0,43
EDWARDS LIFESCIENCES CORP. -	3.362,00	USD	103,300	273.654,24		1,24	1,23
EXPRESS SCRIPTS INC. "A"	6.137,00	USD	55,830	269.977,71		1,22	1,21
FOREST LABORATORIES "A"	2.874,00	USD	34,990	79.238,25		0,36	0,36
GILEAD SCIENCES -	22.620,00	USD	51,280	913.997,01		4,13	4,11
HOSPIRA INC. -	9.279,00	USD	34,980	255.755,59		1,16	1,15
HUMANA INC. -	5.231,00	USD	77,440	319.193,63		1,44	1,43
ILLUMINA INC -	9.505,00	USD	40,390	302.503,31		1,37	1,36
JOHNSON & JOHNSON -	27.485,00	USD	67,560	1.463.152,31		6,61	6,58
MARKET VECTORS BIOTECH ETF -	225,00	USD	47,150	8.359,27		0,04	0,04
MCKESSON CORP -	558,00	USD	93,750	41.220,16		0,19	0,19
MERCK & CO -	47.475,00	USD	41,750	1.561.800,69		7,06	7,02
OMNICARE INC -	1.318,00	USD	31,230	32.433,33		0,15	0,15
PFIZER -	92.840,00	USD	23,000	1.682.546,69		7,60	7,56
REGENRON PHARMACEUTICALS -	4.693,00	USD	114,220	422.373,70		1,91	1,90
SALIX PHARMACEUTICALS -	3.483,00	USD	54,440	149.408,65		0,68	0,67
ST JUDE MEDICAL INC. -	2.660,00	USD	39,910	83.650,30		0,38	0,38
THERMO ELECTRONIC -	2.375,00	USD	51,910	97.144,63		0,44	0,44
THRESHOLD PHARMACEUTICALS INC -	11.475,00	USD	7,400	66.909,62		0,30	0,30
UNITED THERAPEUTICS CORP. -	40,00	USD	49,380	1.556,38		0,01	0,01
UNITEDHEALTH GROUP INC. -	15.617,00	USD	58,500	719.875,90		3,25	3,24
VALEANT PHARMACEUTICALS INTERN -	3.772,00	USD	44,790	133.124,17		0,60	0,60
VARIAN MEDICAL SYSTEMS -	3.339,00	USD	60,770	159.885,77		0,72	0,72
WATSON PHARMACEUTICALS INC -	6.047,00	USD	73,990	352.547,10		1,59	1,58
WELLPOINT INC -	6.965,00	USD	63,790	350.088,53		1,58	1,57
Unlisted shares							
<u>U.S.A.</u>							
ALTEA THERAPEUTICS -	172.413,00	USD	0,725	98.494,54		0,45	0,44
METABOLEX PREF B1	238.903,00	USD	0,733	137.890,20		0,62	0,62
Total shares				22.133.623,51		100,00	99,46
TOTAL SECURITIES PORTFOLIO				22.133.623,51		100,00	99,46

CASH AT BANK AND IN HAND						
Demand accounts						
<u>Belgium</u>						
KBC GROUP AUD	-64,46	AUD	1,000	-52,07		
KBC GROUP CAD	-199,83	CAD	1,000	-154,46		0,00
KBC GROUP CHF	-165,97	CHF	1,000	-138,18		0,00
KBC GROUP CZK	29,32	CZK	1,000	1,15		
KBC GROUP DKK	-759,29	DKK	1,000	-102,13		
KBC GROUP EURO	-95,34	EUR	1,000	-95,34		
KBC GROUP GBP	-128,82	GBP	1,000	-159,21		0,00
KBC GROUP HKD	1.863,94	HKD	1,000	189,35		0,00
KBC GROUP HUF	117,11	HUF	1,000	0,41		
KBC GROUP JPY	-225.504,00	JPY	1,000	-2.226,98		-0,01
KBC GROUP NZD	-1,06	NZD	1,000	-0,67		
KBC GROUP SEK	-31,27	SEK	1,000	-3,57		
KBC GROUP USD	161.342,70	USD	1,000	127.131,59		0,57
KBC GROUP ZAR	813,54	ZAR	1,000	78,38		
Total demand accounts				124.468,27		0,56
TOTAL CASH AT BANK AND IN HAND				124.468,27		0,56
OTHER RECEIVABLES AND PAYABLES						
Receivables						
<u>Belgium</u>						
KBC GROUP EUR RECEIVABLE	13.957,19	EUR	1,000	13.957,19		0,06
Total receivables				13.957,19		0,06
Payables						
<u>Belgium</u>						
KBC GROUP EUR PAYABLE	-33.764,92	EUR	1,000	-33.764,92		-0,15
Payables				-33.764,92		-0,15
TOTAL RECEIVABLES AND PAYABLES				-19.807,73		-0,09
OTHER						
Interest receivable		EUR		34.540,30		0,16
Accrued interest		EUR		1.063,10		0,01
Expenses payable		EUR		-28.124,02		-0,13
Expenses to be carried forward		EUR		8.163,82		0,04
TOTAL OTHER				15.643,20		0,07
TOTAL NET ASSETS				22.253.927,25		100,00

Geographic breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Australia	0,00	0,00	0,00	1,33
Belgium	3,06	4,83	7,72	2,57
Brazil	0,00	0,00	0,00	0,19
Canada	0,00	0,00	0,00	0,24
Switzerland	7,63	8,07	10,35	7,37
China	0,00	0,00	0,00	0,21
Germany	4,16	8,10	7,52	4,85
Denmark	2,98	5,21	3,94	4,72
Spain	0,00	0,00	1,87	0,00
France	1,30	1,86	1,50	4,90
U.K.	0,11	2,70	8,58	3,39
Hong Kong	0,00	0,00	0,00	0,02
Hungary	0,00	2,10	0,21	0,11
India	0,00	0,00	0,00	0,52
Indonesia	0,00	0,00	0,00	0,08
Ireland	0,00	1,37	0,00	0,00
Israel	2,07	1,59	1,52	0,00
Italy	0,00	0,00	0,00	0,10
Jersey/The Channel Islands	2,51	2,71	3,66	0,74
Japan	0,00	0,00	0,00	5,73
South Korea	0,00	0,00	0,00	0,18
Netherlands	2,72	1,99	1,76	0,00
Norway	0,00	0,00	0,49	0,86
Sweden	1,77	1,92	1,47	0,31
U.S.A.	71,69	57,55	49,41	61,19
South Africa	0,00	0,00	0,00	0,39
Total	100,00	100,00	100,00	100,00

Sector breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Cyclicals	3,98	5,70	3,33	4,13
Pharma	96,02	94,30	96,17	94,12
Technology	0,00	0,00	0,50	1,75
Total	100,00	100,00	100,00	100,00

Currency breakdown (as a % of net assets)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
AUD	0,00	0,00	0,00	1,32
BRL	0,00	0,00	0,00	0,19
CAD	0,00	0,00	0,00	0,24
CHF	10,56	8,04	10,22	7,33
DKK	2,96	5,19	3,89	4,70
EUR	7,88	15,18	18,27	12,27
GBP	4,06	5,39	12,08	4,11
HKD	0,00	0,00	0,00	0,23
HUF	0,00	2,09	0,20	0,11
IDR	0,00	0,00	0,00	0,08
INR	0,00	0,00	0,00	0,52
JPY	0,00	0,00	0,00	5,70
KRW	0,00	0,00	0,00	0,17
NOK	0,00	0,00	0,48	0,85
SEK	1,76	1,92	1,45	0,31
USD	72,78	62,19	53,41	61,48
ZAR	0,00	0,00	0,00	0,39
Total	100,00	100,00	100,00	100,00

**2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC EQUITY FUND PHARMA GROWTH
(IN THE CURRENCY OF THE SUB-FUND)**

	1st half of year	Year
Purchases	39.968.319,68	39.968.319,68
Sales	40.073.149,33	40.073.149,33
Total 1	80.041.469,01	80.041.469,01
Subscriptions	6.622.807,48	6.622.807,48
Redemptions	6.903.200,08	6.903.200,08
Total 2	13.526.007,56	13.526.007,56
Monthly average of total assets	23.176.275,95	23.176.275,95
Turnover rate	287,00 %	287,00 %

	1st half of year	Year
Purchases	39.968.319,68	39.968.319,68
Sales	40.073.149,33	40.073.149,33
Total 1	80.041.469,01	80.041.469,01
Subscriptions	6.622.807,48	6.622.807,48
Redemptions	6.903.200,08	6.903.200,08
Total 2	13.526.007,56	13.526.007,56
Monthly average of total assets	23.027.044,93	23.027.044,93
Corrected turnover rate	288,86 %	288,86 %

The table above shows the capital volume of portfolio transactions. This volume (adjusted to take account of total subscriptions and redemptions) is also compared to the average net assets at the beginning and end of the period.

A figure close to 0% implies that the transactions relating to the securities or transactions relating to the assets (excluding deposits and cash) in a given period only involve subscriptions and redemptions.

A negative percentage shows that subscriptions and redemptions entailed few, if any, transactions in the portfolio.

Active asset management may result in high turnover rates (monthly percentage >50%).

The detailed list of transactions is available for consultation free of charge at the registered office of the Bevek or fund at Havenlaan 2, 1080 Brussels.

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

Nil

2.4.4 CHANGES OF THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND THE NET ASSET VALUE

Classic Shares

Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2010 - 06	5.956,57	513,23	5.401,59	704,00	14.744,74	2.305,23	17.049,97
2011 - 06	293.943,68	73.062,54	273.833,35	67.823,31	34.855,08	7.544,45	42.399,53
2012 - 06	1.321,54	221,62	13.036,45	1.239,58	23.140,17	6.526,50	29.666,67

Period	Amounts received and paid by the UCI (in the currency of the class)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2010 - 06	2.814.649,56	245.834,75	2.653.209,46	326.701,04
2011 - 06	5.745.658,74	534.499,79	173.640.676,85	41.203.697,41
2012 - 06	770.711,72	126.084,80	6.869.148,94	686.848,53

Period	Net asset value End of period (in the currency of the class)		
Year	Of the class	Of one share	
		Capitalization	Distribution
2010 - 06	8.604.138,48	506,97	489,77
2011 - 06	24.031.378,18	570,25	550,75
2012 - 06	18.487.239,47	627,90	606,37

Institutional B Shares

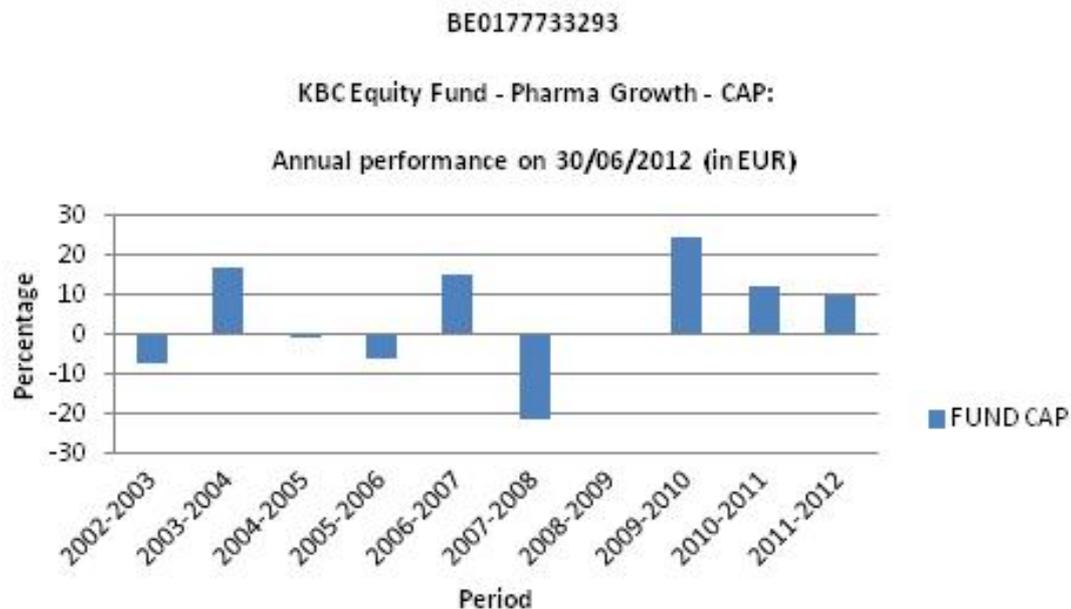
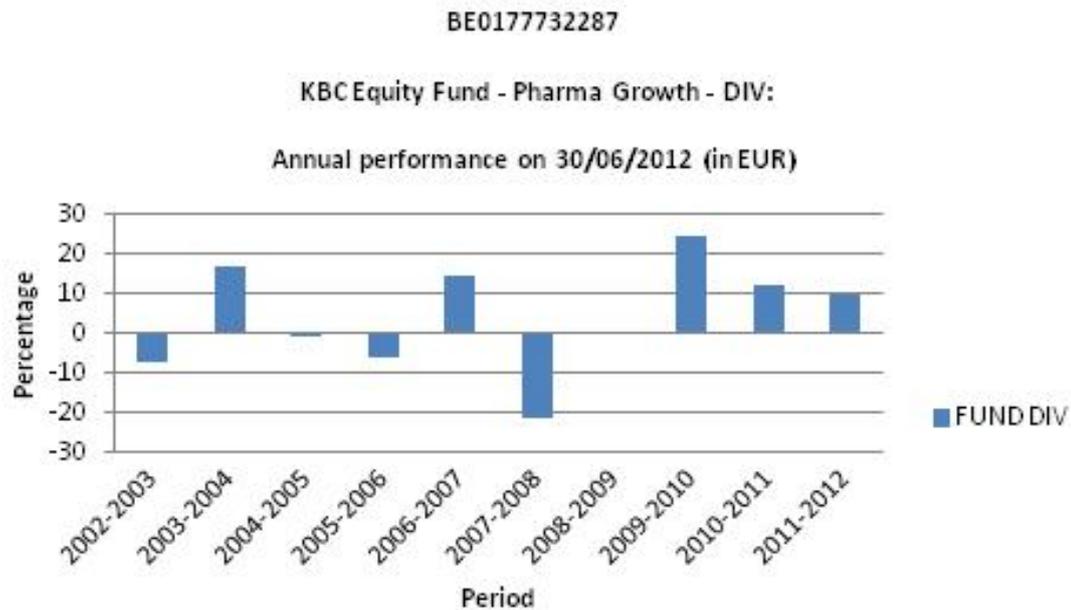
Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2012 - 06	14.522,00		8.527,00		5.995,00		5.995,00

Period	Amounts received and paid by the UCI (in the currency of the class)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2012 - 06	8.201.251,11		5.111.986,33	

Period	Net asset value End of period (in the currency of the class)		
Year	Of the class	Of one share	
		Capitalization	Distribution
2012 - 06	3.766.687,77	628,30	

2.4.5 PERFORMANCE FIGURES

Classic Shares



Cap Div	ISIN code	Cur-rency	1 Year		3 Years*		5 Years*		10 Years*		Since launch*	
			Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Launch Date	Share classes
CAP	BE0177733293	EUR	10.11%		15.65%		4.13%		3.71%		28/09/2001	2.14%
DIV	BE0177732287	EUR	10.10%		15.64%		4.12%		3.71%		28/09/2001	2.13%

Risk warning: Past performance is not a guide to future performance.

* Return on annual basis.

Institutional B Shares

The cumulative returns are shown where they relate to a period of at least one year.

Classic Shares

- The bar chart shows the performance for full financial years.
- The figures do not take account of any restructuring.
- Calculated in EUR.
- The return is calculated as the change in the net asset value between two dates expressed as a percentage. In the case of units that pay dividends, the dividend is incorporated geometrically in the return.
- Calculation method for date D, where NAV stands for net asset value:

Capitalisation units (CAP)

Return on date D over a period of X years:

$$[\text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where $Y = D - X$

Return on date D since the start date S of the unit:

$$[\text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where $F = 1$ if the unit has existed for less than one year on date D

where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D

Distribution units (DIV)

Return on date D over a period of X years:

$$[C * \text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where $Y = D - X$

Return on date D since the start date S of the unit:

$$[C * \text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where $F = 1$ if the unit has existed for less than one year on date D

where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D

where C is a factor that is determined for all N dividends between the calculation date D and the reference date.

For dividend i on date Di with value Wi:

$$C_i = [W_i / \text{NIW}(D_i)] + 1$$

$i = 1 \dots N$

from which $C = C_0 * \dots * C_N$.

- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the n^{th} square root of 1 plus the total return of the unit.
- The return figures shown above do not take account of the fees and charges associated with the issue and redemption of units.

These are the performance figures for capitalisation and distribution shares.

2.4.6 COSTS

Total expense ratio (TER): *

Classic Shares Distribution: 2.271%
Classic Shares Capitalization: 2.271%
Institutional B Shares Capitalization: Not applicable

Percentage calculated at the end of the financial year: 31 December

* The following costs have not been included in the TER:

- Transaction charges
- Interest payments on loans taken out
- Payments in respect of financial derivatives
- Fees and charges paid directly by the investor
- Any soft commissions

SOFT COMMISSIONS

The management company or the appointed manager, as the case may be, is the recipient of soft commissions.

The recipient has laid down an internal policy as regards accepting soft commissions and avoiding possible conflicts of interest in this respect, and has put appropriate internal controls in place to ensure this policy is observed.

For more information, please see the 'General' section of the annual report.

Broker	Commission gross in EUR paid during the period: 1-01-12 -	CSA Credits in EUR accrued during the period: 1-01-12 -	Percentage
	30-06-12	30-06-12	
CITI	1,075	672	62.50%
CSFBSAS	1,340	704	52.54%
DEUTSCHE	489	244	50.00%
HSBC	599	333	55.56%
JP MORGAN	5,252	2,968	56.52%
MERRILL	309	193	62.50%
MORGAN STANLEY	13,051	8,012	61.39%
NOMURA	21,730	13,581	62.50%
SOCGEN	1,316	658	50.00%
UBSWDR	3,271	1,793	54.82%

FEE-SHARING AGREEMENTS AND REBATES:

The management company may share its fee with the distributor, and institutional and/or professional parties.

In principle, the percentage share amounts to between 35% and 60% if the distributor is an entity of KBC Group NV or to between 35% and 70% if the distributor is not an entity of KBC Group NV. However, in a small number of cases, the distributor's fee is less than 35%. Investors may, on request, obtain more information on these cases.

If the management company invests the assets of the undertaking for collective investment in units of undertakings for collective investment that are not managed by an entity of KBC Group NV, and receives a fee for doing so, it will pay this fee to the undertaking for collective investment.

Fee-sharing does not affect the amount of the management fee paid by the sub-fund to the management company. This management fee is subject to the limitations laid down in the articles of association. The limitations may only be amended after approval by the general meeting of shareholders.

The management company has concluded a distribution agreement with the distributor in order to facilitate the wider distribution of the sub-fund's units by using multiple distribution channels. It is in the interests of the holders of units, the sub-fund and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund to be maximised in this way. In this respect, there is therefore no question of any conflict of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: 1.35% per annum calculated on the basis of the average total net assets of the sub-fund, excluding those assets invested in investment undertakings managed by a financial institution of the KBC group.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the average total net assets of the sub-fund.

Auditor's fee: 1 700 EUR per year. This fee is not including VAT and will be increased at the end of the 3-year mandate.

The custody fee is calculated on the value of the securities held in custody by the custodian on the final banking day of the preceding calendar year, except on those assets invested in investment undertakings managed by a financial institution of the KBC group. The custody fee is paid at the beginning of the calendar year.

Social, ethical and environmental aspects:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

Exercising voting rights

If necessary, relevant and in the interest of the shareholders, the management company will exercise the voting rights attached to the shares in the Bevek's portfolio.

The management company will adhere to the following criteria when determining how it stands relative to the items on the agenda that are put to the vote:

- Shareholder value may not be adversely affected.
- Corporate governance rules, especially with regard to the rights of minority shareholders, must be respected.
- The minimum standards with regard to sustainable business and corporate social responsibility must be met.

The list of companies for which voting rights are exercised is available at the registered office of the Bevek.

Securities lending

In accordance with the Royal Decree of 7 March 2006 concerning securities lending, the undertaking for collective investment has taken out securities loans with a principal to whom the full title of the loaned securities was transferred, without recording this transfer of ownership in the accounts.

For the period from 1 January 2012 to 30 June 2012, the fee for securities lent comes to 1,302.74 EUR. KBC Asset Management NV receives 50% of the net fee received for securities lent.

The detailed list of securities lending transactions carried out can be obtained from the registered office of the collective investment undertaking at 2 Havenlaan, 1080 Brussels.

TABLE OF CONTENTS

- 2. Information on KBC Equity Fund Quant Global 1
 - 2.1. Management report
 - 2.1.1. Launch date and subscription price
 - 2.1.2. Stock exchange listing
 - 2.1.3. Aim and distinctive features of the investment policy
 - 2.1.4. Financial portfolio management
 - 2.1.5. Distributors
 - 2.1.6. Index and benchmark
 - 2.1.7. Policy conducted during the financial year
 - 2.1.8. Future policy
 - 2.1.9. Synthetic risk and reward indicator (SRRI)
 - 2.2. Balance sheet
 - 2.3. Profit and loss account
 - 2.4. Composition of the assets and key figures
 - 2.4.1. Composition of the assets
 - 2.4.2. Change in the composition of the assets
 - 2.4.3. Value of commitments in respect of financial derivatives positions
 - 2.4.4. Evolution of the number of subscriptions, repayments and the net asset value
 - 2.4.5. Return figures
 - 2.4.6. Expenses
 - 2.4.7. Notes to the financial statements and other data

2 INFORMATION ON KBC EQUITY FUND QUANT GLOBAL 1

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Classic Shares :

Launch date: 31 October 2002

Initial subscription price: 2500 EUR

Currency: EUR

Institutional B Shares :

Launch date: 25 November 2011

Initial subscription price: 2738.66 EUR

Currency: EUR

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

The main objective of this sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. To this end, the assets are invested, either directly or indirectly via correlated financial instruments, primarily in shares.

SUB-FUND'S INVESTMENT POLICY:

PERMITTED ASSET CLASSES:

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the sub-fund's object.

The sub-fund shall invest no more than 10% of its assets in units of other undertakings for collective investment.

RESTRICTIONS OF THE INVESTMENT POLICY:

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

PERMITTED DERIVATIVES TRANSACTIONS:

Derivates may be used either for hedging purposes or to achieve investment objectives.

Changes will be made to the investments at regular intervals to comply with the sub-fund's investment strategy. **In addition, listed and unlisted derivates may be used to achieve the objectives:** these may be forward contracts, options or swaps on securities, indices, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions. **Such derivatives may also be used to hedge the assets against exchange-rate fluctuations.** Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions.

STRATEGY SELECTED

The sub-fund's objective is to outperform the MSCI World index in the long term through a selection of shares from the MSCI World with an adequate level of liquidity. The selection is based on purely quantitative criteria using available data on companies whose shares are included in the MSCI World index. The data concerned are widely used by financial analysts and readily available to them. These criteria are incorporated in a quantitative model designed by KBC Asset Management. The basic principle of this model is that share prices do not always accurately reflect the fundamental value of the company concerned, but that this value can be estimated provided that enough information is available and it can be processed efficiently. Share prices gradually change to better reflect these fundamental values. How this happens depends on the prevailing market cycle. The quantitative model developed by KBC Asset Management makes a regular assessment – at least once a week – of the cyclical trend in relation to criteria specific to the company and identifies which criteria are positive or negative in the prevailing market situation. This sensitivity to the market is reviewed on a regular basis and is used to classify which shares in the MSCI World index are sufficiently liquid. The best rated shares are included in the sub-fund, ensuring that there is an adequate spread in accordance with the relevant legal restrictions. Stock picking occurs at the same frequency as the assessment of the market sensitivity. Care is also taken to ensure that the risk (volatility) of the sub-fund is not significantly different from that of the MSCI index. For this reason, the sub-fund may invest temporarily in fixed-yield securities, money market instruments, deposits and liquid assets, in accordance with the relevant legal restrictions. After the re-assessment of the market sensitivity, the sub-fund will however invest at least 75% of its assets in shares.

LENDING FINANCIAL INSTRUMENTS:

The sub-fund may lend financial instruments within the limits set by law and regulations.

This lending does not affect the sub-fund's risk profile since:

- it takes place within the framework of a securities lending system managed by a principal. In addition, the sub-fund has a relationship only with the principal of the securities lending system which acts as counterparty and to which title of the loaned securities is transferred. The choice of principal is subject to strict selection criteria. The return of securities similar to the securities that have been lent is guaranteed by the principal.
- through a margin management system, the sub-fund is always guaranteed financial security, the actual value of which always exceeds the actual value of the securities that have been lent, in case the principal does not return similar securities.

The return of securities similar to the securities that have been lent can be requested at any time, which means that the lending of securities does not affect the management of the sub-fund's assets. By lending securities, the sub-fund can generate an additional return. The principal pays a fee to the management company. After deducting the fee for the margin management and clearing services of KBC Bank, most of this fee is paid to the sub-fund.

The relationship with the counterparty or counterparties is governed by standard international agreements.

More information is provided on the terms and conditions governing securities lending in the annual or half-yearly report for the sub-fund.

VOLATILITY OF THE NET ASSET VALUE:

The volatility of the net asset value may be high due to the composition of the portfolio.

GENERAL STRATEGY FOR HEDGING THE EXCHANGE RATE RISK:

In order to protect its assets against exchange rate fluctuations and within the limitations laid down in the articles of association, the sub-fund may perform transactions relating to the sale of forward currency contracts, as well as the sale of call options and the purchase of put options on currencies. The transactions in question may relate solely to contracts traded on a regulated market that operates regularly, is recognised and is open to the public or that are traded with a recognised, prime financial institution specialising in such transactions and dealing in the over-the-counter (OTC) market in options. With the same objective, the sub-fund may also sell currencies forward or exchange them in private transactions with prime financial institutions specialising in such transactions. The hedging objective of the aforementioned transactions suggests that there is a direct link between these transactions and the assets to be hedged, which implies that the transactions carried out in a particular currency may in principle not exceed, in terms of volume, either the valuation value of all the assets in the same currency or the holding period of those assets.

SOCIAL, ETHICAL AND ENVIRONMENTAL ASPECTS:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

THE EUROPEAN SAVINGS DIRECTIVE AND TAX ON DEBT CLAIM RETURNS OBTAINED THROUGH THE REDEMPTION OF OWN UNITS OR IN THE EVENT OF FULL OR PARTIAL DISTRIBUTION OF EQUITY CAPITAL.

The following information is of a general character and is not intended to cover all aspects of an investment in a UCITS. In certain cases entirely different rules might even apply. Moreover, both tax law and the interpretation of it can change. Investors who wish to have more information about the tax implications – in both Belgium and abroad – of acquiring, holding and transferring units should seek the advice of their usual financial and tax advisers.

This UCITS can invest some or all of its assets directly or indirectly in debt instruments as intended by the European Savings Directive. The debt instrument percentage is determined based on a periodic asset test: every six months the composition of the portfolio is examined, the debt instrument percentage calculated and the average taken of the debt instrument percentages calculated in this way. The average percentage obtained in this way continues to apply for 12 months calculated from the first day of the fifth month following the closure of the financial year.

A. European Savings Directive (Directive 2003/48/EC)

The European Savings Directive has been implemented in Belgium through:

- The Law of 17 May 2004 *to translate into Belgian law Directive 2003/48/EC of 3 June 2003 of the Council of the European Union on taxation of savings income in the form of interest payments and to amend the 1992 Income Tax Code with respect to withholding tax;*
- The Royal Decree of 27 September 2009 *to implement Article 338bis § 2 of the 1992 Income Tax Code;*
- The Royal Decree of 27 September 2009 *concerning the coming into effect of Article 338bis § 2, sections one to three, of the 1992 Income Tax Code;*

Dividends

If the UCITS has invested more than 15% of its assets directly or indirectly in debt instruments, a paying agency based in Belgium that pays dividends (coupons) of this UCITS to a natural person (beneficial owner) who is resident in another EU member state (or one of the dependent or associated territories) is obliged to communicate details of this payment to the Belgian government, which will then pass on the information to the tax authorities in the beneficial owner's state of residence.

Income realised on the sale, redemption or repayment of shares

If the UCITS has invested more than 25% of its assets directly or indirectly in debt instruments, the interest income realised on the sale, redemption or repayment of the shares falls within the area of application of the European Savings Directive. If that is the case, a paying agency based in Belgium that pays this interest income to a natural person (beneficial owner) who is resident in another EU member state (or one of the dependent or associated territories) is obliged to communicate details of this payment to the Belgian government, which will then pass on the information to the tax authorities in the beneficial owner's state of residence.

B. Tax on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital (Article 19bis Income Tax Code 1992).

If the UCITS has invested more than 40% of its assets directly or indirectly in debt instruments, both the capitalisation and dividend-entitled shares of the UCITS will fall on redemption or full or partial distribution of the equity capital within the area of application of Article 19bis of the 1992 Income Tax Code.

The tax levied under Article 19*bis* of the 1992 Income Tax Code only applies to shareholders subject to Belgian personal income tax. On the basis of that article, tax will be levied on the debt instrument returns included in the redemption price, this according to the period in which the shareholder held the shares. The rate is 21%. Taxpayers who are subject to personal income tax will pay an additional levy of 4% if, in a single income year, they receive interest and dividends exceeding a gross amount of 13 675 euros (indexed, e.g.: 20 020 euros in income year 2012).

The debt instrument return comprises the totality of the income arising directly or indirectly, in the form of interest, capital gains or losses, from the income on the assets that were invested in debt instruments.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

The management company has delegated the intellectual management, to KBC Fund Management Limited, Joshua Dawson House, Dawson Street, Dublin 2, IRELAND..

2.1.5 DISTRIBUTORS

KBC Asset Management S.A., 5, Place de la Gare, L-1616 Luxembourg.

2.1.6 INDEX AND BENCHMARK

See 'Sub-fund's investment policy'.

2.1.7 POLICY PERSUED DURING THE FINANCIAL YEAR

KBC Equity Fund Quant Global 1 invests in a diverse selection of companies using proprietary quantitative model. The fund invests in global developed markets. Throughout the first half of this year the produced a positive return, performing in line with its benchmark the MSCI World.

The first six months of the year were quite turbulent for equity markets. The changing situation in Europe was the primary concern for investors over the period, however there was also negative news concerns with regard to growth in China. Throughout the first quarter, the situation in Europe continued to evolve. Towards the beginning of the year, there was positive news from Greece as the country secured acceptance of their debt swap offer. The ECB continued to extend liquidity to European banks through the LTRO. In Russia, despite some unrest, Putin won the Russian presidential election. Markets were largely strong over this period, with both emerging and developed markets rising and with Emerging Asia outperforming.

Moving into the second quarter, the situation in Europe worsened. In May, French socialist, Francois Hollande won the French presidential election. Following parliamentary elections in Greece, it was not possible to form a government. Anti-austerity parties gained seats in this election, causing growing fears that the country would not remain in the euro. A second election was called for mid-June with the uncertainty continuing in the meantime. At this stage, concern spread to the situation in Spain, with growth disappointing further and banks coming under more pressure. Despite initially stating that the country did not need a bailout, by the end of June, Spain had requested assistance from Europe and the IMF. In mid May, the second Greek election took place, with the New Democracy winning narrowly and forming a government. Throughout this period of uncertainty, markets were very weak, with most regions reversing most of the gains achieved in Q1. On the final day of the quarter, EU leaders agreed that Europe would support troubled banks directly, without the need for local governments to add to their debt levels. This saw a significant rally on the final day of the first half.

While the volatility globally continued, Asian investors were also concerned about weakening growth in China. Growth was slower than most expected, with the official growth target being lowered to 7.5%. Most domestic activity metrics were weak – industrial production, investment and retail sales. On the positive side, inflation continued to fall, leaving room for policy makers to make changes if needed. While there was some slowdown in employment growth, there was no mass unemployment as was seen in 2008/2009. Following this slowdown, Chinese authorities began to take steps to boost growth. Initially the focus was on increasing investment, with particular focus on water and other environmental areas, utilities, railways and social housing. However at the beginning of June, the People's Bank of China took the decision to lower lending and deposit rates by 25bps. They also took steps to liberalise the interest rate regime, seen as a significant positive.

In terms of region performance, North America was the top performing region for the first half of the year, followed by the Pacific region, while Europe was a laggard on performance. On a sector basis cyclical out performed defensives. The top performing sectors were Consumer Discretionary and Information Technology while Energy and Materials were the two worst performing sectors.

2.1.8 FUTURE POLICY

Globally, while recent moves by policy makers have been positive, we still expect turbulence in markets going forward. Europe has clearly made some steps forward, however the problems are not yet resolved and the growth outlook continues to be a concern. Budgetary cuts to control spending across the region have negative implications on demand in the context of international trade. This is a concern for Asia, where it is driven by both domestic and international factors.

We do continue to believe however, that the global economic picture is stronger than currently perceived. Falling inflation (triggered by another significant drop in the oil price) and very accommodating monetary policies: the first rate cut in China, ECB likely to cut further, and the Fed announced continuation of "Operation Twist" and additional measures if needed, should jump start the global economy in the coming months. Our stance on the Euro crisis remains unchanged: all actions needed to safeguard the union will be taken because the costs and political risks of a break-up are immense.

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

Classic Shares: 6 on a scale of 1 (lowest risk) to 7 (highest risk).

Institutional B Shares: 6 on a scale of 1 (lowest risk) to 7 (highest risk).

The value of a share can decrease or increase and the investor may not get back the amount invested.

In accordance with Commission Regulation (EU) No. 583/2010, a synthetic risk and reward indicator has been calculated. This indicator provides a quantitative measure of the sub-fund's potential return and the risk involved, calculated in the currency in which the sub-fund is denominated. It is given as a figure between 1 and 7. The higher the figure, the greater the potential return, but also the more difficult it is to predict this return. Losses are possible too. The lowest figure does not mean that the investment is entirely free of risk. However, it does indicate that, compared with the higher figures, this product will generally provide a lower, but more predictable return.

The synthetic risk and reward indicator is assessed regularly and can therefore go up or down based on data from the past. Data from the past is not always a reliable indicator of future risk and return.

The most recent indicator can be found under the 'Risk and reward profile' heading in the 'Key Investor Information' document.

2.2 BALANCE SHEET

Balance sheet layout	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
TOTAL NET ASSETS	7.277.205,20	9.424.002,18
II. Securities, money market instruments, UCIs and derivatives		
A. Bonds and other debt instruments		
a) Bonds		
a) Collateral received in the form of bonds	143.070,90	76.498,03
C. Shares and similar instruments		
a) Shares	7.243.730,88	9.367.467,36
Of which securities lent	133.211,02	71.024,06
D. Other securities	2.804,89	2.385,43
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable	855,10	196,26
B. Payables		
a) Accounts payable (-)	-9.066,94	
c) Borrowings (-)	-12.313,90	
d) Collateral (-)	-143.070,90	-76.498,03
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	38.772,35	42.516,64
VI. Accruals and deferrals		
A. Expense to be carried forward	3.413,15	4.859,13
B. Accrued income	12.916,03	11.676,77
C. Accrued expense (-)	-3.906,36	-5.099,41
TOTAL SHAREHOLDERS' EQUITY	7.277.205,20	9.424.002,18
A. Capital	6.662.312,08	9.698.440,60
B. Income equalization	-857,15	-1.750,25
D. Result for the period	615.750,27	-272.688,17

Off-balance-sheet headings

I Collateral (+/-)		
I.A Collateral (+/-)		
I.A.A Securities/market instruments	143.070,90	76.498,03
IX Financial instruments lent	133.211,02	71.024,06

2.3 PROFIT AND LOSS ACCOUNT

Income Statement	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
I. Net gains(losses) on investments		
C. Shares and similar instruments		
a) Shares	457.429,74	235.948,25
D. Other securities	1.272,81	847,85
F. Derivative financial instruments		
l) Financial indices		
Futures and forward contracts		2.818,59
G. Receivables, deposits, cash at bank and in hand and payables	-0,01	
H. Foreign exchange positions and transactions		
b) Other foreign exchange positions and transactions	121.321,41	-541.313,46
II. Investment income and expenses		
A. Dividends	108.632,62	125.623,75
B. Interests		
a) Securities and money market instruments	999,87	-0,63
b) Cash at bank and in hand and deposits	1.073,04	149,06
c) Collateral (+/-)		-608,45
C. Interest on borrowings (-)	-156,88	-262,57
III. Other income		
B. Other		77,24
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-10.707,59	-11.334,79
B. Financial expenses (-)	-55,74	-1.109,72
C. Custodian's fee (-)	-3.225,73	-4.116,52
D. Manager's fee (-)		
a) Financial management		
Classic Shares	-51.847,85	-69.216,91
b) Administration and accounting management	-3.676,04	-4.822,92
E. Administrative expenses (-)	-31,67	-30,41
F. Formation and organisation expenses (-)	-553,47	-389,87
H. Services and sundry goods (-)	-1.704,93	-892,41
J. Taxes		
Classic Shares	-2.729,72	-3.688,72
K. Other expenses (-)	-289,59	-365,53
Income and expenditure for the period		
Subtotal II + III + IV	35.726,32	29.010,60
V. Profit (loss) on ordinary activities before tax	615.750,27	-272.688,17
VII. Result for the period	615.750,27	-272.688,17

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC EQUITY FUND QUANT GLOBAL 1

Name	Quantity on 30/06/2012	Currency	Price in currency	Evaluation (in the currency of the sub-fund)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
Shares							
Exchange-listed shares							
<u>Australia</u>							
BHP BILLITON LTD -	928,00	AUD	31,450	23.573,85		0,33	0,32
COMMONWEALTH BK OF AUSTRALIA -	1.409,00	AUD	53,100	60.432,05		0,83	0,83
COMPUTERSHARE LTD -	2.196,00	AUD	7,410	13.143,54		0,18	0,18
DULUX GROUP LTD -	3.552,00	AUD	3,010	8.635,77		0,12	0,12
NEWCREST MINING -	868,00	AUD	22,610	15.851,93		0,22	0,22
ORICA LTD -	2.902,00	AUD	24,690	57.873,58		0,80	0,80
WESFARMERS -	131,00	AUD	31,560	3.339,41		0,05	0,05
WESTPAC BANKING -	2.874,00	AUD	21,130	49.051,02		0,68	0,67
WOOLWORTH CORP -	584,00	AUD	26,800	12.641,82		0,17	0,17
<u>Bermuda</u>							
MARVELL TECHNOLOGY GROUP LTD. -	1.079,00	USD	11,280	9.590,36		0,13	0,13
RENAISSANCE HOLDINGS LTD -	911,00	USD	76,010	54.562,37		0,75	0,75
<u>Canada</u>							
BARRICK GOLD CORP -	740,00	CAD	38,350	21.935,46		0,30	0,30
BCE INC -	2.150,00	CAD	41,980	69.763,86		0,96	0,96
BROOKFIELD ASSET MANAGEMENT -	862,00	CAD	33,710	22.460,31		0,31	0,31
CANADIAN UTILITIES LTD -	291,00	CAD	66,450	14.946,43		0,21	0,21
CGI GROUP INC "A"	1.974,00	CAD	24,470	37.336,26		0,52	0,51
ENBRIDGE INC. -	2.097,00	CAD	40,660	65.904,56		0,91	0,91
ENCANA CORP -	2.930,00	CAD	21,200	48.012,37		0,66	0,66
MAGNA INTERNATIONAL CLASS A -	951,00	CAD	40,210	29.557,26		0,41	0,41
METRO INC -	644,00	CAD	52,130	25.949,16		0,36	0,36
NIKO RESOURCES LTD -	66,00	CAD	13,420	684,61		0,01	0,01
OSISKO MINING CORP -	5.650,00	CAD	7,000	30.570,05		0,42	0,42
PAN AMERICAN SILVER CORP -	225,00	CAD	17,230	2.996,52		0,04	0,04
PENGROWTH ENERGY TRUST -	2.475,00	CAD	6,460	12.358,26		0,17	0,17
PENN WEST ENERGY TRUST -	3.286,00	CAD	13,660	34.695,08		0,48	0,48
PETROBANK ENERGY & RESOURCES L -	597,00	CAD	10,810	4.988,27		0,07	0,07
PROGRESS ENERGY RESOURCES CORP -	2.079,00	CAD	20,070	32.251,62		0,45	0,44
SUNCOR ENERGY INC -	1.600,00	CAD	29,440	36.408,89		0,50	0,50
TMX GROUP INC -	200,00	CAD	46,400	7.172,95		0,10	0,10
WESTON GEORGE LTD -	359,00	CAD	57,840	16.049,90		0,22	0,22
<u>Cayman Islands</u>							
GARMIN LTD -	495,00	USD	38,290	14.934,64		0,21	0,21
SEAGATE TECHNOLOGY -	1.422,00	USD	24,730	27.709,45		0,38	0,38
<u>Cyprus</u>							
BANK OF CYPRUS PUBLIC CO LTD -	7.905,00	EUR	0,282	2.229,21		0,03	0,03
<u>Denmark</u>							
COLOPLAST A/S "B"	323,00	DKK	1.054,000	45.792,80		0,63	0,63

<u>Finland</u>							
STORA ENSO OYJ "R"	1.193,00	EUR	4,840	5.774,12		0,08	0,08
UPM-KYMMENE CORP -	2.471,00	EUR	8,900	21.991,90		0,30	0,30
<u>France</u>							
ACCOR -	491,00	EUR	24,680	12.117,88		0,17	0,17
ADP -	260,00	EUR	59,600	15.496,00		0,21	0,21
ARKEMA -	656,00	EUR	51,550	33.816,80		0,47	0,47
BOUYGUES -	1.259,00	EUR	21,200	26.690,80		0,37	0,37
CHRISTIAN DIOR -	149,00	EUR	108,250	16.129,25		0,22	0,22
ELECTRICITE DE FRANCE -	3.308,00	EUR	17,550	58.055,40		0,80	0,80
LEGRAND (PAR)	3,00	EUR	26,755	80,27		0,00	0,00
LVMH-MOET H.L.VUIT. -	78,00	EUR	119,850	9.348,30		0,13	0,13
RENAULT (PAR)	1.094,00	EUR	31,440	34.395,36		0,48	0,47
SANOFI -	1.154,00	EUR	59,740	68.939,96		0,95	0,95
WENDEL INVESTISSEMENT (PAR)	171,00	EUR	58,280	9.965,88		0,14	0,14
<u>Germany</u>							
BASF SE -	424,00	EUR	54,700	23.192,80		0,32	0,32
BAYERISCHE MOTOREN WERKE AG (FRA)(PREF)	229,00	EUR	38,835	8.893,22		0,12	0,12
DEUTSCHE LUFTHANSA AG REG	2.919,00	EUR	9,113	26.600,85		0,37	0,37
HENKEL KGAA (FRA)	547,00	EUR	43,780	23.947,66		0,33	0,33
KABEL DEUTSCHLAND HOLDING AG -	887,00	EUR	49,125	43.573,88		0,60	0,60
SUDZUCKER AG (FRA)	33,00	EUR	27,940	922,02		0,01	0,01
VOLKSWAGEN AG PREF	46,00	EUR	124,600	5.731,60		0,08	0,08
<u>Greece</u>							
GREEK ORG OF FOOTBALL PROGNOSTICS -	2.843,00	EUR	4,950	14.072,85		0,19	0,19
<u>Ireland</u>							
ELAN CORPORATION PLC -	977,00	EUR	11,500	11.235,50		0,16	0,15
KERRY GROUP PLC -	169,00	EUR	34,600	5.847,40		0,08	0,08
<u>Israel</u>							
BANK HAPOLIM LTD -	7.904,00	ILS	11,870	18.921,52		0,26	0,26
MIZRAHI TEFAHOT BANK LTD -	2.343,00	ILS	29,850	14.105,06		0,20	0,19
<u>Italy</u>							
AUTOGRILL SPA (MIL)	1.351,00	EUR	7,145	9.652,90		0,13	0,13
ENI -	2.494,00	EUR	16,780	41.849,32		0,58	0,58
EXOR SPA -	1.372,00	EUR	16,910	23.200,52		0,32	0,32
MEDIOBANCA (MIL)	6.096,00	EUR	3,474	21.177,50		0,29	0,29
<u>Japan</u>							
AEON CO LTD. -	2.700,00	JPY	992,000	26.450,72		0,37	0,36
AJINOMOTO -	6.000,00	JPY	1.107,000	65.593,52		0,91	0,90
ALL NIPPON AIRWAYS -	1.000,00	JPY	226,000	2.231,88		0,03	0,03
AMADA -	1.137,00	JPY	468,000	5.254,95		0,07	0,07
AOZORA BANK LTD -	13.853,00	JPY	189,000	25.856,38		0,36	0,36
CENTRAL JAPAN RAILWAY -	9,00	JPY	627.000,000	55.727,83		0,77	0,77
COCA-COLA WEST COMPANY LTD -	1.100,00	JPY	1.389,000	15.088,88		0,21	0,21
DAITO TRUST CONSTRUCTION -	100,00	JPY	7.550,000	7.456,05		0,10	0,10
GUNMA BANK LTD -	1.000,00	JPY	376,000	3.713,21		0,05	0,05
IDEMITSU KOSAN CO LTD -	100,00	JPY	7.100,000	7.011,65		0,10	0,10
JAPAN TOBACCO -	400,00	JPY	2.361,000	9.326,49		0,13	0,13
MINATOPICS CORP -	3.700,00	JPY	1.596,000	58.317,20		0,81	0,80
MITSUBISHI UFJ FINANCIAL GROUP -	16.844,00	JPY	378,000	62.878,06		0,87	0,86
NETSCOUT SYSTEMS INC -	2.611,00	JPY	1.174,000	30.271,72		0,42	0,42
MITSUI CHEMICAL INC -	16.747,00	JPY	198,000	32.746,45		0,45	0,45
NAMCO BANDAI HOLDING INC -	4.400,00	JPY	1.087,000	47.232,87		0,65	0,65

NIPPON PAPER GROUP -	1.700,00	JPY	1.264,000	21.220,62		0,29	0,29
NIPPON TEL & TEL -	1.112,00	JPY	3.700,000	40.632,04		0,56	0,56
NISSAN MOTOR -	3.500,00	JPY	748,000	25.854,24		0,36	0,36
NISSHIN STEEL -	3.541,00	JPY	111,000	3.881,60		0,05	0,05
ONO PHARMACEUTICAL CO LTD -	45,00	JPY	4.995,000	2.219,78		0,03	0,03
OTSUKA HOLDINGS CO LTD -	300,00	JPY	2.443,000	7.237,80		0,10	0,10
SUMITOMO CORP -	5.700,00	JPY	1.108,000	62.370,14		0,86	0,86
TOYOTA INDUSTRIES CORP. -	1.737,00	JPY	2.262,000	38.802,03		0,54	0,53
<u>Jersey/The Channel Islands</u>							
SHIRE LTD -	1.138,00	GBP	18,320	25.767,10		0,36	0,35
<u>Luxembourg</u>							
ACERGY SA -	616,00	NOK	117,100	9.561,97		0,13	0,13
<u>Netherlands</u>							
KONINKLIJKE KPN NV -	2.669,00	EUR	7,556	20.166,96		0,28	0,28
POSTNL NV -	100,00	EUR	3,250	325,00		0,00	0,00
TNT EXPRESS NV -	90,00	EUR	9,239	831,51		0,01	0,01
<u>New Zealand</u>							
SKYCITY ENTERTAINMENT GROUP -	2.791,00	NZD	3,400	6.010,13		0,08	0,08
TELECOM CORP NEW ZEAL NZL REGD	13.024,00	NZD	2,390	19.714,59		0,27	0,27
<u>Norway</u>							
DNB ASA -	2.132,00	NOK	58,950	16.660,22		0,23	0,23
GJENSIDIGE FORSIKRING ASA -	2.076,00	NOK	69,150	19.029,59		0,26	0,26
STATOIL -	2.810,00	NOK	141,400	52.670,27		0,73	0,72
TELENOR A/S -	2.799,00	NOK	98,900	36.695,18		0,51	0,50
YARA INTL ASA -	666,00	NOK	258,800	22.848,01		0,32	0,31
<u>Portugal</u>							
ENERGIAS DE PORTUGAL SA -	25.409,00	EUR	1,864	47.362,38		0,65	0,65
JERONIMO MARTINS -	244,00	EUR	13,325	3.251,30		0,05	0,05
<u>Singapore</u>							
CAPITAMALLS ASIA LTD -	20.000,00	SGD	1,565	19.468,81		0,27	0,27
OVERSEA-CHINESE BANKING CORP LTD. -	8.000,00	SGD	8,790	43.739,50		0,60	0,60
SINGAPORE PRESS HOLDING -	5.000,00	SGD	3,900	12.129,13		0,17	0,17
SINGAPORE TELECOM -	26.000,00	SGD	3,300	53.368,17		0,74	0,73
WILMAR INTERNATIONAL LTD -	5.000,00	SGD	3,610	11.227,22		0,16	0,15
<u>Spain</u>							
BANCO DE VALENCIA SA -	5.090,00	EUR	0,145	738,05		0,01	0,01
FERROVIAL SA -	7.989,00	EUR	8,887	70.998,24		0,98	0,98
TELEFONICA SA -	210,00	EUR	10,370	2.177,70		0,03	0,03
<u>Sweden</u>							
ATLAS COPCO AB "A"	2.618,00	SEK	148,400	44.353,13		0,61	0,61
INVESTOR AB "B"	2.048,00	SEK	131,700	30.791,89		0,43	0,42
NORDEA BANK AB -	4.892,00	SEK	59,400	33.173,67		0,46	0,46
SWEDBANK -	3.172,00	SEK	108,600	39.326,35		0,54	0,54
SWEDISH MATCH AB -	1.590,00	SEK	278,700	50.588,85		0,70	0,70
<u>Switzerland</u>							
NESTLE AG REG	1.743,00	CHF	56,550	82.060,23		1,13	1,13
NOVARTIS AG REG	895,00	CHF	52,900	39.416,81		0,54	0,54
PHONAK HOLDING -	41,00	CHF	91,450	3.121,55		0,04	0,04
SCHINDLER HOLDING AG -	157,00	CHF	106,900	13.972,69		0,19	0,19
THE SWATCH GROUP AG REG	381,00	CHF	65,750	20.855,64		0,29	0,29

<u>U.K.</u>							
AGGREKO PLC -	287,00	GBP	20,720	7.349,70		0,10	0,10
AMEC -	815,00	GBP	10,020	10.093,07		0,14	0,14
ASTRAZENECA PLC -	1.931,00	GBP	28,530	68.089,77		0,94	0,94
BALFOUR BEATTY PLC -	3.475,00	GBP	2,980	12.798,79		0,18	0,18
BP PLC -	4.000,00	GBP	4,220	20.860,22		0,29	0,29
BUNZL -	628,00	GBP	10,430	8.095,46		0,11	0,11
CAPITA GROUP PLC -	771,00	GBP	6,560	6.251,09		0,09	0,09
HSBC HOLDING PLC -	4.471,00	GBP	5,611	31.005,79		0,43	0,43
INTERNAT CONSOLIDATED AIRLINES GROUP -	8.521,00	EUR	1,974	16.820,45		0,23	0,23
INVENSYS PLC -	1.134,00	GBP	2,227	3.121,27		0,04	0,04
LEGAL & GENERAL GROUP PLC -	2.145,00	GBP	1,273	3.374,84		0,05	0,05
LONDON STOCK EXCHANGE GRP PLC -	1.052,00	GBP	10,040	13.054,11		0,18	0,18
LONMIN PLC -	44,00	GBP	7,745	421,18		0,01	0,01
MARKS&SPENCER -	1.235,00	GBP	3,250	4.960,76		0,07	0,07
NEXT PLC -	1.595,00	GBP	31,990	63.062,72		0,87	0,87
RECKITT BENCKISER PLC -	1.345,00	GBP	33,650	55.937,77		0,77	0,77
ROLLS ROYCE GROUP PLC -	6.527,00	GBP	8,580	69.214,76		0,96	0,95
ROYAL BANK OF SCOTLAND GROUP PLC -	10.977,00	GBP	2,153	29.209,59		0,40	0,40
ROYAL DUTCH SHELL PLC -A-	1.299,00	GBP	21,475	34.477,85		0,48	0,47
SABMILLER PLC -	380,00	GBP	25,550	11.999,75		0,17	0,17
STANDARD CHARTERED -	2.764,00	GBP	13,845	47.296,48		0,65	0,65
TATE&LYLE PLC -	4.951,00	GBP	6,475	39.621,46		0,55	0,54
<u>U.S.A.</u>							
ACCENTURE LTD "A"	1.146,00	USD	60,090	54.261,40		0,75	0,75
ACCO BRANDS CORP -	672,00	USD	10,340	5.475,12		0,08	0,08
ACTIVISION INC -	6.622,00	USD	11,990	62.562,27		0,86	0,86
AETNA INC NEW	835,00	USD	38,770	25.508,59		0,35	0,35
ALLEGHANY CORP -	183,00	USD	339,750	48.990,82		0,68	0,67
AMEREN CORP. -	1.565,00	USD	33,540	41.360,10		0,57	0,57
AMERICAN EXPRESS -	1.350,00	USD	58,210	61.920,65		0,85	0,85
AMGEN -	1.104,00	USD	73,040	63.538,07		0,88	0,87
APPLE INC -	269,00	USD	584,000	123.785,36		1,71	1,70
ARROW ELECTRONICS INC -	1.109,00	USD	32,810	28.670,94		0,40	0,39
ASSURANT INC -	2.081,00	USD	34,840	57.128,71		0,79	0,79
BANK OF AMERICA -	1.054,00	USD	8,180	6.793,57		0,09	0,09
BIOGEN IDEC INC -	572,00	USD	144,380	65.073,96		0,90	0,89
BMC SOFTWARE -	1.563,00	USD	42,680	52.563,90		0,73	0,72
BOSTON SCIENTIFIC -	7.776,00	USD	5,670	34.741,09		0,48	0,48
CALPINE CORP -	4.636,00	USD	16,510	60.310,74		0,83	0,83
CAPITAL ONE FINANCIAL CORP -	1.514,00	USD	54,660	65.207,82		0,90	0,90
CARDINAL HEALTH INC -	682,00	USD	42,000	22.570,33		0,31	0,31
CHEVRON CORP -	757,00	USD	105,500	62.929,24		0,87	0,87
CHIPOTLE MEXICAN GRILL INC -A-	36,00	USD	379,950	10.777,87		0,15	0,15
CHURCH & DWIGHT CO. INC. -	325,00	USD	55,470	14.205,15		0,20	0,20
COCA-COLA CO -	131,00	USD	78,190	8.070,99		0,11	0,11
COCA-COLA ENTERPRISE -	1.392,00	USD	28,040	30.755,40		0,42	0,42
COMCAST CORP SPECIAL "A"	2.874,00	USD	31,400	71.108,34		0,98	0,98
CONOCOPHILLIPS -	537,00	USD	55,880	23.644,76		0,33	0,33
CONSTELLATION BRANDS INC "A"	1.969,00	USD	27,060	41.983,41		0,58	0,58
CROWN CASTLE INTL CORP -	1.018,00	USD	58,660	47.053,72		0,65	0,65
CROWN CORK AND SEAL -	1.564,00	USD	34,490	42.504,42		0,59	0,58
CUMMINS INC. -	674,00	USD	96,910	51.467,45		0,71	0,71
CVS CAREMARK CORPORATION -	856,00	USD	46,730	31.519,09		0,44	0,43
DELL INC -	2.477,00	USD	12,520	24.436,25		0,34	0,34
DIRECTV GROUP INC -	1.271,00	USD	48,820	48.893,09		0,68	0,67

DISCOVER FINANCIAL SERVICES -	2.636,00	USD	34,580	71.824,82		0,99	0,99
DISCOVERY COMMUNICATIONS INC -	286,00	USD	50,090	11.288,11		0,16	0,16
DUKE REALTY CORP -	3.503,00	USD	14,640	40.409,68		0,56	0,56
ENERGEN CORPORATION -	1.441,00	USD	45,130	51.242,87		0,71	0,70
ESTEE LAUDER -	744,00	USD	54,120	31.727,43		0,44	0,44
EXXON MOBIL CORP -	958,00	USD	85,570	64.593,85		0,89	0,89
FIDELITY NATIONAL FINANCIAL INC -	793,00	USD	19,260	12.034,65		0,17	0,17
FIDELITY NATIONAL INFORMATION -	828,00	USD	34,080	22.234,84		0,31	0,31
FIFTH THIRD BANCORPORATION -	5.558,00	USD	13,400	58.685,05		0,81	0,81
FOREST LABORATORIES "A"	2.160,00	USD	34,990	59.552,75		0,82	0,82
GAMESTOP CORPORATION -	3.143,00	USD	18,360	45.469,61		0,63	0,63
GILEAD SCIENCES -	947,00	USD	51,280	38.265,04		0,53	0,53
GOOGLE INC -A-	48,00	USD	580,070	21.939,45		0,30	0,30
HARLEY DAVIDSON -	495,00	USD	45,730	17.836,54		0,25	0,25
HARRIS CORP -	1.730,00	USD	41,850	57.048,70		0,79	0,78
I.B.M. -	350,00	USD	195,580	53.938,22		0,74	0,74
INTEL CORP -	3.039,00	USD	26,650	63.816,37		0,88	0,88
INTL PAPER COMP. -	2.141,00	USD	28,910	48.771,81		0,67	0,67
INTUITIVE SURGICAL INC -	66,00	USD	553,790	28.800,05		0,40	0,40
KOHL'S CORPORATION -	536,00	USD	45,490	19.212,54		0,27	0,26
KROGER CY -	1.072,00	USD	23,190	19.588,43		0,27	0,27
LAM RESEARCH CORP -	1.246,00	USD	37,740	37.053,06		0,51	0,51
LIFE TECHNOLOGIES CORP -	1.533,00	USD	44,990	54.345,34		0,75	0,75
LORILLARD INC -	616,00	USD	131,950	64.046,33		0,88	0,88
MACY'S INC -	2.129,00	USD	34,350	57.624,42		0,80	0,79
MARATHON OIL CORP. -	2.468,00	USD	25,570	49.725,60		0,69	0,68
MC DONALD'S CORP -	183,00	USD	88,530	12.765,73		0,18	0,18
MEADWESTVACO CORP -	2.039,00	USD	28,750	46.191,20		0,64	0,64
MICROSOFT CORP -	1.543,00	USD	30,590	37.192,00		0,51	0,51
MOLSON COORS BREWING CO "B"	363,00	USD	41,610	11.901,69		0,16	0,16
MOTOROLA SOLUTIONS INC -	1.709,00	USD	48,110	64.786,06		0,89	0,89
NEWMONT MINING CORP HOLDING CO -	97,00	USD	48,510	3.707,72		0,05	0,05
NORTHROP GRUMMAN CORPORATION -	1.103,00	USD	63,790	55.441,16		0,77	0,76
OMNICARE INC -	991,00	USD	31,230	24.386,52		0,34	0,34
PARKER-HANNIFIN CORPORATION -	635,00	USD	76,880	38.467,26		0,53	0,53
PHILLIPS 66 -	268,00	USD	33,240	7.019,40		0,10	0,10
PINNACLE WEST CAPITAL CORPORATION -	1.215,00	USD	51,740	49.534,39		0,68	0,68
PIONEER NATURAL RESOURCES CO -	592,00	USD	88,210	41.147,52		0,57	0,57
PLAINS EXPLORATION & PRODUCT -	1.137,00	USD	35,180	31.518,13		0,44	0,43
PUBLIC STORAGE INC -	152,00	USD	144,410	17.295,97		0,24	0,24
R.R. DONNELLEY & SONS COMPANY -	1.498,00	USD	11,770	13.892,88		0,19	0,19
RAYONIER INC -	1.847,00	USD	44,900	65.345,76		0,90	0,90
SHERWIN-WILLIAMS COMPANY -	268,00	USD	132,350	27.948,78		0,39	0,38
SIMON PROPERTY GROUP INC -	321,00	USD	155,660	39.371,89		0,54	0,54
SPRINT NEXTEL CORP -	7.020,00	USD	3,260	18.032,62		0,25	0,25
SUNTRUST BANKS -	846,00	USD	24,230	16.152,06		0,22	0,22
THERMO ELECTRONIC -	1.507,00	USD	51,910	61.640,82		0,85	0,85
TORCHMARK -	1.200,00	USD	50,550	47.797,65		0,66	0,66
TRAVELERS COS INC -	700,00	USD	63,840	35.212,36		0,49	0,48
TYSON FOODS INC -A-	4.480,00	USD	18,830	66.471,04		0,92	0,91
UNITED CONTINENTAL HOLDINGS INC -	1.899,00	USD	24,330	36.405,85		0,50	0,50
URS CORP -	1.443,00	USD	34,880	39.659,48		0,55	0,55
VALERO ENERGY CORPORATION -	2.655,00	USD	24,150	50.522,61		0,70	0,69
VERISIGN INC. -	243,00	USD	43,570	8.342,53		0,12	0,12
VERISK ANALYTICS INC -	686,00	USD	49,260	26.627,03		0,37	0,37
WAL-MART STORES -	567,00	USD	69,720	31.149,03		0,43	0,43
WESTERN DIGITAL CORP -	1.315,00	USD	30,480	31.582,38		0,44	0,43
WYNN RESORTS LTD -	591,00	USD	103,720	48.300,78		0,67	0,66

YAHOO INC. -	4.891,00	USD	15,830	61.007,43		0,84	0,84
Total shares				7.243.730,88		99,96	99,54
Warrants							
<u>U.S.A.</u>							
AIG-FP MATCHED FUNDING 19/01/2021	339,00	USD	10,310	2.753,99		0,04	0,04
Total Warrants				2.753,99		0,04	0,04
Rights							
<u>Spain</u>							
BANCO DE VALENCIA SA CP 24/05/12	5.090,00	EUR	0,010	50,90		0,00	0,00
Total rights				50,90		0,00	0,00
TOTAL SECURITIES PORTFOLIO				7.246.535,77		100,00	99,58
COLLATERAL RECEIVED							
<u>Belgium</u>							
KBC GROUP COLLATERAL EUR	143.070,90	EUR	1,000	143.070,90			1,97
TOTAL RECEIVED COLLATERAL				143.070,90			1,97
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP AUD	4.691,77	AUD	1,000	3.789,65			0,05
KBC GROUP CAD	1.596,65	CAD	1,000	1.234,13			0,02
KBC GROUP CHF	6.321,44	CHF	1,000	5.262,82			0,07
KBC GROUP DKK	21.744,32	DKK	1,000	2.924,83			0,04
KBC GROUP EURO	-12.313,90	EUR	1,000	-12.313,90			-0,17
KBC GROUP GBP	1.418,40	GBP	1,000	1.753,06			0,02
KBC GROUP HKD	1.368,69	HKD	1,000	139,04			0,00
KBC GROUP ILS	1.165,72	ILS	1,000	235,10			0,00
KBC GROUP JPY	370.111,00	JPY	1,000	3.655,06			0,05
KBC GROUP NOK	51.891,65	NOK	1,000	6.878,71			0,10
KBC GROUP NZD	2.542,63	NZD	1,000	1.610,38			0,02
KBC GROUP SEK	40.022,03	SEK	1,000	4.568,99			0,06
KBC GROUP SGD	3.066,76	SGD	1,000	1.907,54			0,03
KBC GROUP USD	6.108,31	USD	1,000	4.813,10			0,07
Total demand accounts				26.458,51			0,36
Managed futures accounts							
<u>Belgium</u>							
KBC GROUP EURO FUT REK	0,22	EUR	1,000	0,22			
KBC GROUP FUT.REK.SEK	-2,46	SEK	1,000	-0,28			
Total managed futures accounts				-0,06			
TOTAL CASH AT BANK AND IN HAND				26.458,45			0,36
OTHER RECEIVABLES AND PAYABLES							
Receivables							
<u>Belgium</u>							
KBC GROUP GBP RECEIVABLE	691,86	GBP	1,000	855,10			0,01
Total receivables				855,10			0,01

Payables							
<u>Belgium</u>							
KBC GROUP COUNTERPART ENTRY COLLATERAL IN EUR	-143.070,90	EUR	1,000	-143.070,90			-1,97
KBC GROUP EUR PAYABLE	-9.066,94	EUR	1,000	-9.066,94			-0,13
Payables				-152.137,84			-2,09
TOTAL RECEIVABLES AND PAYABLES				-151.282,74			-2,08
OTHER							
Interest receivable		EUR		12.124,96			0,17
Accrued interest		EUR		791,07			0,01
Expenses payable		EUR		-3.906,36			-0,05
Expenses to be carried forward		EUR		3.413,15			0,05
TOTAL OTHER				12.422,82			0,17
TOTAL NET ASSETS				7.277.205,20			100,00

Geographic breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Australia	2,96	3,16	3,38	3,37
Austria	0,20	0,23	0,22	0,00
Belgium	0,00	0,00	0,19	0,00
Bermuda	0,56	0,23	1,42	0,89
Canada	5,99	7,15	6,87	7,09
Switzerland	3,95	3,50	3,30	2,20
Cayman Islands	0,00	0,00	0,00	0,21
Cyprus	0,11	0,10	0,04	0,03
Germany	3,57	2,75	2,18	1,83
Denmark	0,00	0,36	0,46	0,63
Spain	0,76	0,91	0,20	1,02
Finland	2,31	2,27	0,70	0,38
France	2,60	3,14	4,13	3,93
U.K.	7,70	8,45	8,69	7,69
Greece	0,59	0,66	0,32	0,19
Hong Kong	1,69	1,48	0,00	0,00
Ireland	0,49	0,64	0,06	0,24
Israel	0,00	0,00	0,46	0,46
Italy	0,64	0,43	1,12	1,32
Jersey/The Channel Islands	0,00	0,00	0,00	0,36
Japan	9,77	9,11	9,40	9,07
Luxembourg	0,14	0,00	0,00	0,13
Malaysia	0,00	0,00	0,21	0,00
Netherlands	1,62	1,27	0,97	0,29
Norway	0,87	0,91	2,36	2,04
New Zealand	0,26	0,35	0,48	0,35
Portugal	0,92	1,11	0,81	0,70
Singapore	1,48	1,53	1,11	1,93
Sweden	3,16	3,35	2,27	2,74
U.S.A.	47,66	46,91	48,65	50,91
Total	100,00	100,00	100,00	100,00

Sector breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Cyclicals	28,36	29,74	29,30	25,70
Consum(cycl)	12,71	13,00	12,98	13,54
Cons.goods	10,29	9,99	10,71	11,80
Pharma	9,42	9,70	10,41	10,35
Financials	17,38	18,51	15,93	16,07
Technology	12,36	10,87	12,28	12,54
Telecomm.	4,22	4,10	4,59	4,61
Utilities	3,39	2,99	2,81	3,75
Real est.	1,76	1,00	0,95	1,61
Governm.	0,11	0,10	0,04	0,03
Total	100,00	100,00	100,00	100,00

Currency breakdown (as a % of net assets)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
AUD	2,99	3,16	3,43	3,42
CAD	5,99	7,12	6,87	7,09
CHF	3,94	3,49	3,30	2,27
DKK	0,00	0,39	0,49	0,67
EUR	13,55	14,32	11,22	9,86
GBP	7,48	7,77	8,05	7,83
HKD	1,69	1,47	0,00	0,00
ILS	0,00	0,00	0,46	0,46
JPY	9,75	8,89	9,38	9,10
MYR	0,00	0,00	0,21	0,00
NOK	0,88	0,92	2,35	2,26
NZD	0,27	0,35	0,51	0,38
SEK	3,29	3,42	2,33	2,79
SGD	1,16	1,08	1,11	1,95
USD	49,01	47,62	50,29	51,92
Total	100,00	100,00	100,00	100,00

**2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC EQUITY FUND QUANT GLOBAL 1
(IN THE CURRENCY OF THE SUB-FUND)**

	1st half of year	Year
Purchases	2.797.279,57	2.797.279,57
Sales	3.999.093,63	3.999.093,63
Total 1	6.796.373,20	6.796.373,20
Subscriptions	47.985,07	47.985,07
Redemptions	1.271.552,20	1.271.552,20
Total 2	1.319.537,27	1.319.537,27
Monthly average of total assets	7.705.880,00	7.705.880,00
Turnover rate	71,07 %	71,07 %

	1st half of year	Year
Purchases	2.797.279,57	2.797.279,57
Sales	3.999.093,63	3.999.093,63
Total 1	6.796.373,20	6.796.373,20
Subscriptions	47.985,07	47.985,07
Redemptions	1.271.552,20	1.271.552,20
Total 2	1.319.537,27	1.319.537,27
Monthly average of total assets	7.666.665,63	7.666.665,63
Corrected turnover rate	71,44 %	71,44 %

The table above shows the capital volume of portfolio transactions. This volume (adjusted to take account of total subscriptions and redemptions) is also compared to the average net assets at the beginning and end of the period.

A figure close to 0% implies that the transactions relating to the securities or transactions relating to the assets (excluding deposits and cash) in a given period only involve subscriptions and redemptions.

A negative percentage shows that subscriptions and redemptions entailed few, if any, transactions in the portfolio.

Active asset management may result in high turnover rates (monthly percentage >50%).

The detailed list of transactions is available for consultation free of charge at the registered office of the Bevek or fund at Havenlaan 2, 1080 Brussels.

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

NAME	Currency	Value in currency	In the currency of the sub-fund	Lot-size	Transaction date
KBC COLLATERAL EUR	EUR	143.070,90	143.070,90	N/A	29.06.2012

2.4.4 CHANGES OF THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND THE NET ASSET VALUE

Classic Shares

Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2010 - 06	74,00	10,00	899,00	427,00	3.136,00	968,00	4.104,00
2011 - 06	16,00	3,00	709,00	252,00	2.443,00	719,00	3.162,00
2012 - 06	8,00	12,00	732,00	128,00	1.719,00	603,00	2.322,00

Period	Amounts received and paid by the UCI (in the currency of the class)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2010 - 06	191.554,28	22.493,95	2.332.831,40	994.087,92
2011 - 06	49.229,57	8.197,56	2.161.237,60	668.956,43
2012 - 06	25.649,80	32.023,24	2.209.409,56	348.691,29

Period	Net asset value End of period (in the currency of the class)		
Year	Of the class	Of one share	
		Capitalization	Distribution
2010 - 06	11.112.029,65	2.781,42	2.468,48
2011 - 06	9.424.002,18	3.060,67	2.707,63
2012 - 06	7.277.205,20	3.234,32	2.848,10

Institutional B Shares

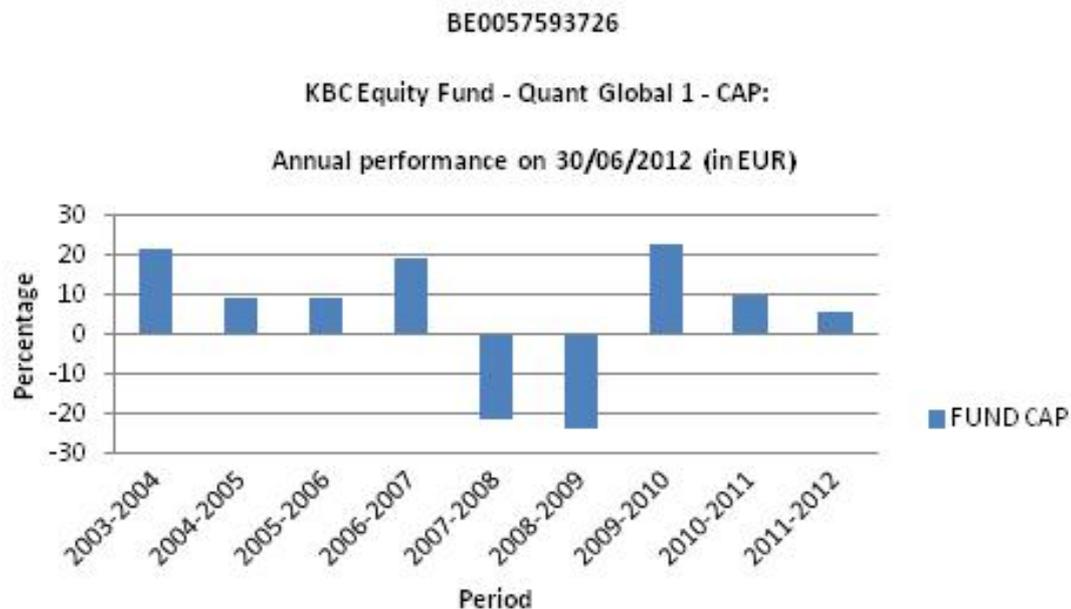
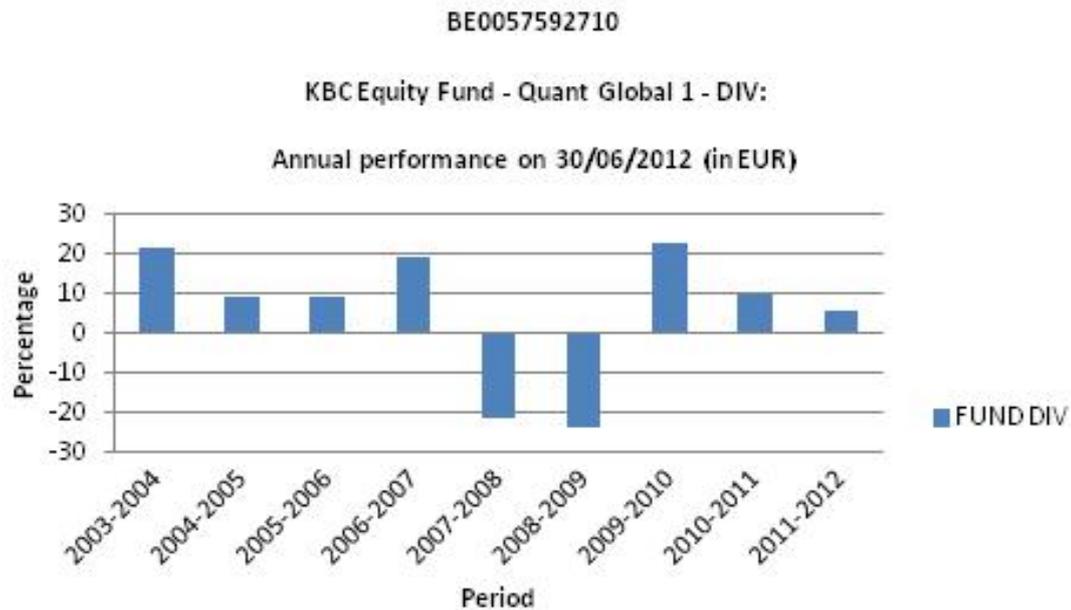
Change in number of shares in circulation: Nil

Amounts received and paid by the UCI: Nil

Net asset value: Nil

2.4.5 PERFORMANCE FIGURES

Classic Shares



Cap Div	ISIN code	Cur- rency	1 Year		3 Years*		5 Years*		10 Years*		Since launch*	
			Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Launch Date	Share classes
CAP	BE0057593726	EUR	5.67%		12.68%		-2.96%				31/10/2002	2.70%
DIV	BE0057592710	EUR	5.63%		12.66%		-2.98%				31/10/2002	2.69%

Risk warning: Past performance is not a guide to future performance.

* Return on annual basis.

Institutional B Shares

The cumulative returns are shown where they relate to a period of at least one year.

Classic Shares

- The bar chart shows the performance for full financial years.
- The figures do not take account of any restructuring.
- Calculated in EUR.
- The return is calculated as the change in the net asset value between two dates expressed as a percentage. In the case of units that pay dividends, the dividend is incorporated geometrically in the return.
- Calculation method for date D, where NAV stands for net asset value:

Capitalisation units (CAP)

Return on date D over a period of X years:

$$[\text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where $Y = D - X$

Return on date D since the start date S of the unit:

$$[\text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where $F = 1$ if the unit has existed for less than one year on date D

where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D

Distribution units (DIV)

Return on date D over a period of X years:

$$[C * \text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where $Y = D - X$

Return on date D since the start date S of the unit:

$$[C * \text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where $F = 1$ if the unit has existed for less than one year on date D

where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D

where C is a factor that is determined for all N dividends between the calculation date D and the reference date.

For dividend i on date Di with value Wi:

$$C_i = [W_i / \text{NIW}(D_i)] + 1$$

$i = 1 \dots N$

from which $C = C_0 * \dots * C_N$.

- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the n^{th} square root of 1 plus the total return of the unit.
- The return figures shown above do not take account of the fees and charges associated with the issue and redemption of units.

These are the performance figures for capitalisation and distribution shares.

2.4.6 COSTS

Total expense ratio (TER): *

Classic Shares Distribution: 1.776%
Classic Shares Capitalization: 1.776%
Institutional B Shares Capitalization: Not applicable

Percentage calculated at the end of the financial year: 31 December

* The following costs have not been included in the TER:

- Transaction charges
- Interest payments on loans taken out
- Payments in respect of financial derivatives
- Fees and charges paid directly by the investor
- Any soft commissions

SOFT COMMISSIONS

The management company or the appointed manager, as the case may be, is the recipient of soft commissions.

The recipient has laid down an internal policy as regards accepting soft commissions and avoiding possible conflicts of interest in this respect, and has put appropriate internal controls in place to ensure this policy is observed.

For more information, please see the 'General' section of the annual report.

	Commission gross in EUR paid during the period: 1-01-12 -	CSA Credits in EUR accrued during the period: 1-01-12 -	
Broker	30-06-12	30-06-12	Percentage
CSFBSAS	940	586	62.34%
JP MORGAN	319	196	61.38%
MERRILL	817	511	62.50%
MORGAN STANLEY	2,221	1,342	60.41%
NOMURA	874	546	62.50%
UBSWDR	138	74	53.47%

FEE-SHARING AGREEMENTS AND REBATES:

The management company may share its fee with the distributor, and institutional and/or professional parties.

In principle, the percentage share amounts to between 35% and 60% if the distributor is an entity of KBC Group NV or to between 35% and 70% if the distributor is not an entity of KBC Group NV. However, in a small number of cases, the distributor's fee is less than 35%. Investors may, on request, obtain more information on these cases.

If the management company invests the assets of the undertaking for collective investment in units of undertakings for collective investment that are not managed by an entity of KBC Group NV, and receives a fee for doing so, it will pay this fee to the undertaking for collective investment.

Fee-sharing does not affect the amount of the management fee paid by the sub-fund to the management company. This management fee is subject to the limitations laid down in the articles of association. The limitations may only be amended after approval by the general meeting of shareholders.

The management company has concluded a distribution agreement with the distributor in order to facilitate the wider distribution of the sub-fund's units by using multiple distribution channels.

It is in the interests of the holders of units, the sub-fund and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund to be maximised in this way. In this respect, there is therefore no question of any conflict of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: 1.35% per annum calculated on the basis of the average total net assets of the sub-fund, excluding those assets invested in investment undertakings managed by a financial institution of the KBC group.

KBC Fund Management Limited receives a fee from the management company of max. 1.35% calculated on that part of the portfolio that it manages, without the total management fee received by the management company being exceeded.

In addition: a performance fee: the management company receives a performance fee as set out in the prospectus.

This performance fee is passed on to KBC Fund Management Limited.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the average total net assets of the sub-fund.

Auditor's fee: 1 700 EUR per year. This fee is not including VAT and will be increased at the end of the 3-year mandate.

The custody fee is calculated on the value of the securities held in custody by the custodian on the final banking day of the preceding calendar year, except on those assets invested in investment undertakings managed by a financial institution of the KBC group. The custody fee is paid at the beginning of the calendar year.

Social, ethical and environmental aspects:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

Exercising voting rights

If necessary, relevant and in the interest of the shareholders, the management company will exercise the voting rights attached to the shares in the Bevek's portfolio.

The management company will adhere to the following criteria when determining how it stands relative to the items on the agenda that are put to the vote:

- Shareholder value may not be adversely affected.
- Corporate governance rules, especially with regard to the rights of minority shareholders, must be respected.
- The minimum standards with regard to sustainable business and corporate social responsibility must be met.

The list of companies for which voting rights are exercised is available at the registered office of the Bevek.

Securities lending

In accordance with the Royal Decree of 7 March 2006 concerning securities lending, the undertaking for collective investment has taken out securities loans with a principal to whom the full title of the loaned securities was transferred, without recording this transfer of ownership in the accounts.

For the period from 1 January 2012 to 30 June 2012, the fee for securities lent comes to 207.59 EUR. KBC Asset Management NV receives 50% of the net fee received for securities lent.

The detailed list of securities lending transactions carried out can be obtained from the registered office of the collective investment undertaking at 2 Havenlaan, 1080 Brussels.

Overview of securities lent as at 30/06/2012

Name	Currency	Quantity	Price	Value in currency of the portfolio
BCE INC NEW	CAD	2.100	41,980	68.141,45
NIPPON PAPER GROUP INC	JPY	1.699	1.264,000	21.208,14
PENN WEST PETROLEUM LTD	CAD	3.250	13,660	34.314,98
SUBSEA 7 SA	NOK	615	117,100	9.546,45
			Total	133.211,02

Details of collateral received for securities lent

Name	Currency	Nominal value	Currency fund	Value in Currency fund
OESTERREICH 2009 3.40% 20/10/14	EUR	34.000	EUR	37.092,84
OAT FRANCE 2003 4% 25/04/14	EUR	43.000	EUR	46.129,15
OAT FRANCE 2005 3% 25/10/15	EUR	55.000	EUR	59.848,91
			Total	143.070,90

For the valuation of the collateral received, indicative prices have been used in this detail list by the Collateral Management Division of KBC Bank.

TABLE OF CONTENTS

- 2. Information on KBC Equity Fund Oil
 - 2.1. Management report
 - 2.1.1. Launch date and subscription price
 - 2.1.2. Stock exchange listing
 - 2.1.3. Aim and distinctive features of the investment policy
 - 2.1.4. Financial portfolio management
 - 2.1.5. Distributors
 - 2.1.6. Index and benchmark
 - 2.1.7. Policy conducted during the financial year
 - 2.1.8. Future policy
 - 2.1.9. Synthetic risk and reward indicator (SRRI)
 - 2.2. Balance sheet
 - 2.3. Profit and loss account
 - 2.4. Composition of the assets and key figures
 - 2.4.1. Composition of the assets
 - 2.4.2. Change in the composition of the assets
 - 2.4.3. Value of commitments in respect of financial derivatives positions
 - 2.4.4. Evolution of the number of subscriptions, repayments and the net asset value
 - 2.4.5. Return figures
 - 2.4.6. Expenses
 - 2.4.7. Notes to the financial statements and other data

2 INFORMATION ON KBC EQUITY FUND OIL

2.1 MANAGEMENT REPORT

2.1.1 LAUNCH DATE AND SUBSCRIPTION PRICE

Classic Shares :

Launch date: 29 September 2000

Initial subscription price: 500 EUR

Currency: EUR

Institutional B Shares :

Launch date: 25 November 2011

Initial subscription price: 574.29 EUR

Currency: EUR

2.1.2 STOCK EXCHANGE LISTING

Not applicable.

2.1.3 GOAL AND KEY PRINCIPLES OF THE INVESTMENT POLICY

SUB-FUND'S OBJECT:

The main objective of this sub-fund is to generate the highest possible return for its shareholders by investing directly or indirectly in transferable securities. This is reflected in its pursuit of capital gains and income. To this end, the assets are invested, either directly or indirectly via correlated financial instruments, primarily in shares.

SUB-FUND'S INVESTMENT POLICY:

PERMITTED ASSET CLASSES:

The sub-fund may invest in securities, money market instruments, units in undertakings for collective investment, deposits, financial derivatives, liquid assets and all other instruments insofar as permitted by the applicable laws and regulations and consistent with the sub-fund's object.

The sub-fund shall invest no more than 10% of its assets in units of other undertakings for collective investment.

RESTRICTIONS OF THE INVESTMENT POLICY:

The investment policy will be implemented within the limits set by law and regulations.

The sub-fund may borrow up to 10% of its net assets, insofar as these are short-term borrowings aimed at solving temporary liquidity problems.

PERMITTED DERIVATIVES TRANSACTIONS:

Derivates may be used either for hedging purposes or to achieve investment objectives.

Changes will be made to the investments at regular intervals to comply with the sub-fund's investment strategy. **In addition, listed and unlisted derivates may be used to achieve the objectives:** these may be forward contracts, options or swaps on securities, indices, currencies or interest rates or other transactions involving derivatives. Unlisted derivatives transactions will only be concluded with prime financial institutions specialised in such transactions. **Such derivatives may also be used to hedge the assets against exchange-rate fluctuations.** Subject to the applicable laws and regulations and the articles of association, the sub-fund always seeks to conclude the most effective transactions.

STRATEGY SELECTED

At least 75% of the assets are invested in shares of companies operating in the oil sector, including companies involved in extracting or refining crude oil or natural gas, or companies involved in the distribution of these products or derivatives thereof.

LENDING FINANCIAL INSTRUMENTS:

The sub-fund may lend financial instruments within the limits set by law and regulations.

This lending does not affect the sub-fund's risk profile since:

- it takes place within the framework of a securities lending system managed by a principal. In addition, the sub-fund has a relationship only with the principal of the securities lending system which acts as counterparty and to which title of the loaned securities is transferred. The choice of principal is subject to strict selection criteria. The return of securities similar to the securities that have been lent is guaranteed by the principal.
- through a margin management system, the sub-fund is always guaranteed financial security, the actual value of which always exceeds the actual value of the securities that have been lent, in case the principal does not return similar securities.

The return of securities similar to the securities that have been lent can be requested at any time, which means that the lending of securities does not affect the management of the sub-fund's assets. By lending securities, the sub-fund can generate an additional return. The principal pays a fee to the management company. After deducting the fee for the margin management and clearing services of KBC Bank, most of this fee is paid to the sub-fund.

The relationship with the counterparty or counterparties is governed by standard international agreements.

More information is provided on the terms and conditions governing securities lending in the annual or half-yearly report for the sub-fund.

VOLATILITY OF THE NET ASSET VALUE:

The volatility of the net asset value may be high due to the composition of the portfolio.

GENERAL STRATEGY FOR HEDGING THE EXCHANGE RATE RISK:

In order to protect its assets against exchange rate fluctuations and within the limitations laid down in the articles of association, the sub-fund may perform transactions relating to the sale of forward currency contracts, as well as the sale of call options and the purchase of put options on currencies. The transactions in question may relate solely to contracts traded on a regulated market that operates regularly, is recognised and is open to the public or that are traded with a recognised, prime financial institution specialising in such transactions and dealing in the over-the-counter (OTC) market in options. With the same objective, the sub-fund may also sell currencies forward or exchange them in private transactions with prime financial institutions specialising in such transactions. The hedging objective of the aforementioned transactions suggests that there is a direct link between these transactions and the assets to be hedged, which implies that the transactions carried out in a particular currency may in principle not exceed, in terms of volume, either the valuation value of all the assets in the same currency or the holding period of those assets.

SOCIAL, ETHICAL AND ENVIRONMENTAL ASPECTS:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

THE EUROPEAN SAVINGS DIRECTIVE AND TAX ON DEBT CLAIM RETURNS OBTAINED THROUGH THE REDEMPTION OF OWN UNITS OR IN THE EVENT OF FULL OR PARTIAL DISTRIBUTION OF EQUITY CAPITAL.

The following information is of a general character and is not intended to cover all aspects of an investment in a UCITS. In certain cases entirely different rules might even apply. Moreover, both tax law and the interpretation of it can change. Investors who wish to have more information about the tax implications – in both Belgium and abroad – of acquiring, holding and transferring units should seek the advice of their usual financial and tax advisers.

This UCITS shall invest a maximum of 15% of its assets directly or indirectly in debt instruments as intended by the European Savings Directive.

A. European Savings Directive (Directive 2003/48/EC)

The European Savings Directive has been implemented in Belgium through:

- The Law of 17 May 2004 transposing into Belgian law Directive 2003/48/EC of 3 June 2003 of the Council of the European Union on taxation of savings income in the form of interest payments and amending Income Tax Code 1992 on withholding tax;
- The Royal Decree of 27 September 2009 implementing Article 338bis § 2 of Income Tax Code 1992;
- The Royal Decree of 27 September 2009 concerning the entry into effect of Article 338bis § 2, paragraphs one to three, of Income Tax Code 1992;

Since this UCITS invests a maximum of 15% of its assets directly or indirectly in debt claims as intended by the European Savings Directive, the income of this UCITS does not fall within the scope of this directive.

B. Tax on debt claim returns obtained through the redemption of own units or in the event of full or partial distribution of equity capital (Article 19bis Income Tax Code 1992).

The income from this UCITS is not subject to the tax on debt instrument returns as intended by Article 19bis, Income Tax Code 1992.

2.1.4 FINANCIAL PORTFOLIO MANAGEMENT

There is no delegation of the portfolio.

2.1.5 DISTRIBUTORS

KBC Asset Management S.A., 5, Place de la Gare, L-1616 Luxembourg.

2.1.6 INDEX AND BENCHMARK

See 'Sub-fund's investment policy'.

2.1.7 POLICY PERSUED DURING THE FINANCIAL YEAR

From the second quarter of the period under review onwards, doubts about the strength of the recovery re-emerged centre-stage. Virtually all over the world confidence indicators began to falter again.

In Europe the debt crisis continues to rage unabated. The US economy is growing, but sluggishly. While the US economy remains outside the danger zone of a recession, Europe is headed for several quarters of negative growth.

Oil prices peaked in spring at 128.40 USD (Brent), but came under pressure as the economic outlook worsened. OPEC was not in fact thrilled by the high oil price, as this has the effect of depressing demand and encouraging investment in unconventional sources of oil. Production was therefore stepped up in order to bring oil prices down. OPEC is aiming at a target price of 100 USD per barrel. OPEC is estimated to be currently producing 2 million barrels more than the production target. This is more than the oil market needs and stocks are consequently rising. The price of oil found notable support around the marginal cost level of 90 USD and closed at 95 USD at the end of the period under review.

During the first half of 2012 we evolved on a stepwise basis to an overweight position in oil services at the expense of the majors, which we are currently underweighting. The majors – the group of integrated players – offer solid balance sheets, secure dividends and strong cash flows. Royal Dutch is the favourite among this group. A number of large projects are starting up (Qatar), and will have a positive impact on the company's production profile and results. We have recently also been focusing on ENI. The fund is overweight in BP and Total as these companies are more sensitive to the lower price of oil. Among prospecting companies, we are slightly overweight in Anadarko, EOG and Tullow. There is also a special focus on companies with significant oil and gas reserves, i.e. Petrobras, BG and Gazprom.

2.1.8 FUTURE POLICY

Given the sluggish world economy, mounting stocks and rising production, the oil market is clearly no longer worried about the tensions in Iran. Oil prices have slipped to 95 USD. This is just above the marginal cost of production and below OPEC's intended target price. It is now a matter of waiting until the cartel cuts oil production again.

In the oil fund our preference is for oil services rather than the majors. Among the oil services Fugro and Schlumberger are our top picks. Royal Dutch is the favourite among this group. A number of large projects are starting up (Qatar), and will have a positive impact on the company's production profile and results. We have recently also been focusing on ENI. Among prospecting companies, we are slightly overweight in Anadarko, EOG and Tullow. There will also be a special focus on companies with significant oil and gas reserves, i.e. Petrobras, BG and Gazprom.

The longer-term fundamentals for the oil price remain sound. In the long term, the challenge of matching supply to increasing demand will remain considerable. The difficulties during the financial crisis in 2008 also depressed investment in new fields, which will ultimately lead to a renewed squeeze on the oil market.

2.1.9 SYNTHETIC RISK AND REWARD INDICATOR

Classic Shares: 7 on a scale of 1 (lowest risk) to 7 (highest risk).

Institutional B Shares: 7 on a scale of 1 (lowest risk) to 7 (highest risk).

The value of a share can decrease or increase and the investor may not get back the amount invested.

In accordance with Commission Regulation (EU) No. 583/2010, a synthetic risk and reward indicator has been calculated. This indicator provides a quantitative measure of the sub-fund's potential return and the risk involved, calculated in the currency in which the sub-fund is denominated. It is given as a figure between 1 and 7. The higher the figure, the greater the potential return, but also the more difficult it is to predict this return. Losses are possible too. The lowest figure does not mean that the investment is entirely free of risk. However, it does indicate that, compared with the higher figures, this product will generally provide a lower, but more predictable return.

The synthetic risk and reward indicator is assessed regularly and can therefore go up or down based on data from the past. Data from the past is not always a reliable indicator of future risk and return.

The most recent indicator can be found under the 'Risk and reward profile' heading in the 'Key Investor Information' document.

2.2 BALANCE SHEET

Balance sheet layout	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
TOTAL NET ASSETS	124.701.851,02	177.079.301,06
II. Securities, money market instruments, UCIs and derivatives		
A. Bonds and other debt instruments		
a) Bonds		
a) Collateral received in the form of bonds	2.731.167,73	2.002.210,66
C. Shares and similar instruments		
a) Shares	123.376.035,91	177.799.577,27
Of which securities lent	2.670.941,92	1.966.376,72
D. Other securities	91.668,63	131.432,25
IV. Receivables and payables within one year		
A. Receivables		
a) Accounts receivable	13.288,24	16.126.559,86
B. Payables		
a) Accounts payable (-)	-1.114.004,98	-16.028.578,09
c) Borrowings (-)		-18.490.989,45
d) Collateral (-)	-2.731.167,73	-2.002.210,66
V. Deposits and cash at bank and in hand		
A. Demand balances at banks	1.974.307,82	17.257.719,93
VI. Accruals and deferrals		
A. Expense to be carried forward	53.452,77	75.495,29
B. Accrued income	388.288,92	368.597,44
C. Accrued expense (-)	-81.186,29	-160.513,44
TOTAL SHAREHOLDERS' EQUITY	124.701.851,02	177.079.301,06
A. Capital	132.208.642,27	185.931.550,77
B. Income equalization	-91.489,08	-219.608,71
D. Result for the period	-7.415.302,17	-8.632.641,00

Off-balance-sheet headings

I Collateral (+/-)		
I.A Collateral (+/-)		
I.A.A Securities/market instruments	2.731.167,73	2.002.210,66
IX Financial instruments lent	2.670.941,92	1.966.376,72

2.3 PROFIT AND LOSS ACCOUNT

Income Statement	30/06/2012 (in the currency of the sub-fund)	30/06/2011 (in the currency of the sub-fund)
I. Net gains(losses) on investments		
C. Shares and similar instruments		
a) Shares	-11.229.304,06	951.919,63
D. Other securities	-5.900,64	9.333,56
G. Receivables, deposits, cash at bank and in hand and payables	-0,02	-0,19
H. Foreign exchange positions and transactions		
b) Other foreign exchange positions and transactions	2.653.976,56	-10.122.456,70
II. Investment income and expenses		
A. Dividends	2.302.883,30	2.314.019,84
B. Interests		
a) Securities and money market instruments	31.350,67	116.463,88
b) Cash at bank and in hand and deposits	9.934,02	4.588,84
c) Collateral (+/-)	0,31	
C. Interest on borrowings (-)	-3.301,27	-4.968,05
III. Other income		
A. Income received to cover the acquisition and realization of assets, to discourage withdrawals and for delivery charges	273.868,28	
B. Other		162.934,07
IV. Operating expenses		
A. Investment transaction and delivery costs (-)	-181.831,34	-259.899,77
B. Financial expenses (-)	-1.101,06	-2.947,45
C. Custodian's fee (-)	-50.584,22	-64.048,04
D. Manager's fee (-)		
a) Financial management		
Classic Shares	-372.850,70	-1.434.108,31
Institutional B Shares	-687.934,45	
b) Administration and accounting management	-76.533,29	-101.547,79
E. Administrative expenses (-)	-325,49	-621,69
F. Formation and organisation expenses (-)	-7.836,39	-9.488,87
G. Remuneration, social security charges and pension	-10,60	-47,07
H. Services and sundry goods (-)	-16.133,20	-19.201,66
J. Taxes		
Classic Shares	-6.602,04	-69.083,12
Institutional B Shares	-1.421,69	
K. Other expenses (-)	-45.644,85	-103.482,11
Income and expenditure for the period		
Subtotal II + III + IV	1.165.925,99	528.562,70
V. Profit (loss) on ordinary activities before tax	-7.415.302,17	-8.632.641,00
VII. Result for the period	-7.415.302,17	-8.632.641,00

2.4 COMPOSITION OF THE ASSETS AND KEY FIGURES

2.4.1 COMPOSITIONS OF THE ASSETS OF KBC EQUITY FUND OIL

Name	Quantity on 30/06/2012	Currency	Price in currency	Evaluation (in the currency of the sub-fund)	% owned by UCI	% portfolio	% Net assets
NET ASSETS							
SECURITIES PORTFOLIO							
Shares							
Exchange-listed shares							
<u>Australia</u>							
CALTEX AUSTRALIA LTD -	6.553,00	AUD	13,520	71.561,37		0,06	0,06
ORIGIN ENERGY LTD -	90.808,00	AUD	12,200	894.840,76		0,73	0,72
PALADIN RESOURCES LTD -	15.042,00	AUD	1,250	15.187,19		0,01	0,01
SANTOS LTD. -	58.377,00	AUD	10,650	502.172,81		0,41	0,40
WOODSIDE PETROLEUM LTD -	24.724,00	AUD	31,020	619.472,95		0,50	0,50
WORLEYPARSONS LTD -	5.428,00	AUD	25,100	110.046,28		0,09	0,09
<u>Bermuda</u>							
SEADRILL LTD -	9.289,00	NOK	211,100	259.936,36		0,21	0,21
<u>Brazil</u>							
OGX PETROLEO E GAS PARTICIPACO -	39.900,00	BRL	5,500	85.672,46		0,07	0,07
PETROBRAS-PETROLEO BRASILEIRO S.A. -	137.054,00	BRL	18,900	1.011.251,45		0,82	0,81
PETROBRAS-PETROLEO BRASILEIRO S.A. PREF	326.145,00	BRL	18,250	2.323.695,59		1,88	1,86
<u>Canada</u>							
ARC RESOURCES LTD -	7.873,00	CAD	22,900	139.355,90		0,11	0,11
CAMECO CORPORATION -	29.470,00	CAD	22,370	509.560,50		0,41	0,41
CANADIAN NATURAL RESOURCES LTD -	47.375,00	CAD	27,310	1.000.047,34		0,81	0,80
CANADIAN OIL SANDS LTD -	17.655,00	CAD	19,720	269.106,55		0,22	0,22
CENOVUS ENERGY INC -	35.751,00	CAD	32,370	894.500,38		0,72	0,72
CRESCENT POINT ENERGY CORP -	7.896,00	CAD	38,000	231.921,16		0,19	0,19
ENBRIDGE INC. -	30.686,00	CAD	40,660	964.400,20		0,78	0,77
ENCANA CORP -	64.247,00	CAD	21,200	1.052.781,76		0,85	0,84
ENERPLUS RESOURCES FUND -	10.724,00	CAD	13,080	108.421,19		0,09	0,09
ETRION CORP -	1.932,00	SEK	2,510	553,61			
HUSKY ENERGY INC -	15.327,00	CAD	25,450	301.505,04		0,24	0,24
IMPERIAL OIL LTD -	18.259,00	CAD	42,590	601.082,75		0,49	0,48
NEXEN INC -	27.073,00	CAD	17,240	360.764,07		0,29	0,29
NIKO RESOURCES LTD -	1.455,00	CAD	13,420	15.092,64		0,01	0,01
PACIFIC RUBIALES ENERGY CORP -	57.639,00	CAD	21,560	960.538,62		0,78	0,77
PENN WEST ENERGY TRUST -	14.785,00	CAD	13,660	156.106,74		0,13	0,13
SUNCOR ENERGY INC -	113.922,00	CAD	29,440	2.592.358,40		2,10	2,08
TALISMAN ENERGY INC. -	48.162,00	CAD	11,670	434.435,20		0,35	0,35
TRANSCANADA CORP -	30.590,00	CAD	42,670	1.008.908,44		0,82	0,81
ULTRA PETROLEUM CORP -	46.381,00	USD	23,070	843.124,79		0,68	0,68
WESTERNZAGROS RESOURCES LTD -	2.440,00	CAD	0,910	1.716,25		0,00	0,00
<u>China</u>							
CHINA COAL ENERGY CO -	275.000,00	HKD	6,340	177.116,56		0,14	0,14
CHINA OILFIELD SERVICES LTD -	194.000,00	HKD	11,080	218.362,83		0,18	0,18
CHINA SHENHUA ENERGY COMPANY LTD -	217.500,00	HKD	27,050	597.673,15		0,48	0,48
PETROCHINA COMPANY LIMITID -	948.000,00	HKD	9,950	958.227,51		0,78	0,77
SINOPEC-CHINA PETROL & CHEM CORP. "A"	1.014.000,00	HKD	6,880	708.701,92		0,57	0,57

YANZHOU COAL MINING CO LTD -	108.000,00	HKD	11,980	131.437,05		0,11	0,11
<u>Finland</u>							
NESTE OIL OYJ -	7.250,00	EUR	8,855	64.198,75		0,05	0,05
<u>France</u>							
COMPAGNIE GENERALE DE GEOPHYSIQUE SA -	35.175,00	EUR	20,235	711.766,13		0,58	0,57
TECHNIP SA (PAR)	64,00	EUR	81,950	5.244,80		0,00	0,00
TOTAL -	85.233,00	EUR	35,500	3.025.771,50		2,45	2,43
<u>Hong Kong</u>							
CNOOC LTD -	907.000,00	HKD	15,400	1.418.943,90		1,15	1,14
<u>Hungary</u>							
MAGYAR OLAJ-ES GAZIPARI RT. -	5.024,00	HUF	16.300,000	286.573,35		0,23	0,23
<u>India</u>							
OIL & NATURAL GAS CORP LTD -	21.613,00	INR	284,850	86.885,25		0,07	0,07
RELIANCE INDUSTRIES LTD -	24.590,00	INR	737,850	256.059,80		0,21	0,21
RELIANCE INDUSTRIES LTD SP GDR "144A"	26.924,00	USD	26,500	562.198,41		0,46	0,45
<u>Italy</u>							
ENI -	189.474,00	EUR	16,780	3.179.373,72		2,58	2,55
SAIPEM (MIL)	31.197,00	EUR	34,990	1.091.583,03		0,88	0,88
<u>Japan</u>							
COSMO OIL CO LTD -	25.000,00	JPY	202,000	49.871,62		0,04	0,04
INPEX CORP -	42,00	JPY	444.500,000	184.366,98		0,15	0,15
JX HOLDINGS INC -	146.478,00	JPY	408,000	590.193,80		0,48	0,47
SHOWA SHELL (OIL) SEKIYU -	13.500,00	JPY	486,000	64.793,60		0,05	0,05
TONENGENERAL SEKIYU KK -	15.000,00	JPY	707,000	104.730,40		0,09	0,08
<u>Luxembourg</u>							
ACERGY SA -	13.578,00	NOK	117,100	210.766,96		0,17	0,17
TENARIS SA -	55.970,00	EUR	13,790	771.826,30		0,63	0,62
<u>Netherlands</u>							
FUGRO NV CVA	28.876,00	EUR	47,730	1.378.251,48		1,12	1,11
SBM OFFSHORE NV (AMS)	9.082,00	EUR	10,885	98.857,57		0,08	0,08
<u>Norway</u>							
AKER KVAERNER ASA -	8.225,00	NOK	83,900	91.476,11		0,07	0,07
PETROLEUM GEO-SERVICES ASA -	38.566,00	NOK	72,200	369.106,45		0,30	0,30
STATOIL -	48.402,00	NOK	141,400	907.240,75		0,74	0,73
<u>Poland</u>							
GRUPA LOTOS SA -	15.658,00	PLN	27,900	103.149,37		0,08	0,08
POLSKI KONCERN NAFTOWY ORLEN SA -	34.185,00	PLN	37,410	301.959,97		0,25	0,24
<u>Portugal</u>							
GALP ENERGIA SGPS SA -	16.061,00	EUR	10,000	160.610,00		0,13	0,13
<u>Russia</u>							
GAZPROM ADR NEW	407.944,00	USD	9,430	3.031.212,61		2,46	2,43
LUKOIL -	11.982,00	USD	55,750	526.354,50		0,43	0,42
NOVATEK OAO -	8.617,00	USD	106,000	719.724,21		0,58	0,58
ROSNEFT OIL COMPANY -	82.646,00	USD	6,260	407.662,09		0,33	0,33
SURGUTNEFTEGAZ OIL ADR NEW	41.241,00	USD	8,270	268.744,05		0,22	0,22
TATNEFT -	14.617,00	USD	33,550	386.415,85		0,31	0,31
TMK OAO -	9.778,00	USD	12,000	92.456,07		0,08	0,07
<u>South Africa</u>							
SASOL LTD -	28.184,00	ZAR	342,400	929.781,44		0,75	0,75

<u>South Korea</u>							
GS HOLDINGS CORP -	7.928,00	KRW	52.000,000	283.627,91		0,23	0,23
S-OIL CORP -	6.209,00	KRW	90.800,000	387.872,94		0,31	0,31
SK ENERGY CO LTD -	3.663,00	KRW	138.000,000	347.774,70		0,28	0,28
<u>Spain</u>							
REPSOL INTL FINANCE -	89.212,00	EUR	12,640	1.127.639,68		0,91	0,90
<u>Thailand</u>							
PTT EXPLORATION PRODUCTION (L)	33.149,00	THB	168,000	138.171,89		0,11	0,11
PTT PLC -LOC-	18.013,00	THB	323,000	144.353,92		0,12	0,12
<u>Turkey</u>							
TUPRAS-TURKIYE PETROL RAF. A.S. -	8.098,00	TRY	38,700	136.530,71		0,11	0,11
<u>U.K.</u>							
BG GROUP PLC -	201.929,00	GBP	13,000	3.244.440,74		2,63	2,60
BP PLC -	860.629,00	GBP	4,220	4.488.226,50		3,64	3,60
ENQUEST PLC -	9.395,00	GBP	1,077	12.505,77		0,01	0,01
ENQUEST PLC -	11.403,00	SEK	11,650	15.165,81		0,01	0,01
ROYAL DUTCH SHELL PLC -A-	279.332,00	EUR	26,605	7.431.627,86		6,02	5,96
ROYAL DUTCH SHELL PLC -B-	142.905,00	GBP	22,250	3.929.843,34		3,18	3,15
TULLOW OIL INC (DUB)	8.481,00	EUR	18,120	153.675,72		0,12	0,12
TULLOW OIL INC (LON)	30.039,00	GBP	14,700	545.758,62		0,44	0,44
<u>U.S.A.</u>							
ANADARKO PETROLEUM -	37.866,00	USD	66,200	1.975.202,27		1,60	1,58
APACHE CORP. -	21.876,00	USD	87,890	1.514.996,17		1,23	1,22
ARCH COAL INC -	22.057,00	USD	6,890	119.748,43		0,10	0,10
BAKER HUGHES INC -	27.250,00	USD	41,100	882.495,47		0,72	0,71
CABOT OIL & GAS CORP -	7.043,00	USD	39,400	218.654,32		0,18	0,18
CAMERON INTERNATIONAL CORP -	28.681,00	USD	42,710	965.223,79		0,78	0,77
CHESAPEAKE ENERGY CORP -	33.460,00	USD	18,600	490.391,62		0,40	0,39
CHEVRON CORP -	109.240,00	USD	105,500	9.081.096,84		7,36	7,28
CIMAREX ENERGY CO. -	4.285,00	USD	55,120	186.107,64		0,15	0,15
CONOCOPHILLIPS -	55.352,00	USD	55,880	2.437.215,16		1,97	1,95
CONSOL ENERGY INC -	16.499,00	USD	30,240	393.136,68		0,32	0,32
DENBURY RESOURCES INC -	19.591,00	USD	15,110	233.251,92		0,19	0,19
DEVON ENERGY -	27.110,00	USD	57,990	1.238.758,88		1,00	0,99
DIAMOND OFFSHORE DRILLING INC -	4.660,00	USD	59,130	217.119,06		0,18	0,17
EOG RESOURCES INC. -	12.807,00	USD	90,110	909.336,36		0,74	0,73
EQT CORP -	15.992,00	USD	53,630	675.794,63		0,55	0,54
EXTERRAN HOLDINGS INC -	2.318,00	USD	12,750	23.287,76		0,02	0,02
EXXON MOBIL CORP -	168.796,00	USD	85,570	11.381.194,33		9,22	9,13
FMC TECHNOLOGIES INC. -	21.460,00	USD	39,230	663.364,43		0,54	0,53
HALLIBURTON CY -	24.745,00	USD	28,390	553.550,19		0,45	0,44
HELMERICH & PAYNE, INC. -	10.578,00	USD	43,480	362.407,56		0,29	0,29
HESS CORP -	9.084,00	USD	43,450	311.007,64		0,25	0,25
KINDER MORGAN -	16.409,00	USD	32,220	416.592,85		0,34	0,33
MARATHON OIL CORP. -	46.650,00	USD	25,570	939.910,57		0,76	0,75
MARATHON PETROLEUM CORP -	21.290,00	USD	44,920	753.563,00		0,61	0,60
MURPHY OIL CORPORATION -	13.018,00	USD	50,290	515.857,87		0,42	0,41
NABORS INDUSTRIES LTD -	26.056,00	USD	14,400	295.647,62		0,24	0,24
NATIONAL-OILWELL VARCO INC -	19.397,00	USD	64,440	984.904,80		0,80	0,79
NEWFIELD EXPLORATION CO. -	7.648,00	USD	29,310	176.631,38		0,14	0,14
NOBLE CORP -	21.534,00	USD	32,530	551.966,76		0,45	0,44
NOBLE ENERGY INC -	10.895,00	USD	84,820	728.164,76		0,59	0,58
OCCID. PETROLEUM -	40.587,00	USD	85,770	2.743.004,48		2,22	2,20
PEABODY ENERGY CORP -	38.921,00	USD	24,520	751.984,02		0,61	0,60

PHILLIPS 66 -	27.676,00	USD	33,240	724.883,97		0,59	0,58
PIONEER NATURAL RESOURCES CO -	9.877,00	USD	88,210	686.510,26		0,56	0,55
PLAINS EXPLORATION & PRODUCT -	6.583,00	USD	35,180	182.483,60		0,15	0,15
RANGE RESOURCES CORP -	10.305,00	USD	61,870	502.379,91		0,41	0,40
ROWAN -	3.152,00	USD	32,330	80.296,40		0,07	0,06
SCHLUMBERGER -	102.270,00	USD	64,910	5.230.750,69		4,24	4,20
SEAHAWK DRILLING INC -	319,00	USD	1,280	321,74			
SOUTHWESTERN ENERGY CO -	21.863,00	USD	31,930	550.063,50		0,45	0,44
SPECTRA ENERGY CORP -	36.022,00	USD	29,060	824.835,96		0,67	0,66
SUNCOKE ENERGY INC -	3.235,00	USD	14,650	37.343,59		0,03	0,03
SUNOCO,INC. -	5.157,00	USD	47,500	193.016,70		0,16	0,16
TESORO CORP -	14.316,00	USD	24,960	281.559,66		0,23	0,23
TRANSOCEAN SEDCO FOREX INC. -	10.042,00	USD	44,730	353.934,80		0,29	0,28
TRANSOCEAN SEDCO FOREX INC. -	22.214,00	CHF	42,220	780.814,29		0,63	0,63
VALERO ENERGY CORPORATION -	86.159,00	USD	24,150	1.639.539,71		1,33	1,32
WEATHERFORD INTERNATIONAL -	84.200,00	USD	12,630	837.952,88		0,68	0,67
WILLIAMS COMPAGNIES -	30.703,00	USD	28,820	697.234,62		0,57	0,56
WPX ENERGY INC -	9.690,00	USD	16,180	123.539,67		0,10	0,10
Total shares				123.376.035,91		99,93	98,94
Warrants							
<u>U.S.A.</u>							
KINDER MORGAN 25/05/2017	24.821,00	USD	2,160	42.245,18		0,03	0,03
Total Warrants				42.245,18		0,03	0,03
Rights							
<u>Spain</u>							
REPSOL YPF SA CP 21/06/12	89.212,00	EUR	0,554	49.423,45		0,04	0,04
Total rights				49.423,45		0,04	0,04
TOTAL SECURITIES PORTFOLIO				123.467.704,54		100,00	99,01
COLLATERAL RECEIVED							
<u>Belgium</u>							
KBC GROUP COLLATERAL EUR	2.731.167,73	EUR	1,000	2.731.167,73			2,19
TOTAL RECEIVED COLLATERAL				2.731.167,73			2,19
CASH AT BANK AND IN HAND							
Demand accounts							
<u>Belgium</u>							
KBC GROUP AUD	121.062,51	AUD	1,000	97.784,83			0,08
KBC GROUP CAD	37.930,99	CAD	1,000	29.318,64			0,02
KBC GROUP CHF	61.778,44	CHF	1,000	51.432,74			0,04
KBC GROUP EURO	1.045.873,49	EUR	1,000	1.045.873,49			0,84
KBC GROUP GBP	65.697,50	GBP	1,000	81.198,24			0,07
KBC GROUP HKD	473.067,96	HKD	1,000	48.057,45			0,04
KBC GROUP HUF	62.664,10	HUF	1,000	219,29			
KBC GROUP JPY	31.361.179,00	JPY	1,000	309.709,45			0,25
KBC GROUP NOK	349.187,13	NOK	1,000	46.287,96			0,04
KBC GROUP NZD	1.249,34	NZD	1,000	791,27			0,00
KBC GROUP PLN	473.326,97	PLN	1,000	111.760,24			0,09
KBC GROUP SEK	6.738,31	SEK	1,000	769,26			0,00
KBC GROUP TRY	121.543,94	TRY	1,000	52.951,09			0,04
KBC GROUP USD	123.516,30	USD	1,000	97.325,90			0,08

KBC GROUP ZAR	8.593,54	ZAR	1,000	827,97		0,00
Total demand accounts				1.974.307,82		1,58
TOTAL CASH AT BANK AND IN HAND				1.974.307,82		1,58
OTHER RECEIVABLES AND PAYABLES						
Receivables						
<u>Belgium</u>						
KBC GROUP EUR RECEIVABLE	13.288,24	EUR	1,000	13.288,24		0,01
Total receivables				13.288,24		0,01
Payables						
<u>Belgium</u>						
KBC GROUP COUNTERPART ENTRY COLLATERAL IN EUR	-2.731.167,73	EUR	1,000	-2.731.167,73		-2,19
KBC GROUP EUR PAYABLE	-1.114.004,98	EUR	1,000	-1.114.004,98		-0,89
Payables				-3.845.172,71		-3,08
TOTAL RECEIVABLES AND PAYABLES				-3.831.884,47		-3,07
OTHER						
Interest receivable		EUR		377.215,07		0,30
Accrued interest		EUR		11.073,85		0,01
Expenses payable		EUR		-81.186,29		-0,07
Expenses to be carried forward		EUR		53.452,77		0,04
TOTAL OTHER				360.555,40		0,29
TOTAL NET ASSETS				124.701.851,02		100,00

Geographic breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Australia	2,12	2,24	2,09	1,79
Austria	0,18	0,39	0,52	0,00
Bermuda	0,37	0,45	0,23	0,21
Brazil	4,62	3,85	3,43	2,77
Canada	9,94	10,22	9,15	10,08
China	2,51	2,65	2,77	2,26
Spain	0,66	0,74	1,29	0,95
Finland	0,05	0,06	0,06	0,05
France	4,10	5,01	3,81	3,03
U.K.	14,60	15,28	16,95	16,05
Hong Kong	1,52	1,36	1,07	1,15
Hungary	0,22	0,32	0,26	0,23
India	1,00	0,91	0,80	0,73
Italy	2,13	2,17	2,30	3,46
Japan	0,72	0,87	1,04	0,81
South Korea	0,72	1,12	0,93	0,83
Luxembourg	0,31	0,77	0,50	0,80
Netherlands	0,37	0,42	0,63	1,20
Norway	1,42	1,63	1,19	1,11
Poland	0,35	0,50	0,33	0,33
Portugal	0,08	0,24	0,01	0,13
Russia	4,68	5,88	5,12	4,40
Thailand	0,20	0,22	0,28	0,23
Turkey	0,10	0,10	0,13	0,11
U.S.A.	45,96	41,62	44,20	46,54
South Africa	1,07	0,98	0,91	0,75
Total	100,00	100,00	100,00	100,00

Sector breakdown (as a % of securities portfolio)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
Cyclicals	98,51	98,47	98,04	97,64
Consum(cycl)	0,56	0,56	0,75	0,67
Cons.goods	0,50	0,56	0,72	0,56
Technology	0,43	0,41	0,49	0,58
Utilities	0,00	0,00	0,00	0,55
Total	100,00	100,00	100,00	100,00

Currency breakdown (as a % of net assets)

	31/12/2010	30/06/2011	31/12/2011	30/06/2012
AUD	2,13	2,26	2,12	1,86
BRC	2,63	0,00	0,00	0,00
BRL	1,51	3,88	3,49	2,75
CAD	9,29	9,56	9,09	9,35
CHF	0,00	0,00	0,48	0,67
EUR	12,24	13,00	14,33	15,44
GBP	10,58	10,56	11,48	9,89
HKD	4,04	4,09	3,83	3,42
HUF	0,22	0,32	0,26	0,23
INR	0,47	0,34	0,31	0,28
JPY	0,72	0,99	1,05	1,05
KRW	0,72	1,12	0,93	0,82
NOK	1,80	2,28	1,59	1,52
PLN	0,35	0,58	0,33	0,42
SEK	0,01	0,01	0,01	0,01
THB	0,20	0,22	0,28	0,23
TRY	0,11	0,11	0,12	0,15
USD	51,91	49,70	49,38	51,16
ZAR	1,07	0,98	0,92	0,75
Total	100,00	100,00	100,00	100,00

2.4.2 CHANGES IN THE COMPOSITION OF THE ASSETS OF KBC EQUITY FUND OIL (IN THE CURRENCY OF THE SUB-FUND)

	1st half of year	Year
Purchases	72.360.159,36	72.360.159,36
Sales	63.199.058,29	63.199.058,29
Total 1	135.559.217,65	135.559.217,65
Subscriptions	102.516.280,69	102.516.280,69
Redemptions	93.426.540,64	93.426.540,64
Total 2	195.942.821,33	195.942.821,33
Monthly average of total assets	158.031.963,35	158.031.963,35
Turnover rate	-38,21 %	-38,21 %

	1st half of year	Year
Purchases	72.360.159,36	72.360.159,36
Sales	63.199.058,29	63.199.058,29
Total 1	135.559.217,65	135.559.217,65
Subscriptions	102.516.280,69	102.516.280,69
Redemptions	93.426.540,64	93.426.540,64
Total 2	195.942.821,33	195.942.821,33
Monthly average of total assets	161.626.348,17	161.626.348,17
Corrected turnover rate	-37,36 %	-37,36 %

The table above shows the capital volume of portfolio transactions. This volume (adjusted to take account of total subscriptions and redemptions) is also compared to the average net assets at the beginning and end of the period.

A figure close to 0% implies that the transactions relating to the securities or transactions relating to the assets (excluding deposits and cash) in a given period only involve subscriptions and redemptions.

A negative percentage shows that subscriptions and redemptions entailed few, if any, transactions in the portfolio.

Active asset management may result in high turnover rates (monthly percentage >50%).

The detailed list of transactions is available for consultation free of charge at the registered office of the Bevek or fund at Havenlaan 2, 1080 Brussels.

2.4.3 AMOUNT OF COMMITMENTS IN RESPECT OF FINANCIAL DERIVATIVES POSITIONS

NAME	Currency	Value in currency	In the currency of the sub-fund	Lot-size	Transaction date
KBC COLLATERAL EUR	EUR	2.731.167,73	2.731.167,73	N/A	29.06.2012

2.4.4 CHANGES OF THE NUMBER OF SUBSCRIPTIONS AND REDEMPTIONS AND THE NET ASSET VALUE

Classic Shares

Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2010 - 06	279.253,12	57.038,50	171.642,99	6.131,00	193.526,76	59.574,50	253.101,26
2011 - 06	319.024,51	11.500,33	274.773,66	26.980,69	237.777,61	44.094,13	281.871,74
2012 - 06	78.585,67	2.717,96	261.843,95	27.712,01	54.519,33	19.100,08	73.619,41

Period	Amounts received and paid by the UCI (in the currency of the class)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2010 - 06	154.543.310,52	27.215.394,54	95.395.579,26	2.991.702,54
2011 - 06	210.862.323,91	6.242.786,88	175.985.893,80	14.269.332,77
2012 - 06	49.448.669,73	1.495.173,04	156.528.354,10	14.323.092,06

Period	Net asset value End of period (in the currency of the class)		
Year	Of the class	Of one share	
		Capitalization	Distribution
2010 - 06	131.053.897,28	535,20	461,26
2011 - 06	177.079.301,06	642,34	552,13
2012 - 06	43.698.014,40	616,81	527,21

Institutional B Shares

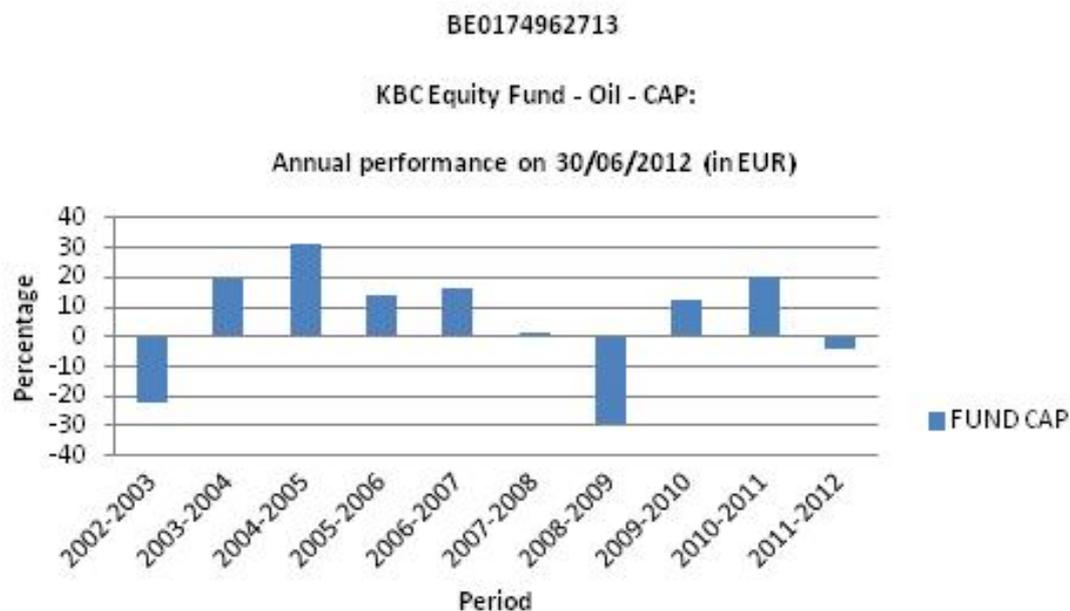
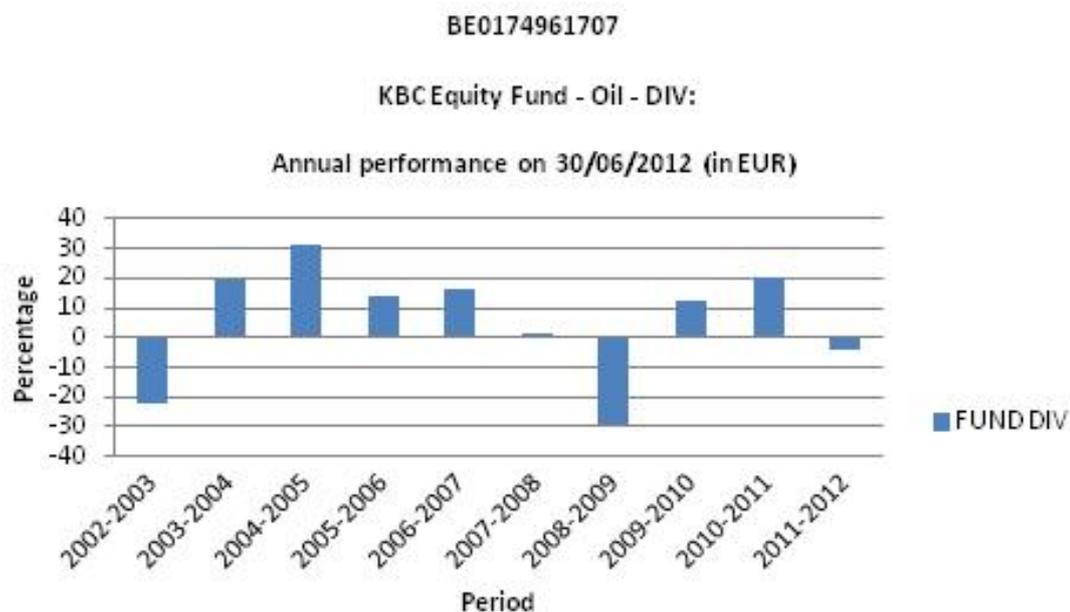
Period	Change in number of shares in circulation						
Year	Subscriptions		Redemptions		End of period		
	Cap.	Dis.	Cap.	Dis.	Cap.	Dis.	Total
2012 - 06	239.800,00		108.587,00		131.213,00		131.213,00

Period	Amounts received and paid by the UCI (in the currency of the class)			
Year	Subscriptions		Redemptions	
	Capitalization	Distribution	Capitalization	Distribution
2012 - 06	152.327.284,95		68.390.194,03	

Period	Net asset value End of period (in the currency of the class)		
Year	Of the class	Of one share	
		Capitalization	Distribution
2012 - 06	81.003.836,62	617,35	

2.4.5 PERFORMANCE FIGURES

Classic Shares



Cap Div	ISIN code	Cur- rency	1 Year		3 Years*		5 Years*		10 Years*		Since launch*	
			Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Share classes	Bench mark	Launch Date	Share classes
CAP	BE0174962713	EUR	-3.97%		8.93%		-1.63%		4.13%		29/09/2000	1.80%
DIV	BE0174961707	EUR	-3.97%		8.96%		-1.61%		4.14%		29/09/2000	1.80%

Risk warning: Past performance is not a guide to future performance.

* Return on annual basis.

Institutional B Shares

The cumulative returns are shown where they relate to a period of at least one year.

Classic Shares

- The bar chart shows the performance for full financial years.
- The figures do not take account of any restructuring.
- Calculated in EUR.
- The return is calculated as the change in the net asset value between two dates expressed as a percentage. In the case of units that pay dividends, the dividend is incorporated geometrically in the return.
- Calculation method for date D, where NAV stands for net asset value:

Capitalisation units (CAP)

Return on date D over a period of X years:

$$[\text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where $Y = D - X$

Return on date D since the start date S of the unit:

$$[\text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where $F = 1$ if the unit has existed for less than one year on date D

where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D

Distribution units (DIV)

Return on date D over a period of X years:

$$[C * \text{NIW}(D) / \text{NIW}(Y)]^{1/X} - 1$$

where $Y = D - X$

Return on date D since the start date S of the unit:

$$[C * \text{NIW}(D) / \text{NIW}(S)]^{1/F} - 1$$

where $F = 1$ if the unit has existed for less than one year on date D

where $F = (D - S) / 365.25$ if the unit has existed for longer than one year on date D

where C is a factor that is determined for all N dividends between the calculation date D and the reference date.

For dividend i on date Di with value Wi:

$$C_i = [W_i / \text{NIW}(D_i)] + 1$$

$i = 1 \dots N$

from which $C = C_0 * \dots * C_N$.

- If the interval between the two dates exceeds one year, the ordinary return calculation is converted into a return on an annual basis by taking the n^{th} square root of 1 plus the total return of the unit.
- The return figures shown above do not take account of the fees and charges associated with the issue and redemption of units.

These are the performance figures for capitalisation and distribution shares.

2.4.6 COSTS

Total expense ratio (TER): *

Classic Shares Distribution: 1.6%

Classic Shares Capitalization: 1.6%

Institutional B Shares Capitalization: Not applicable

Percentage calculated at the end of the financial year: 31 December

* The following costs have not been included in the TER:

- Transaction charges
- Interest payments on loans taken out
- Payments in respect of financial derivatives
- Fees and charges paid directly by the investor
- Any soft commissions

SOFT COMMISSIONS

The management company or the appointed manager, as the case may be, is the recipient of soft commissions.

The recipient has laid down an internal policy as regards accepting soft commissions and avoiding possible conflicts of interest in this respect, and has put appropriate internal controls in place to ensure this policy is observed.

For more information, please see the 'General' section of the annual report.

Broker	Commission gross in EUR paid during the period: 1-01-12 -	CSA Credits in EUR accrued during the period: 1-01-12 -	Percentage
	30-06-12	30-06-12	
CITI	7,623	4,735	62.11%
CSFBSAS	39,561	24,043	60.77%
DEUTSCHE	2,828	1,414	50.00%
HSBC	2,735	1,519	55.56%
JP MORGAN	8,029	4,748	59.13%
MERRILL	11,513	7,124	61.87%
MORGAN STANLEY	4,948	2,754	55.67%
NOMURA	2,511	867	34.51%
SOCGEN	1,040	520	50.00%
UBSWDR	13,146	7,309	55.60%

FEE-SHARING AGREEMENTS AND REBATES:

The management company may share its fee with the distributor, and institutional and/or professional parties.

In principle, the percentage share amounts to between 35% and 60% if the distributor is an entity of KBC Group NV or to between 35% and 70% if the distributor is not an entity of KBC Group NV. However, in a small number of cases, the distributor's fee is less than 35%. Investors may, on request, obtain more information on these cases.

If the management company invests the assets of the undertaking for collective investment in units of undertakings for collective investment that are not managed by an entity of KBC Group NV, and receives a fee for doing so, it will pay this fee to the undertaking for collective investment.

Fee-sharing does not affect the amount of the management fee paid by the sub-fund to the management company. This management fee is subject to the limitations laid down in the articles of association. The limitations may only be amended after approval by the general meeting of shareholders.

The management company has concluded a distribution agreement with the distributor in order to facilitate the wider distribution of the sub-fund's units by using multiple distribution channels.

It is in the interests of the holders of units, the sub-fund and of the distributor for the largest possible number of units to be sold and for the assets of the sub-fund to be maximised in this way. In this respect, there is therefore no question of any conflict of interest.

2.4.7 NOTES TO THE FINANCIAL STATEMENTS AND OTHER DATA

Fee for managing the investment portfolio: 1.35% per annum calculated on the basis of the average total net assets of the sub-fund, excluding those assets invested in investment undertakings managed by a financial institution of the KBC group.

The administration agent's fee is payable at the end of each month and is calculated on the basis of the average total net assets of the sub-fund.

Auditor's fee: 1 700 EUR per year. This fee is not including VAT and will be increased at the end of the 3-year mandate.

The custody fee is calculated on the value of the securities held in custody by the custodian on the final banking day of the preceding calendar year, except on those assets invested in investment undertakings managed by a financial institution of the KBC group. The custody fee is paid at the beginning of the calendar year.

Social, ethical and environmental aspects:

No manufacturers of controversial weapons whose use over the past five decades, according to the international consensus, has led to disproportionate human suffering among the civilian population will be included in the portfolio of investments. This involves the manufacturers of anti-personnel mines, cluster bombs and munitions and weapons containing depleted uranium. In this way, the sub-fund seeks to reflect not only simple financial reality but also the social reality of the sector or region in question.

Exercising voting rights

If necessary, relevant and in the interest of the shareholders, the management company will exercise the voting rights attached to the shares in the Bevek's portfolio.

The management company will adhere to the following criteria when determining how it stands relative to the items on the agenda that are put to the vote:

- Shareholder value may not be adversely affected.
- Corporate governance rules, especially with regard to the rights of minority shareholders, must be respected.
- The minimum standards with regard to sustainable business and corporate social responsibility must be met.

The list of companies for which voting rights are exercised is available at the registered office of the Bevek.

Securities lending

In accordance with the Royal Decree of 7 March 2006 concerning securities lending, the undertaking for collective investment has taken out securities loans with a principal to whom the full title of the loaned securities was transferred, without recording this transfer of ownership in the accounts.

For the period from 1 January 2012 to 30 June 2012, the fee for securities lent comes to 20,276.82 EUR. KBC Asset Management NV receives 50% of the net fee received for securities lent. The detailed list of securities lending transactions carried out can be obtained from the registered office of the collective investment undertaking at 2 Havenlaan, 1080 Brussels.

Overview of securities lent as at 30/06/2012

Name	Currency	Quantity	Price	Value in currency of the portfolio
ARC ENERGY CORP	CAD	670	22,900	11.859,32
CENOVUS ENERGY INC	CAD	8.065	32,370	201.788,64
COSMO OIL CO LTD	JPY	7.000	202,000	13.964,05
CRESCENT POINT ENERGY CORP	CAD	3.295	38,000	96.780,68
ENERPLUS CORP	CAD	3.565	13,080	36.042,67
HUSKY ENERGY INC	CAD	15.300	25,450	300.973,91
MAGYAR OLAJ-ES (BUD)	HUF	5.023	16.300,000	286.516,31
PENN WEST PETROLEUM LTD	CAD	14.700	13,660	155.209,28
POLSKI KONCERN NAFTO	PLN	34.184	37,410	301.951,13
SHOWA SHELL SEKIYU	JPY	9.900	486,000	47.515,31
SUBSEA 7 SA	NOK	13.577	117,100	210.751,44
TRANSCANADA CORP	CAD	30.550	42,670	1.007.589,18
			Total	2.670.941,92

Details of collateral received for securities lent

Name	Currency	Nominal value	Currency fund	Value in Currency fund
OESTERREICH 2009 3.40% 20/10/14	EUR	11.000	EUR	12.000,63
FLEMISH 2009 3,875% 20/07/2016	EUR	550.000	EUR	615.293,80
GERMANY 2009 2,25% 11/04/14	EUR	507.000	EUR	529.208,12
OAT FRANCE 2003 4% 25/10/13	EUR	498.000	EUR	536.096,50
OAT FRANCE 2003 4% 25/04/14	EUR	530.000	EUR	568.568,63
OAT FRANCE 2005 3% 25/10/15	EUR	215.000	EUR	233.954,83
BTAN FRANCE 2008 4 1/2% 12/07/13	EUR	217.000	EUR	236.045,22
			Total	2.731.167,73

For the valuation of the collateral received, indicative prices have been used in this detail list by the Collateral Management Division of KBC Bank.